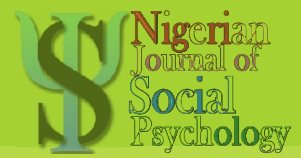


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Exploring the Effect of Entrepreneurial Success and Social Status on Subjective Well-being among Traders in Owerri

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Abstract

The study investigates the influence of entrepreneurial success and social status on subjective well-being among traders in Owerri. Utilizing a cross-sectional survey design with 385 traders, selected purposively from markets in Owerri town, a two-way ANOVA analysis was carried out. The mean age of 24.36 and a Standard Deviation of 2.90 were recorded. Findings reveal significant impacts of both entrepreneurial success and social class on subjective well-being, challenging initial hypotheses. While entrepreneurial success positively influences psychological well-being, social class also emerges as a determinant of well-being among traders. The study concludes with implications for fostering a supportive market culture and addressing challenges such as negative social comparison and stress, thereby enhancing traders' overall well-being.

Keywords: *entrepreneurship, social status, subjective wellbeing, stress, success.*

INTRODUCTION

The subjective well-being literature is awash with various terms and models; the same term can reflect different concepts for different researchers, while different terms can mean the same thing for others. Efforts have been made to reconcile two main approaches in well-being research: hedonic (focusing on pleasure and happiness) and eudaemonic (emphasizing living a good life according to one's true nature). The hedonic tradition, often referred to as subjective well-being (SWB), traces back to ancient philosophers like Aristippus and Epicurus, prioritizing pleasure irrespective of virtue. Eudaemonic tradition also known as psychological well-being (PWB), is rooted in Aristotle's Nicomachean Ethics, centers on living a good life aligned with one's true self. While hedonic concepts are well-established, eudaemonic models have struggled due to the vagueness in defining wellness and the good life.

While hedonic concepts have been well-established and widely studied, eudaemonic models have encountered challenges. One major obstacle is the difficulty in operationalizing and defining wellness and the good life in concrete terms. Unlike subjective well-being constructs, which are more straightforward to measure and assess, psychological well-being has struggled to develop well-validated models that capture its multidimensional nature.

The entrepreneurial journey is often romanticized as a path to freedom, fortune, and ultimate happiness. However, the reality for entrepreneurs is far more nuanced. Some studies suggest that entrepreneurs report higher levels of satisfaction and well-being compared to employees (Benz & Frey, 2008). This can be attributed to several factors. Firstly, entrepreneurship often grants a sense of autonomy and control. This freedom aligns with Ryan & Deci's self-determination theory, which suggests that autonomy contributes to job satisfaction and overall well-being. Furthermore, entrepreneurial success can bring recognition and social status within the business community (Bénabou & Tirole, 2006). This elevated social standing can boost self-esteem and feelings of belonging, positively impacting subjective well-being (Helliwell & Putnam, 2007).

However, the entrepreneurial path is not paved with gold. The constant pressure to perform, the fear of financial failure, and the relentless work hours can have a significant detrimental effect on mental health (Cooper & Dunkel, 2001). Subjective well-being among entrepreneurs is a complex issue with a tapestry woven from both positive and negative threads. While the autonomy, achievement, and social recognition associated with entrepreneurial success can enhance well-being, the stress, uncertainty, and work-life imbalance can have a detrimental effect.

While research suggests a paradoxical relationship between entrepreneurship and well-being, individual characteristics play a crucial role in navigating this complexity. Researchers have argued repeatedly for the relevance of considering well-being as an indicator of entrepreneurial success (Shepherd & Haynie, 2009; Wiklund *et al.*, 2019). Entrepreneurs with high PWB have the mental resources required to pursue their goals and persist in the face of adversity. Interestingly, being an entrepreneur may be associated with opposite effects on well-being. On one side, it is seen that individuals often choose an entrepreneurial career because of non-material benefits associated with it, such as engagement in purposeful activities that let them derive meaning from their work and sharpen their talents and skills; this, in turn, affects their well-being positively (Wiklund *et al.*, 2019). However, next to the benefits that are associated with an entrepreneurial career, entrepreneurs have to cope with several potential stressors, such as uncertainty, high responsibility, workload, and time pressure (Stephan, 2018) which, in turn, might threaten their well-being.

Psychological distress is something strongly correlated with physical morbidity, reduced quality and duration of life and increased use of health services (Lahey, 2009). At the same time, there is no guarantee that both well-being and psychological distress will not occur together in a personality. According to one study, positive psychological factors may have such a strong relationship with health as negative ones and the extent to which these psychological states are independent of each other may vary according to the external and internal environmental challenges people face and studies will need to make choices about the value of measuring both (Helen, *et al.*, 2012). However, the road to entrepreneurial success is often fraught with stress and uncertainty. Currie (2011) points out the potential negative impact of stress on mental health, which can counteract the positive effects of success on subjective well-being. The constant pressure to perform and the fear of financial failure can take a toll on a trader's mental well-being.

Socioeconomic status (SES), a combination of an individual's social standing and economic resources, plays a significant role in shaping the entrepreneurial journey. On the surface, a higher SES might seem to provide a clear advantage. Individuals from wealthier backgrounds may have

access to better education, mentorship opportunities, and financial resources to launch and sustain a business. Studies by Fairlie & Robb (2009) support this notion, suggesting that entrepreneurs from higher SES backgrounds are more likely to secure funding and establish successful ventures. However, the relationship between SES and entrepreneurship is not always linear. Research by Brüderl et al. (2019) suggests that individuals from disadvantaged backgrounds may also be drawn to entrepreneurship as a path to economic mobility, particularly when traditional employment opportunities are scarce.

Although it could be argued that almost all people's psychosocial outcomes are largely influenced by their objective or perceived socioeconomic standing, ranging from food preferences (Baumann, Szabo and Johnston 2019) and speech patterns (Kraus, Torrez, Park and Ghayebi 2019) to humour related dispositions (Navarro-Carrillo, Torres-Marín and Carretero-Dios 2020) and identity (Easterbrook, Kuppens and Manstead 2020), empirical research has mainly focused on investigating the connections between SES and psychological well-being and health-related aspects (Präg, Mills, and Wittek 2016; Huang, Hou, Sun, Dou, Liu and Zhang 2017).

While overviews of contextual, behavioral, and personal factors that influence the entrepreneur's subjective well-being exist (Stephan, 2018), integrating health and well-being theories into a literature overview helps in understanding the underlying mechanisms and interrelated effects of those variables on entrepreneurial well-being. For example, while resource-and-demands theories (Demerouti, Bakker, Nachreiner & Schaufeli 2011) enhance our understanding of how personal and contextual resources buffer the negative effects of stress-enhancing job demands, self-determination theory (Ryan & Deci, 2010) explains the positive effects of autonomy-enhancing job characteristics on entrepreneurial psychological well-being. The economic theory of individual behavior offers a valuable lens to examine how individuals make rational choices to maximize their satisfaction (utility). In the context of traders, this translates to pursuing activities that enhance their overall well-being. Income, a key element of economic success, plays a significant role. As Frey & Stutzer (2002) suggest, higher income allows traders to afford goods and services that contribute to happiness.

Not minding the very individual nature of entrepreneurship, existing research has largely focused on firm-level conceptualizations of entrepreneurial success, such as growth in sales, employees, or profit (Achtenhagen, Naldi, & Melin, 2010). Research on what success means to entrepreneurs (Wach, Stephan & Gorgievski, 2016), in connection to his well-being and socioeconomic status remains scarce. This research therefore aims to ascertain the influence of entrepreneurial success and social status on subjective well-being among traders.

Thus, two hypothetical postulations guided this study the first is that Social class will have no significant effect on subjective well-being among traders. The second is that there will be no statistically significant influence of entrepreneurial success on subjective well-being among traders.

Entrepreneurial success is operationally defined as the individual entrepreneur's distinct understanding and appraisal of the accomplishment of standards that are personally crucial to them. Social Class is seen as the grouping of people into a set of hierarchical social categories,

namely; the upper, middle and lower classes. Subjective well-being is operationally defined as inter- and intra-individual levels of positive functioning that can include one's relatedness with others and self-referent attitudes that include one's sense of mastery and personal growth.

METHOD

Participants

The study utilized three hundred and eighty-five traders composed of one hundred and eighty-nine (189) males and one hundred and ninety six (196) female traders with ages ranging from twenty (20) to sixty(60) (mean age = 45.543, Standard Deviation = 2.90). They were selected using a convenience sampling technique and this involved administering the questionnaires to the traders as soon as the researcher meets them. This method was used because of the transient and informal nature of the business areas where the traders were met. This is impossible to utilize any random sampling technique. The traders were recruited from Relief Market, Ekeh Ukwu Owerri Market in Douglas Road Owerri and Owerri International Market at Egbeada.

Instruments

Entrepreneurial Success Scale was developed by Joeli (2017). The scale was designed to measure an entrepreneur's level of success. This was then subjected to a pilot study using 50 participants from the Main market, Onitsha. The initial total number of the Entrepreneurial Success Scale was 28 items but was later reduced to 24 during item analysis. The coefficient of internal consistency analysis yielded a Cronbach's Alpha of .92. Equally, a mean score of 97.97 was obtained and this was used as the norm for the study. Scores higher than the norm indicate high entrepreneurial success and scores lower than the norm indicate low entrepreneurial success. Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 19, 20, 21, 22, 23, 24 were scored directly while items 17 and 18 were reversed. The items are scored in a 5-point Likert format ranging from 1 – 'this does not apply to me' to 5 – 'this applies strongly to me'.

The Psychological well-being scale (PWB) was developed by Ryff (1989). The scale is a six-point scale that contains 42 items which are directly and reversely scored. Items 1, 2, 3, 8, 9, 11, 12, 13, 17 and 18 are reversed scored while items 4, 5, 6, 10, 14, 15 and 16 are directly scored. The scale measures the six aspects of well-being and happiness comprising autonomy, environmental mastery, personal growth, positive relationship with others, purpose in life and self-acceptance. The psychometric properties given by Ryff are .78 for internal consistency (Cronbach alpha). The scale has factorial validity for the six-factor model: NFI = .779, CFI = .836, RMSE = .063, PCLOSE = .000, CMIN/DF = 3.089. The psychometric properties as provided by Oche (1995) are the validity of .85 and coefficient of internal consistency of .75. The six dimensions of the scale have coefficients of internal consistencies (Chronbach Alpha) of .72, .66, .78, .69, .72 and .70 for autonomy, environmental mastery, personal growth, positive relation, purpose in life and self-acceptance respectively. High well-being is indicated by scores higher than the norm while low well-being is shown by scores lower than the norm.

Procedure

The researchers duplicated the questionnaires into four hundred pieces and then distributed them to the traders. The participants were briefed that the study was for research purposes and then

assured of confidentiality. They were informed that no personal information concerning them (e.g. name, phone numbers) would be collected in other to maintain their anonymity. Equally, their consent was sought and received before the study started. The researchers advised participants to read the instructions carefully before responding to the items. Those who verbally agreed to participate were given the questionnaire to complete individually. The questionnaires were collected as soon as the participants finished responding to them. After data collection, the researcher adequately coded the items using Excel. During the coding process, it was realized that only three hundred and eighty-five participants responded to the scales adequately, and the data was subjected to analysis using the International Business Machine Statistical Package for Social Sciences version 25 (IBM SPSS. 25)

Design and Statistics

The cross-sectional survey design was used owing to the need to cover a cross-section of the target population at a particular point in time and the difficulty involved in manipulating the independent variables. Two-Way Analysis of Variance ANOVA was utilized for data analysis because two variables scored dichotomously based on the norms were tested on subjective well-being.

RESULTS

Table I: Mean and Standard deviation scores for Entrepreneurial success and social class on Subjective well-being.

Variables	Means	SD	N
Entrepreneurial success			
Presence	142.427	21.147	323
Absence	158.662	14.138	62
Social class			
Upper	140.113	19.884	80
Middle	145.444	21.337	115
Low	145.494	21.285	172
Total	145.042	21.035	385

There is a considerable margin of difference between mean scores for the presence of entrepreneurial success (142.427) and the absence of the same phenomenon (152.662). Similarly, there is a significantly wide margin of difference between the upper socioeconomic class (140.113) and both middle (145.444) and low (145.494) socioeconomic classes.

Table II: Summary of two-way ANOVA for entrepreneurial success and social class on Subjective well-being

Source	Type III sum of Squares	Df	Mean Square	F	Sig
Entrepreneurial Success (A)	10069.739	1	10069.739	25.527	.000
Social Class (B)	6159.256	3	2053.085	5.205	.002
A x B	262.867	2	131.433	.333	.717
Error	149111.288	378	394.474		
Total	8269173.000	385			

P< .05

The first hypothesis which states that entrepreneurial success will have no significant influence on subjective well-being was rejected [F=(1, 385) 25.527 P< .05]. This denotes that entrepreneurial success has a significant influence on the subjective well-being of traders in Owerri.

The second hypothesis which states that social class will have no significant influence on subjective well-being was rejected. [F= (2,385) = 5.205, P<.05] . This indicates socioeconomic class has a significant influence on the subjective well-being of traders in Owerri.

Discussion

This study disconfirmed the first hypothetical postulation, which stated that there would be no statistically significant influence of entrepreneurial success on psychological well-being among traders. This implies that entrepreneurial success influences psychological well-being among traders. The reason is that the level of stress, an individual experiences determines response to his environment. The balance of input in activation by the nervous system will give rise to the stimulation of the adrenal gland and this determines his/her psychological well-being. This finding can also be explained in line with the Adaptation Calibration Model, which argues that patterns of stress responsively regulate variation in a wide range of adaptive processes and behaviours including, but not limited to, growth and metabolism, and risk-taking.

Entrepreneurial success, often measured by profits or revenue, can be a source of pride and satisfaction. Traders who outperform their peers might experience a boost in self-esteem and a sense of accomplishment. Beyond the economic perspective, entrepreneurial success can also contribute to well-being through the fulfillment of psychological needs. McClelland (1989) emphasizes the importance of achievement and goal attainment for human satisfaction.

Successfully running a business provides a sense of purpose and mastery over one's professional life. Overcoming challenges and achieving business objectives can be a significant source of pride and satisfaction for traders. Additionally, gender roles play a part. For female traders, entrepreneurial success can not only bring economic empowerment but also challenge traditional norms, fostering a sense of accomplishment and well-being (Brush & Carter, 2010).

However, several studies contradict the finding on the existence of a causal relationship between entrepreneurial success and psychological well-being. The outcome of a longitudinal study by Nikolaev, Boudreaux and Wood (2019), found that entrepreneurship is associated with substantial benefits in terms of psychological functioning—both personal and social—which nearly mediate the relationship between entrepreneurship and subjective well-being.

Also, the result of the second hypothesis which stated that there would be no statistically significant influence of social class on subjective well-being among traders was rejected. The reason is that social class influence psychological well-being among traders. Social status, can also influence subjective well-being through social comparison. As Fife (1974) suggests, people tend to evaluate themselves against others in their social circle. For Owerri traders, achieving higher social status within the market can lead to positive feelings of belonging and accomplishment. However, social comparison is a double-edged sword. Downward comparison, comparing oneself to those perceived as more successful, can lead to feelings of inadequacy and dissatisfaction (Buunk et al., 2018). In a competitive marketplace like Owerri, a trader who constantly compares their business to a highly successful competitor might experience feelings of envy and discouragement. This can be particularly detrimental in a culture that values social status derived from economic achievement. If financial success is seen as the primary measure of worth, downward comparisons can significantly diminish a trader's subjective well-being.

Furthermore, the cultural context plays a significant role in how economic success and social status impact well-being. Hofstede et al. (2010) emphasize the importance of cultural dimensions like individualism and collectivism. In a more collectivistic society like Nigeria, social status derived from contributing to the community might be more important than individual achievement. A trader who is well-respected for their fair practices and contributions to the market's overall success might experience greater well-being compared to someone solely focused on personal gain.

Conclusion

Traders in Owerri, navigate a dynamic world where economic success and social standing intertwine to shape their subjective well-being. Entrepreneurial success, measured by profits or revenue, translates into greater financial security, enabling traders to afford a better quality of life. Yet, the pursuit of success can be a double-edged sword. The relentless pressure and uncertainty inherent in entrepreneurial ventures can take a toll on mental health, potentially negating the positive effects of economic achievement. As seen in the results, the study confirmed that social class significantly influenced well-being. Implications are not only consistent with a direct effect model of socio-structural position on well-being but also with the relevance of satisfaction with social position as an appraisal process to indicate high subjective well-being.

The study recommends fostering a supportive market culture that celebrates collective success and community contributions through social responsibility initiatives, community events, and mentorship programs. Negative social comparison and stress can be tackled through financial literacy and stress management training.

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