



# The Impact of COVID-19 on Entrepreneurial Well-Being



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## Introduction:

As of recently, the whole world has been affected by the pandemic known as COVID-19. The global pandemic brought about unpredictable hardships that affected every person no matter where they were located. Restrictions that caused people to stay home drastically affect the economy, in turn, causing a decline in consumer spending. This influence on the economy forced many small businesses to shut down or adjust to the change in society. While coordinating and managing a business or businesses and taking on greater than normal financial risks, entrepreneurs are faced with constant stressors. The purpose of this research serves to study and analyze how the impact of the pandemic on the well-being of entrepreneurs while utilizing the concept of psychological capital as a mediator. The term psychological capital includes the factors of hope, optimism, efficacy, and resilience.(Luthans, Youssef, et.al., 2007, p. 3) These can be used to determine subjective well-being, which is defined as “... to how people *experience* and *evaluate* their lives and specific domains and activities in their lives.”(National Academic Press, 2013) The study was structured to conduct surveys and interviews to collect qualitative data. The data will be examined to produce results and reviewed to discern if there is a correlation between an entrepreneur's subjective well-being and their psychological capital.

## Common Themes:

- During the interview, the participants answered the following questions: When the pandemic first hit in 2020, how did it impact your business? How did you adapt to these changes? How has the pandemic affected your overall well-being? If it has changed, how so? What was seen consistently throughout the interviews was that:
  - The pandemic truly affected entrepreneurs when the mandatory lockdown was in place.
    - A local entrepreneur said, “Once the lockdown was in effect business definitely dropped!”
  - To adapt to changes the entrepreneurs began to research innovative ways to improve their business ventures.
    - A local entrepreneur said, “I began to focus on spreading the brand online, because news got around by word of mouth.”
  - Personally, it seemed that there were multiple emotions going through their mind that made it difficult to move forward with their business at first, but as time passed, they overcame those feelings
    - An Atlanta business owner said, “I am definitely happier.”

## Abstract

For entrepreneurs, the global pandemic that swept through the United States in 2020 introduced a new set of uncertainties and challenges. Stay-at-home restrictions took a toll on the economy, and a drastic decline in consumer spending forced many small businesses to shut down or pivot to adapt to a changing society. This study seeks to examine the impact of COVID-19 on the subjective well-being of surviving entrepreneurs across several sectors of business. We focus specifically on the role of psychological capital, which includes hope, resilience, optimism, and efficacy, as a personal asset that supports entrepreneurs’ overall well-being in the face of ongoing obstacles. We predict that for entrepreneurs, psychological capital mediates the relationship between pandemic-related stressors and subjective well-being. We explore these predictions by surveying a sample of local entrepreneurs. Preliminary results and implications for entrepreneurial well-being will be discussed.

## Method and Analysis:

Participants were selected based on the characteristics of an entrepreneur. Entrepreneurs are people who organize and operate a business or businesses, taking on greater than normal financial risks in order to do so. Subjects who identify as entrepreneurs underwent a brief survey where they were asked personal demographic questions in order to better understand who each entrepreneur was, and what their experience in the field of entrepreneurship related to their overall well-being. Next, subjects participated in an interview that lasted no longer than 30 minutes in order to maximize scheduling. The interview consisted of three main open-ended questions related to the purpose of the research. In order to follow COVID-19 guidelines all the data was gathered via recorded online interviews. Each interview conducted was stored in a private folder. To maintain confidentiality this folder can only be accessed by the investigator and advisor to preserve participant confidentiality. According to university bylaws the collected data will be stored at Mercer University for at least 3 years after the study is completed. After completion of the interview the subject's participation was finished. Once the data was gathered and stored an analysis was complete by reviewing the recorded interviews and paying attention to the language used by the entrepreneurs describing how the pandemic affected their subjective well-being.

## Results:

What made itself evidently clear was the ability for these entrepreneurs to adapt to change. Many entrepreneurs did not lose hope for the future because they believed that in due time the change will create new outlets to pursue and give them a competitive advantage in the market. Their levels of optimism were noted to be quite low at the beginning of the pandemic but changed as time passed and more channels became available to them. The ability for an entrepreneur to be more efficient in their work was halted due to the mandated lockdown causing an increased difficulty to complete tasks or initiate ventures. The factors above are also related to resilience, because ability to maintain hope and optimism about the future while COVID-19 caused the inability to be efficient in their ventures revealed that the pandemic brought a two-fold effect which was consistent with the subject's answers. The beginning of the pandemic revealed to be unfavorable to entrepreneurs, but they managed to use their high levels of psychological capital to affect their well-being in a positive manner.

## Conclusions:

This research study contributes to the advancement of literature and knowledge by creating a deeper understanding as to how entrepreneurs cope with pandemic-related stressors and subjective well-being of entrepreneurs. After careful analysis, the results revealed that through the pandemic entrepreneurs experienced a period of discontent, but the characteristics attributed to entrepreneurs aided in their overall positive subjective well-being.

## Future Plans:

- Create an impact metric to better define the level of psychological capital related to entrepreneurial well-being throughout the global pandemic.
- Discover the turning point for entrepreneurial well-being and examine its cause.

## Acknowledgements:

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## References:

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