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**Toward a Psychology of  
Entrepreneurship — An  
Action Theory Perspective**

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# Toward a Psychology of Entrepreneurship — An Action Theory Perspective

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**Michael Frese**

*National University of Singapore  
Singapore*

and

*University of Lueneburg  
Germany*

*michfrese@gmail.com*

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## Toward a Psychology of Entrepreneurship — An Action Theory Perspective

Michael Frese

*National University of Singapore, Singapore and University of Lueneburg,  
Germany, michfrese@gmail.com*

### Abstract

This contribution discusses a theory of entrepreneurship, its empirical base, and its implications. First, it argues that a psychological approach is necessary to understand entrepreneurship. Second, it argues that any theory of entrepreneurship should use active actions as a starting point — entrepreneurship is the epitome of an active agent in the market (rather than a reactive agent). Third, it discusses an action regulation theory to better understand the psychology of entrepreneurship. Fourth, it provides examples how this theory can help to understand entrepreneurial success. Finally, I suggest intervention programs to help entrepreneurs to be successful at growing their organizations.

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# 1

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## Introduction

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This contribution discusses a theory of entrepreneurship, its empirical base, and its implications. First, it argues that a psychological approach is necessary to understand entrepreneurship. Second, it argues that any theory of entrepreneurship should use active actions as a starting point — entrepreneurship is the epitome of an active agent in the market (rather than a reactive agent). Third, it discusses an action regulation theory to better understand the psychology of entrepreneurship. Fourth, it provides examples how this theory can help to understand entrepreneurial success. Finally, I suggest intervention programs to help entrepreneurs to be successful at growing their organizations.

Entrepreneurship is defined by the action of the entrepreneur — starting an organization (Gartner, 1989) — or by the more elaborate definition that entrepreneurship involves discovery, evaluation, and exploitation of opportunities (Shane and Venkataraman, 2000). All definitions really imply actions. Entrepreneurship is not a cognitive enterprise of perceiving and interpreting the world. Rather, entrepreneurship implies that people act to change the world and this often comes about by not just “detecting” opportunities but by establishing them (as Schumpeter, 1935, has emphasized). Thus,

## 2 *Introduction*

nearly all definitions emphasize that entrepreneurs are active actors in the market. Some entrepreneurship researchers reserve the concept of entrepreneur to those who are particularly successful with their firms (Carland et al., 1984). However, it is necessary not to confound the definition of a concept with the outcome of that concept and, therefore, I prefer a descriptive definition of the entrepreneur. I also emphasize that entrepreneurship does not necessarily imply the start-up and growth of business organizations but is a more general phenomenon of starting social organizations and changing organizations. Thus, I also include social entrepreneurs in our definition — thus, founders of social service organizations (such as Greenpeace or Medicine without borders) are legitimate aspects of entrepreneurship as well.

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