

# BABSON COLLEGE 2025

## Entrepreneurship Research Conference

### **Entrepreneurship by Necessity: When Work Becomes the Final Straw**

*Nicholas A. Smith, Northern Illinois University, United States*

Becoming an entrepreneur is not always a leap of passion; it is often a calculated step away from something else. For many, the road to entrepreneurship begins while holding down a traditional job. This “in-between” phase, known as *hybrid entrepreneurship*, serves as a testing ground. It allows individuals to keep the security of a paycheck while exploring the viability of a new business idea.

*Take Sara Blakely, for example. Before founding Spanx, she was selling fax machines by day and developing her product by night.* For people like Blakely (and thousands of others), the safety net of a wage job is what makes entrepreneurship feel attainable. But our research reveals that this same setup does more than reduce risk. It also creates a springboard when workplace relationships turn toxic.

#### **When toxic workplace dynamics accelerate the leap**

Many conversations around entrepreneurship focus on being *pulled* by an exciting opportunity: a big idea, a market gap, a vision for the future. But what about the *push*? Are people pursuing entrepreneurship because they are chasing a viable dream, or escaping dysfunction and negativity?

Our findings come from two complementary studies of hybrid entrepreneurs (individuals balancing a wage job while developing a business). In a recall experiment with 416 hybrid entrepreneurs, participants were randomly assigned to reflect on either a time they experienced rudeness at work or a neutral workplace event. We then measured their *intentions to leave their job* and *the effort they planned to invest in their venture*. Those prompted to recall rudeness reported stronger desires to exit their wage job and dedicate effort to grow their business. To strengthen these insights, we conducted a field study with 549 hybrid entrepreneurs, which revealed a similar pattern: individuals who encountered more rudeness at work reported higher turnover intentions and greater venture engagement.

Here is why this matters: 98% of employees report experiencing rudeness at work, whether through being interrupted, ignored, or disrespected. These encounters are neither rare nor trivial. For hybrid entrepreneurs, negative work experiences don't merely hinder progress, they mobilize it. Bad days at work often translate into better days for their business.

#### **The power of having an exit plan**

What distinguishes hybrid entrepreneurs is that they already have an exit strategy: a venture quietly taking shape in the background. When wage-work becomes hostile or demoralizing, they are uniquely positioned to act strategically. Our research shows that rudeness increases their intention to leave their jobs and drives the effort they invest in their ventures. Importantly, these effects are not automatic. They depend on *how* hybrid entrepreneurs perceive their venture as an alternative. In our studies, the perceived presence of an entrepreneurial alternative mediated the relationship between rudeness and these outcomes. That is, experiencing rudeness led individuals to more

strongly recognize that they *had* another available path, and this recognition helped drive their desire to leave their job and invest more in their business.

This effect is even more pronounced when they believe in the viability of their business. The more confident hybrid entrepreneurs feel about their business idea, the more likely they are to turn a bad workplace experience into a productive turning point for their business.

Overall, it is not just about being unhappy at work. It is about seeing a way out and believing it can succeed.

### **Key takeaways for entrepreneurs**

If you are a hybrid entrepreneur, one key insight is to reframe negativity at work. Rather than allowing frustration to derail your focus and energy, channel it productively. Recognize early signs of social strain or disrespect, and have a plan in place to shift energy into your business when necessary.

Don't wait for the "perfect moment." Having an entrepreneurial alternative gives you more control than you might assume. Sometimes, the workplace is not just a means of support, but it is also an inflection point. And sometimes, a toxic interaction is more telling than a business epiphany.

### **The bottom line**

Entrepreneurship does not always begin with a lightbulb moment... it can begin with a line crossed. For hybrid entrepreneurs, negative experiences at work catalyze full-time business ownership. For these individuals, this underscores the power of preparation for this transition process. For organizations, it serves as a warning that neglecting workplace culture does not only risk morale, but it risks losing your most driven, entrepreneurial talent.

**CONTACT:** Nicholas A. Smith; [nsmith6@niu.edu](mailto:nsmith6@niu.edu); +1 918-408-8535; Northern Illinois University, Department of Psychology; 100 Normal Rd., DeKalb IL 60115, USA.