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The Impact of Entrepreneurs' Environmental Attitudes on Their Well-being: A Study Using
UKHLS Panel Data

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Abstract

Prior studies have investigated the relationship between environmental attitude and well-being at individual level, but there is limited research on this relationship specifically addressed towards the entrepreneurs. The aim of this study is to explore the relationship between entrepreneurs' environmental attitude and feelings, and their well-being. The data used in this study is from the Wave 1, 4 and 10 of the United Kingdom Household Longitudinal Study (UKHLS) containing information on the environmental attitude of its respondents. The data was analyzed using ordered probit regression analysis. The preliminary findings indicate a positive relationship between environmental attitude and well-being among entrepreneurs. These findings suggest that promoting environmentally friendly behavior among entrepreneurs can have positive effects not only on the environment but also on their personal well-being, which in turn expected to promote more sustainable and successful businesses.

Keywords: environmental attitude, well-being, entrepreneur, UKHLS

INTRODUCTION

Environmental concern such as climate change, pollution and energy emissions have become increasingly urgent issues in recent years (WHO, 2023). These issues have unfavorable impacts on the environment, the economy and the well-being of both individuals and society (Khan et al., 2020; Kirikkaleli et al., 2022; Tong & Ebi, 2019). These problems have driven the growing awareness of environmental issues to be able to minimize the damage and at the same time make the planet in a better state with improving human well-being. Entrepreneurs, who play a major role in creating jobs and driving innovation in the economy, are expected to significantly contribute to addressing these environmental issues. Hence, entrepreneur attitude towards environment have the potential to make a positive or negative impact on the environment through their business practices (Ferreira et al., 2022).

Research on the relationship between entrepreneurs' environmental attitude and their well-being is rare. Prior studies have investigated the relationship between environmental attitudes and well-being at the individual level, but there is scant research on this relationship directed towards entrepreneurs. As entrepreneurship is self-organizing in nature, well-being is a topic that is closely associated with entrepreneurship and has received increased attention in past recent years (Pathak, 2021; Stephan, 2018). Entrepreneurs possess unique characteristics that set them apart from the general population. In terms of job attributes, while entrepreneur usually enjoy a high degree of autonomy and flexibility, they often face substantial work demands and long hours (Adisa et al., 2019). On a personal level, entrepreneurs are typically marked by their optimism and a higher tolerance for risk (Macko & Tyszka, 2009). Besides being built from literature on entrepreneurial well-being, the present paper is developed from literature that finds a link between environmentally-friendly behavior and well-being (Binder & Blankenberg, 2017a; Welsch et al., 2021). This study contributes to the literature by focusing on entrepreneurs, instead of individuals in general.

This study aims to investigate the relationship between environmental attitudes and well-being among entrepreneurs using data from the UK Household Longitudinal Study (UKHLS). This study provides up to date analysis by involving the latest data set from the UK Household Longitudinal Study (UKHLS) in the analysis. The UKHLS is a large-scale survey that collects information on various aspects of people's lives, including their environmental attitudes, entrepreneurial activities, and well-being (University of Essex, 2022). Our sample includes individuals who reported being entrepreneurs in at least one wave of the survey.

The paper is structured as follows. In the next section we provide a review of the literature on the variables studied and research hypothesis. In the third section, we describe the data and methods used in our analysis. We explain how we measure environmental attitudes, and well-being and provide details on the statistical methods used.

LITERATURE REVIEW

Entrepreneurship is a venture that involves risks but also offers numerous benefits (Baron, 2007). Entrepreneurs significantly contribute to the economy, among other things, through innovations and employment (Van Praag & Versloot, 2007). On the one hand, entrepreneurship is characterized as an uncertain and stressful profession (Lerman et al., 2021). On the other hand, prior research indicates that entrepreneurs have greater well-being and are more satisfied with their lives (Larsson & Thulin, 2019). Due to the high-pressure roles and characteristics of their work, the well-being of entrepreneurs is currently receiving significant attention in the literature (Stephan, 2018). Well-being is a multidimensional concept that reflects an individual's physical and mental condition. Most research on entrepreneurs' well-being focuses on antecedents and consequences (Stephan, 2018). For antecedents, most studies emphasize personal aspects, work characteristics, firm characteristics, or stressors. The personal aspects that exist mainly in the literature are traits, human capital, values and motivations, and other personal characteristics.

Among the personal aspects that have recently received attention as contributing to well-being is environmental attitude (Welsch et al., 2021). This connection is not specific to entrepreneurs but applies more generally to individuals. This individual connectedness has been widely researched, such as studies on green behavior, which is known to have a positive relationship with life satisfaction (Brown & Kasser, 2005; Welsch & Kühling, 2011). Consumer studies also find that green purchase intention and behavior have a positive effect on life satisfaction (Xiao & Li, 2011). In line with that, prior studies using the consumer's point of view found that sustainable food purchase behavior has a positive effect on life satisfaction. In a more general context, individuals who are active in environmental activities show better well-being (Binder & Blankenberg, 2017b).

The theoretical foundation for this study is subjective well-being, which refers to individuals' assessments of their own subjective experiences (Diener & Ryan, 2009). Previous research indicates that subjective well-being is associated with a green self-image and attitude. Green attitude has been found to contribute to greater subjective well-being (Welsch & Kühling, 2018). Taking into account the unique characteristics of the entrepreneurial profession, it is encouraging to investigate how entrepreneurs' environmental attitude affects their well-being. Environmental attitude refers to the extent to which a person cares for the environment (Kountouris, 2022).

For entrepreneurs, being environmentally conscious can provide a sense of purpose and meaning beyond just profit-making (Isaak, 2016). This can lead to increased job satisfaction and motivation, which can positively impact their mental and emotional well-being. Moreover, entrepreneurs who have a positive environmental attitude may also benefit from a positive reputation and increased customer loyalty, which can lead to greater financial stability and reduced stress.

DATA AND METHOD

We drew on data from the United Kingdom Household Longitudinal Study (UKHLS) (University of Essex, 2021). The UKHLS is an annual, nationally representative longitudinal survey that collects annually comprehensive data on respondents' sociodemographic characteristics, health, and well-being issues (Lynn, 2009). Using individuals' reported labour force status, we selected our sample by focusing on 8860 self-employed individuals observed in wave 1, 4 and 10 [see Table 1]. While data collection for UKHLS has been completed for the first 11 waves (2009–20), environment-related questions were asked only in those previously mentioned waves, which justifies the selection. Further cleaning in the dataset through listwise deletion was necessitated as missing values were observed for many of the variables considered for the analysis. Hence, the final sample for the analysis came down to 6409.

Table 1. Representation of the self-employed across the waves

Wave	Frequency	Percent
1	3,339	37.69
4	3,223	36.38
10	2,298	25.94

The main variable of interest is subjective wellbeing of the self-employed measured by life satisfaction. The two independent variables used in this analysis are self-employed individual's current feeling and current attitude toward environment which can be used as proxies for green behaviour of the self-employed. In addition to these environmental variables, this research, guided by contemporary literature, uses a set of control variables containing respondents' individual and

socio-demographic information. Control variables include information about respondents' level of satisfaction with income, a 7-point Likert scale variable converted to a dummy variable (dissatisfaction vs. satisfaction), age (mean age 47 years with a standard deviation of 12 years), gender (female=1) and marital status (recoded with married=1). Level of education has been recoded to a dummy variable with 0=no or low level of education as the base category, 1=up to GCSE, 2= up to A level, and 3=high-level of education. Respondent's health (being disabled=1), whether the self-employed lived in London were added as control variables. A dummy variable was created for the wave/year, with the self-employed becoming a part of the survey with 2001 as the base category.

It is interesting to consider the cost-of-living crisis as either a control or a moderating variable, as it is likely to impact the well-being of entrepreneurs. However, upon checking the available data, we found that this was not feasible because the variables related to COVID-19 were only available from wave 11 onwards, while data related to green attitudes was only available in waves 1, 4, and 10.

Data Analysis

In our preliminary analysis panel data structure was used; our data set was treated as a big pooled cross-section by combining self-employed from wave 1,4 and 10. Inspired by academic literature, we used ordered probit models instead of longitudinal data analysis techniques to examine the relationship between environmental attitudes and well-being, controlling for demographic and other relevant variables (an initial sample of the analysis is presented in Table 2). Additionally, the ordered probit model allows us to consider life satisfaction as an ordinal variable where differences between response categories are allowed to vary.

PRELIMINARY RESULTS

Preliminary result of analysis is shown in Table 2.

Table 2. Preliminary results of pooled ordered probit regression

Life satisfaction	Coef.
Age	0.001
Gender (ref. male)	0.09 ***
Education (ref. low/no education)	
- Up to GCSE	-0.028
- Up to A level	0.0002
- University degree	0.0137
Marital Status (ref. Single)	0.025
Region (ref. Living outside London)	-0.188 ***
Satisfaction with income (ref. unsatisfied)	1.229 ***
Health (ref. no disability)	-0.238 ***
Wave (ref. First wave)	-0.019 ***
Feeling toward environment (ref. happy with what they do at the moment)	
-like to do a bit more	-.0131 ***
-like to do a lot more	-0.267 ***
Current attitude (ref. don't really do anything environmentally)	
-do one or two things env friendly	0.22 ***
-do quite a few things env friendly	0.30 ***
-do most things environmentally friendly	0.338 ***
-do everything environmentally friendly	0.455 ***
Pseudo r-squared	0.104
Chi-square	2015.217
Akaike crit. (AIC)	17373.660
Number of obs.	6409
Prob > chi2	0.0000

Life satisfaction	Coef.
Bayesian crit. (BIC)	17522.501

*** $p < .01$, ** $p < .05$, * $p < .1$

The preliminary results suggest that both of the independent variables measuring green attitude and feeling of the entrepreneurs are significantly associated with life satisfaction.

NEXT PLAN

The planned research's theoretical framework will be developed with the pertinent hypothesis. In order to comprehend the phenomenon from several angles, descriptive analysis and post-estimation functions will be utilized. Before the paper is presented at the BAM conference, a significant portion is anticipated to be completed.

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