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Unpacking the relationship between sense of place and entrepreneurs' well-being

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Abstract This exploratory study develops an understanding of how the hitherto under-investigated psychological dimension of place affects entrepreneurs' well-being. The analysis focuses on eudaimonic well-being, which describes individuals' psychological functioning and fulfillment of their best potentials and is relatively underexplored compared to hedonic well-being (happiness). Based on prior work in environmental psychology, the study proposes that entrepreneurs' sense of place—their psychological bond with the local setting of their entrepreneurial activities—is an important component influencing their well-being. The empirical analysis of two waves of original survey data from entrepreneurs located in an urban and a rural region of Finland shows that the sense of place is positively associated with several dimensions of eudaimonic well-being. This study extends the literature by shifting the focus from place as a passive container for entrepreneurs' activities to its role as an active source of entrepreneurial well-being.

Plain English Summary Psychological connection with the local region influences entrepreneurs' well-being. This study investigates how sense of place—the psychological connection with the local place of residence—influences entrepreneurs' well-being. The analysis considers seven different manifestations of well-being including happiness and different ways of reaching one's full potential as a human being. The empirical study comprises two waves of survey data from entrepreneurs located in an urban and a rural region of Finland. The results show that a strong psychological bond with the local area is positively associated with autonomy (making one's own choices free of external influence) and personal growth. Interestingly, also a very weak psychological bond with the local region was positively associated with personal growth. The study provides implications for further research on how the place where entrepreneurs operate influences their well-being.

Keywords Sense of place · Eudaimonia · Well-being · Entrepreneurship · Rural · Urban

JEL classification D91 · I31 · M13 · R10

1 Introduction

Recent research has raised well-being as an important feature of entrepreneurship: in addition to being an important outcome in its own right, a high level

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of well-being can enable entrepreneurs to persevere in the pursuit of their business goals and through that, generate positive societal contributions (Boudreaux et al., 2022; Stephan, 2018). Prior research distinguishes between hedonic and eudaimonic forms of well-being (Ryff, 1989, 2019; Wiklund et al., 2019). Whereas the hedonic approach to well-being focuses on people's cognitive and affective evaluations of their whole life experience ("life satisfaction" or "happiness") (Diener, 1984), eudaimonic well-being addresses an individual's psychological functioning as a means to achieving their full potential as a human being (Ryff, 1989).

While many studies examine hedonic well-being in entrepreneurial contexts (e.g., Gish et al., 2022; Kautonen et al., 2017; Obschonka et al., 2018; Sevä et al., 2016; Weber et al., 2022), eudaimonic well-being is the subject of fewer studies (e.g., Hahn et al., 2012; Nikolaev et al., 2020; Shir & Ryff, 2022; Stephan et al., 2020) and hence less well understood. Furthering our understanding of eudaimonic well-being and its determinants is important because entrepreneurs and their performance benefit from an optimal psychological functioning. The positive energy and vitality that eudaimonic well-being provides (Stephan et al., 2020) enable entrepreneurial proactivity (Hahn et al., 2012) and persistence in the face of uncertainty (Frese, 2009; McMullen & Shepherd, 2006), which positively influence entrepreneurs' performance in operating their businesses (Ryan & Deci, 2008).

This article delves into how the psychological qualities of the local context, referred to as the "sense of place," shape the eudaimonic well-being of entrepreneurs. Unlike employees in established organizations, entrepreneurs, who serve as both owners and managers of their businesses, have a more direct and profound connection to the local environment in which they operate (Stephan et al., 2022; Welter, 2011). The essence of entrepreneurship lies in a distinct mindset—a fusion of cognitions, emotions, and behaviors that distinguishes entrepreneurs from individuals in other professions (Kuratko et al., 2021). Consequently, sense of place assumes heightened importance within the entrepreneurial context. It becomes an integral aspect of entrepreneurs' daily activities, decision-making processes, and interactions (Anderson et al., 2019), exerting significant influence over their entrepreneurial mindset and

subsequent outcomes, including their overall well-being (Welter & Gartner, 2016).

Even though there is an established stream of research in environmental psychology and human geography suggesting a positive link between the psychological dimension of place and well-being (e.g., Gilleard et al., 2007; Scannell & Gifford, 2017; Twigger-Ross & Uzzell, 1996), entrepreneurship research on the role of place has thus far focused on its institutional, symbolic and geographic aspects (Abreu et al., 2019; Kibler et al., 2014; Kimmitt et al., 2023; Korsgaard et al., 2020; Welter & Baker, 2021). Moreover, to our knowledge, only one prior study (Stephan et al., 2020) has considered the role of regional context for eudaimonic processes and well-being in entrepreneurship. Our study addresses this gap in our understanding of the determinants of entrepreneurial well-being by proposing a positive link between the entrepreneurs' psychological sense of place and different dimensions of their eudaimonic well-being. Our theorizing is founded on Ryff's (1989) six-dimensional conceptualization of eudaimonic well-being and Jorgensen and Stedman's (2001) concept of sense of place, which refers to the meanings that individuals associate with their local setting and the extent to which those meanings influence their sense of self.

While prior research gives us the confidence to assume a positive association between sense of place and well-being, the evidence is not sufficiently developed to allow the formulation of specific hypotheses about how sense of place relates to each of the six dimensions of eudaimonic well-being. For this reason, we followed the recommendations of Wennberg and Anderson (2020, p. 2) and conducted an exploratory study, which the authors describe as being particularly useful for investigating "new, misunderstood, and underexplored research areas." Our quantitative analysis uses two waves of original survey data comprising 382 entrepreneurs from one rural region (South Ostrobothnia) and one urban region (the metropolitan Capital Region) in Finland. We find evidence for a positive relationship between sense of place and several dimensions of eudaimonic well-being.

Our study contributes to the entrepreneurship literature by putting forward sense of place as an important yet under-appreciated antecedent of entrepreneurs' eudaimonic well-being. In addition to

theorizing sense of place in the context of entrepreneurship, our study provides first empirical evidence of its multifaceted well-being effects and outlines several avenues for future research upon which our understanding of place and well-being in entrepreneurship could be advanced.

2 Literature review and research proposition

2.1 Entrepreneurs' eudaimonic well-being

Philosophers have advanced different perspectives on what constitutes well-being, and how one or another element of human functioning can be regarded as an aspect of it. Consequently, scholars have proposed theoretical perspectives on well-being that are founded on different ontological and ethical assumptions about human nature and what it means to have a good life (Deci & Ryan, 2000; Diener, 1984; Ryff, 1989). The most prominent of these are the hedonic and eudaimonic approaches to well-being (Ryan & Deci, 2001).

Much of prior scholarly work on well-being across different disciplines, including entrepreneurship (for an overview, see Stephan, 2018), has followed the hedonic perspective, which focuses on individuals' subjective evaluations of the degree to which they experience a general sense of wellness (Deci & Ryan, 2008). This subjective experience of pleasure—"the belief that one is getting the important things one wants, as well as certain pleasant affects that normally go along with this belief" (Kraut, 1979, p. 178)—corresponds to the notion of hedonia (Deci & Ryan, 2008), which regards happiness as enjoyment, satisfaction, and absence of discomfort (Huta & Waterman, 2014). Typically, hedonic well-being is operationalized as the experience of a high level of positive affect, a low level of negative affect, and a high degree of satisfaction with one's life (Diener, 2000).¹ Assessed in this way, hedonic well-being is frequently treated synonymously with "happiness" (e.g., Rijnks et al., 2019). Thus, maximizing

one's well-being is the equivalent of maximizing one's feelings of happiness (Ryan & Deci, 2001). Using this approach, studies aiming to explain entrepreneurs' life satisfaction have considered aspects such as entrepreneurial career patterns (Koch et al., 2021), entrepreneurs' prosocial motivation (Kibler et al., 2019), and characteristics of the location where entrepreneurs live (Abreu et al., 2019) as antecedents of hedonic well-being.

The eudaimonic approach, in turn, suggests that well-being consists of more than just happiness, and that being happy does not necessarily mean that an individual is psychologically well (Deci & Ryan, 2008). Compared to hedonic well-being—which focuses on happiness as an overall mental state (Diener, 1984) involving the whole life experience—eudaimonic well-being concerns human potential (Ryan & Deci, 2001) and the components of what it means to be a fully functioning individual (Ryff & Singer, 2008). Accordingly, the core of eudaimonic well-being (Ryff, 1989, 2019) is the concept of psychological functioning, which includes an individual's behavior, social skills, emotions, and overall mental health that enable her or him to achieve their goals and engage with life in a purposeful manner (Nikolaev et al., 2020; Preedy & Watson, 2010; Ryff, 1989, 2019). In line with this perspective, well-being comprises self-actualization (Erikson, 1959; Maslow, 1968), self-determination (Ryan & Deci, 2000), individuation (Wiklund et al., 2019), personal fulfilment and expressiveness (Waterman, 2011) as indicators of a fully functioning life (Ryff & Singer, 2008).

While prior entrepreneurship studies have largely focused on hedonic well-being, scholars have increasingly emphasized the need to further our understanding of the determinants of eudaimonic well-being among entrepreneurs. In fact, entrepreneurship has been argued to offer great potential for eudaimonic well-being (Ryff, 2019; Shir & Ryff, 2022; Wiklund et al., 2019) because it provides individuals an opportunity to engage in intrinsically motivating work that allows them to authentically express and realize the self (Stephan et al., 2020). The meaningfulness of entrepreneurial work can be energizing and vitalizing (Ryan & Deci, 2001), which in turn benefits entrepreneurs' persistence, innovativeness, and performance (Hahn et al., 2012; Stephan et al., 2020).

Specifically, the few empirical studies thus far suggest that (i) some eudaimonic aspects of entrepreneurs'

¹ Hedonic well-being is often referred to as 'subjective' or 'emotional' well-being, and it comprises positive and negative affect as more immediate indicators of happiness, and more long-term, cognitive assessments of life satisfaction. These differences in temporal frames have served as a basis for the use of life satisfaction as a proxy for hedonic well-being in studies of subjective well-being (Keyes et al., 2002).

well-being related to psychological functioning (e.g., autonomy, meaning and purpose, self-acceptance) are “a critical pathway” to hedonic well-being (Nikolaev et al., 2020, p. 558); (ii) eudaimonic benefits (e.g., meaningfulness at work and subjective vitality) emerge from entrepreneurship as a volitional career choice (Stephan et al., 2020) and they are influenced by the satisfaction of entrepreneurs’ basic psychological needs (Shir et al., 2019); and (iii) eudaimonic well-being results from a complex combination of individuals’ personality, temperament, and the nature of their entrepreneurial experiences (Gish et al., 2022). Moreover, Stephan et al. (2020) provide the first insight into the role of context by showing that (iv) the societal legitimacy of entrepreneurship in a country operates as an enabler of entrepreneurs’ eudaimonic well-being. By unraveling the influence of this contextual element on entrepreneurs’ meaningfulness at work and subjective vitality (as the process and outcome of eudaimonia, respectively), the work of Stephan et al. (2020) moves away from traditional perspectives of context as a “container” of entrepreneurship. Instead, the authors emphasize the role of context as an active force that shapes entrepreneurs’ activities, processes, and goal achievement. Thus, their work suggests that place can be an active influence on entrepreneurs’ eudaimonic well-being. We expand upon this idea by examining in detail whether and how the local regional context influences entrepreneurs’ eudaimonic well-being. In particular, we follow recent well-being scholarship in entrepreneurship (Ryff, 2019; Shir & Ryff, 2022) and adopt Ryff’s (1989) comprehensive conceptualization of eudaimonic well-being to add richness to our understanding of how context shapes entrepreneurial well-being.

Ryff’s (1989) conceptual framework of eudaimonic well-being identifies six psychological processes that jointly capture the breadth of being fully functional and well. These processes include (i) autonomy (i.e., individuals who experience high levels of autonomy are self-determining and independent); (ii) environmental mastery (i.e., an individual’s sense of being able to manage the surrounding environment and also to change the current environmental context if necessary); (iii) personal growth (i.e., self-realization, achievement of personal potential, and the desire to continue developing one’s potential to grow as a person); (iv) positive relations with others (i.e., individuals having warm, satisfying and trusting ties to others whose welfare they care about); (v) purpose in life

(i.e., having aims and objectives for living that are pursued with a sense of directedness); and (vi) self-acceptance (i.e., having positive attitudes toward oneself while at the same time acknowledging one’s bad qualities). Using this framework, psychologists have shown that the hedonic and eudaimonic dimensions of well-being are empirically distinct (e.g., Keyes et al., 2002; Waterman et al., 2013).

2.2 Sense of place and well-being

Place as the geographic location and regional institutional and economic setting for entrepreneurial activity has long been of interest for entrepreneurship scholars (Audretsch et al., 2017; Kibler et al., 2014; Korsgaard et al., 2020; Welter & Baker, 2021). Research on place in entrepreneurship has investigated how regional socio-economic conditions shape start-up activity and venture development (Bird & Wennberg, 2014) and how, in turn, entrepreneurs impact place by contributing to regional economic development (Korsgaard & Anderson, 2011; Lang et al., 2014). Furthermore, recent research has examined the relationship between place and well-being by focusing on how entrepreneurs improve the well-being of individuals in local communities in the face of adversity (Farny et al., 2019a, b; Kimmitt et al., 2020; Williams & Shepherd, 2016a, b). However, we do not yet know much about the psychological benefits place affords to entrepreneurs themselves. For this purpose, we turn to the concept of sense of place adopted from environmental psychology. Its focus on the psychological dimension of the place itself distinguishes the concept from the other psychological place-related variables used in entrepreneurship literature, which typically aggregate psychological measures, such as the Big Five personality traits, from the individual to the regional level (Obschonka et al., 2013).

We follow the seminal work of Jorgensen and Stedman (2001) and refer to sense of place as an overarching construct that comprises the three sub-dimensions of place dependence, place identity, and place attachment. Those authors’ work was based on attitude theory (Fishbein & Ajzen, 1975), viewing attitude as a response to an exogenous event, object, or stimulus and spatial settings as attitude objects. Attitudes are defined as having cognitive (thoughts), affective (feelings), and conative (behavioral intentions and commitments but not actual

behaviors) components, which the authors argue closely correspond to the concepts of place identity, place attachment, and place dependence, respectively. Thus, for Jorgensen and Stedman (2001), place identity comprises the beliefs, knowledge structures, precepts, and thoughts related to a spatial setting; place attachment refers to the emotional connection between the individual and the place; and place dependence denotes the perceived advantage of one place relative to other places for providing the resources that the person needs to pursue their desired goals. While much of the research on sense of place (and related constructs) has focused on describing its multidimensional nature, fewer studies have addressed the consequences of bonds between individuals and places. We follow Scannell and Gifford (2017) and ask what psychological benefits sense of place affords entrepreneurs.

Prior studies report on positive associations between psychological place constructs and psychological benefits. For example, Gilleard et al. (2007) demonstrated a positive association between place attachment and quality of life; Rollero and De Piccoli (2010) showed a positive correlation between place attachment and social well-being; Theodori (2001) demonstrated how attachment to the community is positively associated with individual well-being; and Twigger-Ross and Uzzell (1996) found attachment to the local area being related to positive self-esteem. However, Scannell and Gifford (2017) note that these studies are limited in terms of being restricted to a specific type of benefit and/or place. Their own study extends prior research through a content analysis of how 97 Canadian residents described places to which they felt particularly attached. The authors identified thirteen different benefits for place attachment, ranging from physical comfort and connection with nature to feelings of belongingness, stress relief, and personal growth. Building on these findings, the authors call for further research to use quantitative measurements of multiple psychological benefits and examine how these are influenced by the psychological qualities of a place.

The present study responds to this call by looking into the relationship between sense of place and different dimensions of entrepreneurs' eudaimonic well-being. Compared to waged employees, entrepreneurs are more directly influenced by their local

context (Stephan et al., 2022; Welter, 2011). For waged employees, the employer organization moderates the influence of the local context through its own norms and social dynamics, which blurs the direct impact of sense of place on their well-being. On the other hand, entrepreneurs are directly exposed to the local context (i.e., both their physical and social-symbolic surrounding setting, e.g., social relationships, stakeholders, and formal/informal institutions), which actively shapes their choices, processes, and experiences (Kimmitt et al., 2023; Welter & Gartner, 2016). Moreover, since entrepreneurship is a self-determined choice aimed to pursue core values and aspirations (Shir & Ryff, 2022), it requires entrepreneurs to draw heavily on the local context for material and immaterial resources. In doing so, the specific cognitions, affect, and behavior that entrepreneurs possess and deploy as part of their distinctive entrepreneurial mindset (Kuratko et al., 2021) becomes instrumental to their role enactment and outcomes thereof. In this connection, given that entrepreneurs are embedded in their local context (Welter, 2011), their sense of place becomes an influential element to their mindset. Thus, the local context for entrepreneurs is more than just a "container" for their activities: it plays an active role for their goal achievement and subsequent well-being.

2.3 Research propositions

The fact that entrepreneurship happens in places makes it both socially and spatially embedded (Jack & Anderson, 2002; Stuetzer et al., 2016). Consequently, the identity that individuals build as entrepreneurs is influenced and enacted in a place where they are socially situated and where they belong (Anderson et al., 2019). Place both shapes and constrains the opportunities for constructing an "ideal entrepreneurial self" (Gill & Larson, 2014, p. 535). Hence, the place where the entrepreneurial activity unfolds helps define the entrepreneur's identity in relation to the physical and socio-cultural setting through emotions, beliefs, interests, goals, values, and skills relevant to that milieu (Cartel et al., 2022; Obschonka et al., 2018). Moreover, such a setting also contributes by adding meanings to the entrepreneur's self-identity (Obschonka & Stuetzer, 2017), and to the entrepreneurial activity itself (Korsgaard & Anderson, 2011). This is where the ideas of place identity,

place attachment, and place dependence come into play as determinants of entrepreneurs' eudaimonic well-being.

First, when individuals perceive that their values match those held by the community in a place, it is likely that they will regard themselves as belonging to that community (Cartel et al., 2022), and consequently experience high levels of *place identity*. For entrepreneurs, sharing community values and actively internalizing the community's socio-cultural norms translates in the development of a place-based social identity (Roth & Steffens, 2014). This social identity, in turn, influences entrepreneurs' choices and behaviors (Lang et al., 2014) and facilitates entrepreneurs' pursuit of their lifestyles and goals (Audretsch et al., 2021a). Hence, for an entrepreneur, a high degree of identification with a place translates in entrepreneurial activities that are infused with the meanings and values of that place (Kimmitt et al., 2023). This enables the legitimacy of such activities (Kibler et al., 2014) and the entrepreneur's ability to thrive in that setting, thus positively influencing their eudaimonic well-being.

Second, individuals who experience high levels of *place attachment* tend to be more involved with their community (Farny et al., 2019b; Kibler et al., 2014), which facilitates their access to local tacit knowledge (Hans & Koster, 2018). Location-specific tacit knowledge involves awareness of the historical, natural, cultural, and social elements of a place (Korsgaard et al., 2020). Since this knowledge is implicit and difficult to imitate, it provides entrepreneurs a valuable source of new ideas and competitiveness for their businesses, which, in turn, increases their ability to thrive by making effective use of opportunities in their environment (Audretsch et al., 2021b). In addition, entrepreneurs' attachment to a place and its community can motivate their pro-social behavior (Farny et al., 2019a), which can lead them to feel better about themselves (Hitlin, 2007). In consequence, we suggest that high levels of place attachment positively influence entrepreneurs' eudaimonic well-being.

Third, *place dependence* reflects the significance of a place in providing the conditions and resources that support entrepreneurs' activity (Lang et al., 2014). Entrepreneurs are place dependent to the extent that they perceive a particular place as providing them with unique opportunities for the generation of material and personal benefits, self-realization, and the

pursuit of a desired lifestyle (Obschonka et al., 2020). Apart from opportunities and physical resources to pursue them, places provide social and psychological relationships that serve as social capital for entrepreneurs (Boudreaux et al., 2022), which facilitates the involvement of local stakeholders and networks in the realization of entrepreneurial goals (Lang & Fink, 2019). Therefore, the higher the level of an entrepreneur's place dependence, the more the place allows the achievement of the entrepreneur's goals and pursuits, which promotes their eudaimonic well-being.

In this context, we argue that entrepreneurs who have positive experiences with the physical, socio-cultural, and psychological aspects of a place are more likely to perceive themselves as fully functioning individuals and enjoy a higher level of eudaimonic well-being. However, prior literature lacks sufficient clarity on how a sense of place specifically influences the different dimensions of eudaimonic well-being. For example, an exceptionally strong sense of place may reflect an entrepreneur's over-embeddedness in a region, potentially leading to drawbacks such as a heavy dependence on a single local partner with whom the entrepreneur has social ties, carrying the associated risk of relationship disruptions (Czernek-Marszałek, 2020). Therefore, in line with the exploratory nature of our study (Wennberg & Anderson, 2020), we refrain from formulating specific hypotheses for each dimension. Instead, we adopt the following general proposition to guide our exploratory analysis of the relationship between sense of place and the various dimensions of entrepreneurs' eudaimonic well-being.

Proposition 1: Sense of place as experienced by entrepreneurs with respect to the local environment in which their activity is embedded is positively associated with their eudaimonic well-being.

Furthermore, while we postulate a positive relationship between sense of place and eudaimonic well-being, the subjective nature of this relationship gives us ground for expecting sense of place to be more strongly associated to entrepreneurs' eudaimonic than hedonic well-being. Prior literature suggests that life satisfaction or happiness is typically associated with material sources of pleasure, which are external to the individual (Boudreaux et al., 2022). Such hedonic elements may include material assets (e.g., wealth or

income; Rijnks et al., 2019), working conditions (De Clercq et al., 2021), and physical qualities of places such as landscape (Lewicka, 2011), distance to one's workplace, pollution levels, and safety (Stephan, 2018; Weber et al., 2022). By contrast, sense of place captures the personally meaningful intangible aspects of place, which are grounded in how individuals subjectively experience a place and the bonds they develop with it over time (Baker & Welter, 2020). Because eudaimonia deals with what is personally meaningful in an individual's life, we argue that the immaterial aspects of a place captured in the concept of sense of place matter more for entrepreneurs' eudaimonic than their hedonic well-being. Accordingly, we propose:

Proposition 2: Sense of place as experienced by entrepreneurs with respect to the local environment in which their activity is embedded is more strongly associated with their eudaimonic compared to their hedonic well-being.

Additionally, our exploratory analysis is guided by the proposition that sense of place matters to eudaimonic well-being more in rural compared to urban locations. We argue that this is likely to be the case because, firstly, rural areas (compared to urban settings) provide a “distance-protection” (Hans & Koster, 2018, p. 1036) to firms operating there, which allows them to develop and maintain their identities without being influenced by what others do. This characteristic makes rural environments more supportive of entrepreneurs' volitional control over their business and their behaviors, allowing them to be concordant with their values and sense of self (Deci & Ryan, 2000). Second, entrepreneurs in rural areas may face less uncertainty and complexity (Audretsch et al., 2021a, b) compared to urban entrepreneurs. Given their typical focus on the local market and demands of their local community (Lang et al., 2014), rural entrepreneurs face less competition and a lower level of market dynamism, which results in a more stable and predictable business environment (Hans & Koster, 2018). Such conditions likely strengthen rural entrepreneurs' sense of mastery regarding their surrounding environment. Third, social ties and familiarity among the residents of a rural area—which shapes rural entrepreneurs' bonds with the beneficiaries of their work (Freire-Gibb & Nielsen, 2014)—are likely to influence rural entrepreneurs' sense of purpose by

providing meaning to their entrepreneurial activities, for instance, based on the impact that such activities have on the rural community (Korsgaard & Anderson, 2011). In consequence, such bonding as a source of identity and attachment is more influential for rural (as opposed to urban) entrepreneurs in shaping their sense of purpose and meaningfulness in life through the work that they do (Stephan et al., 2020). Based on these arguments, we offer the following proposition to further guide our exploratory analysis:

Proposition 3: Sense of place as experienced by entrepreneurs with respect to the local environment in which their activity is embedded is more strongly associated with their eudaimonic well-being in rural compared to urban environments.

3 Data and methods

3.1 Data collection

Our analysis uses two waves of original survey data on sole founders and founding team members (henceforth collectively referred to as founders) that at the time of the survey (2019) held an ownership stake in a firm that had been operational ten years or less. Because our research focuses on place, we selected two different regions as foci for the study. The Capital Region is a metropolitan area comprising the cities of Helsinki, Espoo, Kauniainen and Vantaa. It is the economic powerhouse of Finland, a dynamic startup environment (Startup Genome, 2020), and home to 1.4 million people or 25% of the whole country's population. South Ostrobothnia in the west of the country is a predominantly rural area centered around the city of Seinäjoki. The region has 190,000 inhabitants, which constitutes 3.4% of the Finnish population. We chose South Ostrobothnia not only because of the contrast between a rural and a metropolitan region, but also because South Ostrobothnia prides itself as being entrepreneurial (Havusela, 1999). We reasoned that contrasting the cultural pride of being entrepreneurial in a rural location with the dynamic business environment of a metropolitan area would provide an interesting context for studying sense of place and entrepreneurs' eudaimonic well-being.

The data were collected in cooperation with a professional research agency. We identified the sample

using the comprehensive business register maintained by the company Fonecta. Using random sampling, we purchased the register details including financial statement data of 2500 companies in the Capital Region and 1983 firms in South Ostrobothnia. The reason for the discrepancy is that we bought the maximum available in South Ostrobothnia and added a few hundred additional registry entries in the Capital Region, anticipating respondent recruitment to be somewhat more difficult there than in South Ostrobothnia.

In wave 1, the research agency conducted computer-aided telephone interviews (CATI) with a random sample of founders in each region. The average interview duration was less than ten minutes, and the interview covered all variables used in the study except for the well-being measures. We instructed the agency to keep making phone calls until a minimum sample of 200 is reached in each region. The minimum regional sample size was determined, within the limitations of our research budget, as being sufficiently large to allow some attrition between waves 1 and 2 while still resulting in a final sample size that allows reliable analyses. In the end, 239 founders in the Capital Region and 225 in South Ostrobothnia participated in wave 1.

Wave 2 was conducted two weeks after the initial interviews with those participants who gave permission for a follow-up interview. We decided on a short interval between the two waves to minimize attrition. Moreover, having a long-time interval was not necessary because the purpose of the two-wave design was to reduce common method bias, instead of capturing temporal effects. The wave-2 survey instrument only included the well-being measures and the average interview lasted less than five minutes. We received 187 responses in the Capital Region and 195 in South Ostrobothnia (response rates 78% and 87%, respectively). Finally, we merged the financial statement data received from Fonecta to the survey data.

We controlled for nonresponse bias using the archival method (Rogelberg & Stanton, 2007), which involved comparing the age (years) and size (dummy for less than 5 versus 5 or more employees) of the 464 firms that participated in wave 1 with the remaining 4,019 that were included in the sample frame but did not participate in the study. The tests did not show any significant differences between these groups ($t=1.04$, $p=0.30$ for firm age and $\chi^2_{1df}=0.99$, $p=0.32$ for firm size). In addition, we examined potential attrition bias

between waves 1 and 2 by comparing the means of all our independent variables between the 382 founders who participated in both waves and those 82 who only participated in wave 1. Using the $p<0.05$ guideline, we did not find any statistically significant differences between the participants and non-participants.

3.2 Measures

All primary measures were assessed on five-point rating scales, anchored with (1) fully disagree and (5) fully agree. The original English survey items were translated to Finnish and subsequently back-translated into English following the commonly used back-translation procedure (Brislin, 1990).

Well-being We chose three items to measure each of the six dimensions of eudaimonic well-being from Ryff et al.'s (2007) original repository of 42 items. We used our best judgment to select items that captured the essence of each scale. We decided on three items per dimension in order to arrive at a short scale that could be administered efficiently in a CATI survey (see Table 1 for a full list of items). To contrast eudaimonic well-being with the more commonly used hedonic well-being, the wave-2 survey instrument included life satisfaction operationalized with the commonly used question (e.g., Abreu et al., 2019; Fritsch et al., 2019): "Generally speaking, how satisfied are you with your life?" We used a scale from 1 to 10 to measure this item.

Sense of place Our survey instrument included two items for place dependence and four items each for place identity and place attachment, adapted from Jorgensen and Stedman (2006), Raymond et al. (2010), and Lewicka (2008). The respondents were instructed to evaluate the items with respect to the Capital Region or South Ostrobothnia depending on in which of these regions they were based.

Other variables Other variables in the analysis include the respondents' demographic characteristics (i.e., woman/man, age in years, and higher education degree); whether they are based in the Capital Region or South Ostrobothnia; the size (4 employees or less / 5 or more employees) and age of their firms (young firms existing less than 4 years, and mature firms 4 or more years; Global Entrepreneurship Monitor,

Table 1 Eudaimonic well-being: confirmatory factor analysis (six-factor solution)

Item	Coefficient	SE
<i>Autonomy</i>		
AUT1. I am not afraid to voice my opinions, even when they are in opposition to the opinions of most people	0.48	0.06
AUT2. My decisions are not usually influenced by what everyone else is doing	0.48	0.06
AUT3. I have confidence in my opinions, even if they are contrary to the general consensus	0.59	0.06
<i>Environmental mastery</i>		
ENV1. In general, I feel I am in charge of the situation in which I live	0.65	0.04
ENV2. I am quite good at managing the many responsibilities of my daily life	0.48	0.05
ENV3. I have been able to build a home and a lifestyle for myself that is much to my liking	0.62	0.04
<i>Personal growth</i>		
GROW1. I think it is important to have new experiences that challenge how you think about yourself and the world	0.53	0.05
GROW2. I have the sense that I have developed a lot as a person over time	0.70	0.04
GROW3. For me, life has been a continuous process of learning, changing, and growth	0.69	0.04
<i>Purpose in life</i>		
PURP1. I have a sense of direction and purpose in life	0.75	0.04
PURP2. I enjoy making plans for the future and working to make them a reality	0.52	0.05
PURP3. Some people wander aimlessly through life, but I am not one of them	0.53	0.05
<i>Self-acceptance</i>		
ACCEPT1. When I look at the story of my life, I am pleased with how things have turned out	0.66	0.04
ACCEPT2. In general, I feel confident and positive about myself	0.77	0.03
ACCEPT3. I like most aspects of my personality	0.54	0.04
<i>Positive relations with others (reverse-coded)</i>		
POSREL1. I often feel lonely because I have few close friends with whom to share my concerns	0.84	0.02
POSREL2. Maintaining close relationships has been difficult and frustrating for me	0.94	0.01
POSREL3. I have not experienced many warm and trusting relationships with others	0.83	0.02
Comparative fit index	0.927	
Root mean squared error of approximation	0.057	
Standardized root mean squared residual	0.050	

$n = 382$. Maximum likelihood estimation. All coefficients are statistically significant at the $p < 0.001$ level

2019); whether the firm's business is service-only or includes physical products; and the distance between their home and workplace in minutes.

3.3 Empirical strategy: explorative quantitative analysis

The purpose of the analysis was to explore the relationship between entrepreneurs' sense of place and the different dimensions of their eudaimonic well-being in different regional contexts. The empirical strategy adopted is explorative quantitative analysis (Wennberg & Anderson, 2020). This involves using multiple statistical techniques, some of which include significance tests. However, because the objective of the analysis

was to explore the above relationships guided by our three broadly-formulated propositions, rather than to test specific hypotheses, we advise readers to interpret the statistics as indicative and not as tests of causality.

Our analysis consisted of five steps. First, because both principal constructs were operationalized with measurement instruments adapted from other research domains and had not previously been applied in the entrepreneurship context, we started the analysis by subjecting the multi-item scales to confirmatory factor analysis (CFA). Using the CFA results, we computed index scores for use in the subsequent analysis. Second, we examined the descriptive statistics and compared the means and prevalence of the variables between the two regions. Third,

we explored the bivariate correlations between sense of place and the different dimensions of eudaimonic and hedonic well-being for the two regions included in the analysis. Fourth, we examined the same relationships by means of regression analysis that adjusts the correlations for the effects of potential confounders. Fifth, we performed several additional group comparisons to ensure a comprehensive exploration of the data.

4 Findings

4.1 Confirmatory factor analysis

The first step of our data exploration was to examine the factor structure of the 18 items intended to measure eudaimonic well-being and the 10 items designed to measure sense of place. Because the measures for the two constructs were administered in different waves, we ran a separate analysis for each of them. Since the theoretical structures of the factor models were known beforehand, we chose confirmatory factor analysis (CFA) as the appropriate analytic technique.

4.1.1 Eudaimonic well-being

Table 1 shows the factor loadings, their standard errors, and the conventional fit indices for a confirmatory factor analysis (CFA) where the items designed to measure the six dimensions of eudaimonic well-being load on their intended factors. The fit indices suggest a good fit between the model and the data (CFI=0.927; RMSEA=0.057; SRMR=0.050; Hu & Bentler, 1999). We estimated several model specifications with different factor structures (the items belonging to two or more theoretical constructs loading on a single factor while the other items load on their intended factors) but found the six-factor solution to provide the best fit with the data. This suggests that the sets of three items measure different constructs as intended.

For the purposes of our exploratory analysis, we adopted a guideline value of 0.5 for acceptable factor loadings as a compromise between the recommended strong loading of 0.7 and the lowest acceptable loading of 0.4 in prior literature (Kremelberg, 2014; Lambert & Newman, 2023). Using this criterion,

the factor loadings of *autonomy* were problematic (Table 1). We also examined its Cronbach alpha score, which was 0.5 and therefore well below the usual recommended minimum value of 0.7 (Cho & Kim, 2015). Thus, it was clear that autonomy would not work as a multi-item index. Instead, we decided to treat autonomy as a single-item ordinal variable using AUT2 (“My decisions are not usually influenced by what everyone else is doing”), which arguably captures the essence of autonomy better than the other two items and thus, has the highest level of face value. We combined the lowest two categories of AUT2 into one due to a very low frequency of observations in the lowest category of autonomy. The result is thus a four-step ordinal variable with low values indicating that the individual’s decisions are considerably influenced by other people and high values standing for high levels of autonomous decision-making free of third-party influence.

Furthermore, we had to drop the second item in the *environmental mastery* scale (ENV2). We re-estimated the CFA model by excluding autonomy completely and dropping the second environmental mastery item. The fit of this model specification with the data is satisfactory (CFI=0.949; RMSEA=0.059; SRMR=0.046). The final two-item index for environmental mastery has a Cronbach’s alpha of 0.60, which is low. While we deemed it acceptable for the present exploratory study, we also caution readers to interpret results pertaining to this variable with care and advise future studies to consider other measures or further items to improve this scale. In the following analysis, high values of environmental mastery indicate that the individual feels comfortable and in charge with their life situation, while low values stand for lower levels of such comfort.

The factor loadings for the remaining four eudaimonic well-being scales were satisfactory, especially considering that the scales consist of three clearly different items. Thus, we chose to retain all three items for each of these scales. However, we note that only the scale for positive relations with others has high factor loadings, whereas the other scales show more variation in consistency. Therefore, we advise future studies to re-consider the items used to measure these constructs. Adding more items would help improve the scales and give the researchers more leeway in choosing the final set of items used to measure each construct.

Table 2 Sense of place: confirmatory factor analysis (one-factor solution)

Item	Coefficient	SE
ATTACH1. I like the Capital Region/South Ostrobothnia	0.62	0.03
ATTACH2. I am proud of the Capital Region/South Ostrobothnia	0.78	0.02
ATTACH3. The Capital Region/South Ostrobothnia means a lot to me	0.87	0.02
ATTACH4. I feel attached to the Capital Region/South Ostrobothnia	0.82	0.02
ID1. The fact that I live in the Capital Region/South Ostrobothnia says a lot of who I am	0.81	0.02
ID2. I strongly identify with the Capital Region/South Ostrobothnia	0.89	0.01
ID3. I feel like the Capital Region/South Ostrobothnia is part of me	0.86	0.02
ID4. The Capital Region/South Ostrobothnia is part of my identity	0.89	0.01
DEP1. The Capital Region/South Ostrobothnia is the best place to do the things that I enjoy most	0.63	0.03
DEP2. No other place offers such opportunities to do the things that I enjoy most than the Capital Region/South Ostrobothnia	0.58	0.04
Comparative fit index	0.980	
Root mean squared error of approximation	0.074	
Standardized root mean squared residual	0.027	

$n=382$. Maximum likelihood estimation. All coefficients are statistically significant at the $p < 0.001$ level. ATTACH=place attachment; ID=place identity; DEP=place dependence. The respondents were presented the items according to their region of residence

The index for *personal growth* has a Cronbach's alpha of 0.67. High scores on the scale indicate that the individual believes in the value of new experiences and continuous learning for personal development, and that they have developed significantly as a person over time. Low values denote low levels of such beliefs and less confidence in having developed as a person over time. The index for *purpose in life* has an alpha of 0.64. High values stand for the individual having a purposeful future orientation in life, while low values suggest that the individual places more value on the present than planning for future achievements. The index for *self-acceptance* has an alpha of 0.68. High values indicate that the person has positive feelings about themselves and how their life has turned out. Low values suggest a more critical view of oneself and less satisfaction with the life course. Finally, the index for *positive relations with others* has an alpha of 0.90. The items on the original scale were negatively formulated. In order to make them comparable with the other scales, we reverse-coded the items. Thus, high values on the final scale used in the analysis stand for the individual having many close and trusting relationships in life and them feeling confident in maintaining such relationships. Low values point to the individual having few close relationships and finding it difficult to nurture them.

For *sense of place*, we started the CFA process by estimating a model in which the items proposed to measure attachment, identity, and dependence load on their intended factors. Since the modification indices pointed to significant cross-loadings, we tried a specification in which the items intended to measure place attachment and identity load on one factor, while the two dependence items load on another one. The problem with cross-loadings persisted. Hence, we ended up with a model specification in which all sense of place items load on a single factor (Table 2). The fit of the model with the data is satisfactory with all three fit indices meeting or being very close to the recommended threshold values (CFI=0.980; RMSEA=0.074; SRMR=0.027). Thus, in this analysis, sense of place is a unidimensional construct that comprises all ten items belonging to place dependence, attachment, and identity. The Cronbach's alpha coefficient for the scale is 0.94. High values on this scale indicate that the individual feels that the region in which they live and work means a lot to them, that they feel the region as being part of their identity, and that it offers great opportunities for their self-realization. Low values suggest that the individual is relatively indifferent about their local area for their identity and self-realization.

Table 3 Descriptive statistics

			South Ostrobothnia		Capital Region		Difference
	Min	Max	Mean / %	SD	Mean / %	SD	<i>t</i> / χ^2 (df)
Eudaimonic well-being							
Autonomy	1	4					29.04 (3)***
Low			7%		12%		
Medium			23%		35%		
Medium high			34%		40%		
High			36%		13%		
Environmental mastery	1	5	4.29	0.66	4.27	0.65	0.37
Personal growth	3	5	4.45	0.52	4.46	0.52	0.19
Purpose in life	2	5	4.24	0.62	4.17	0.65	1.00
Self-acceptance	2.33	5	4.14	0.55	4.16	0.54	0.45
Positive relations with others	1.67	5	4.13	0.86	4.15	0.84	0.25
Life satisfaction	3	10	8.25	1.07	8.44	0.91	1.89
Sense of place	1.4	5	4.06	0.82	3.56	0.86	5.73***
Region (1 = Capital Region)	0	1	-		-		
Woman (versus man)	0	1	28%		35%		2.22 (1)
Entrepreneur's age							14.68 (3)**
under 35	0	1	16%		16%		
35–44	0	1	23%		41%		
45–55	0	1	33%		23%		
over 55	0	1	28%		20%		
Higher education degree (1 = yes)	0	1	34%		74%		59.71 (1)***
Mature firm (versus young firm)	0	1	69%		72%		0.39 (1)
Five or more employees (versus less than 5)	0	1	8%		12%		1.81 (1)
Services only (versus products and services)	0	1	60%		72%		6.32 (1)*
Time from home to work (minutes)	0	90	11.14	16.53	17.61	16.31	4.45***
Respondents			195		187		

The difference column reports the absolute value of the independent samples *t*-test for the difference in group means for continuous and the chi-squared test (degrees of freedom) for categorical variables. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$ (two-tailed test with 380 degrees of freedom for *t*). Logarithmic transformation used for the *t*-test for time from home to work

4.2 Descriptive statistics

Table 3 provides the descriptive statistics on all variables included in the analysis broken down by region. The difference columns report the independent samples *t*-test scores for continuous and chi-squared test scores for categorical variables. It is worth noting that founders in South Ostrobothnia evaluate their sense of place and level of autonomy higher than their counterparts in the Capital Region.

4.3 Correlations

Next, we examined the correlations between the well-being variables and sense of place (Table 4). We found that sense of place correlates positively and significantly with autonomy, environmental mastery, and personal growth. The correlations with the remaining well-being dimensions are positive, but not significant at the conventional $p < 0.05$ level. Regional differences in the correlations are notable:

Table 4 Correlations by region

	Autonomy		Environmental mastery		Personal growth		Purpose in life		Self-acceptance		Positive relations		Life satisfaction	
	SO	CR	SO	CR	SO	CR	SO	CR	SO	CR	SO	CR	SO	CR
Eudaimonic well-being														
Autonomy	1	1												
Environmental mastery	0.29*	0.32*	1	1										
Personal growth	0.19*	0.12	0.26*	0.19*	1	1								
Purpose in life	0.07	0.20*	0.44*	0.39*	0.30*	0.39*	1	1						
Self-acceptance	0.25*	0.23*	0.55*	0.47*	0.44*	0.40*	0.40*	0.45*	1	1				
Positive relations with others	0.11	0.04	0.33*	0.32*	0.26*	0.18*	0.20*	0.26*	0.35*	0.35*	1	1		
Life satisfaction	0.06	0.20*	0.59*	0.44*	0.14*	0.21*	0.45*	0.39*	0.45*	0.43*	0.29*	0.30*	1	1
Sense of place	0.18*	0.04	0.14*	0.12	0.21*	0.04	0.13	0.07	0.09	0.13	0.04	0.01	0.07	0.14

SO=South Ostrobothnia ($n=195$); CR=Capital Region ($n=187$). Spearman's rho correlation coefficients reported to accommodate correlations between ordinal variables. * $p < 0.05$ (two-tailed)

all significant correlations between sense of place and the well-being variables are only applicable to the South Ostrobothnian sub-sample.

4.4 Main analysis

Next, we estimated regression models for each dimension of well-being to examine their relationship with sense of place while adjusting the relationships for potential confounders. We estimated an ordered logit model for autonomy (which was measured with a single ordinal variable) and ordinary-least-squares (OLS) regression models for the remaining dimensions of well-being. In an extensive graphical analysis of the associations between the dependent and independent variables (available from the authors upon request), we identified potential curvilinear effects pertaining to the relationships between sense of place and the well-being dimensions personal growth and positive relations with others. Following the spirit of explorative analysis, we included sense of place in a quadratic specification in all models to ensure that we do not miss possible curvilinearity in any relationship. In order to facilitate interpretation, we mean-centered the variable before creating the squared term such that the linear term in the regression output can be interpreted as the effect of sense of place when the variable is at its mean (Brambor et al., 2006). For each dimension of well-being, we estimated two model specifications: 1) unconditional effects and 2) the effect of sense of place conditional on the region (operationalized with

interaction terms). Before estimating the final models, we ran a series of diagnostics to ensure that the results are not biased due to multicollinearity, heteroskedasticity, outliers, or influential observations.

Table 5 displays the results of all 14 model specifications. The results indicate that sense of place has a positive and statistically significant ($p < 0.05$) relationship with autonomy and personal growth, and the Cohen's f^2 effect sizes are small in both cases (0.02 and 0.04, respectively). The effects of sense of place on environmental mastery and purpose in life are almost significant ($p < 0.10$), while there are no significant associations between sense of place and the remaining dimensions of well-being. Two further findings are worth noting. First, the regional differences in the relationships between sense of place and the well-being dimensions are not significant, despite the zero-order correlations pointing to such differences. Most likely, the differences between the correlation and regression results are explained by the control variables. Second, the squared term for sense of place is significant in the model pertaining to personal growth. This suggests that the relationship between sense of place and personal growth is curvilinear. Hence, we plotted the linear prediction of personal growth and the marginal effect of sense of place for the full range of values for sense of place in our data at 0.1 intervals (Brambor et al., 2006). Figure 1 shows a clear U-shaped relationship such that personal growth is at its lowest when sense of place is close to its mean, while it is higher when sense of place is either high or low.

Table 5 Main analysis

	Autonomy		Environmental mastery		Personal growth		Purpose in life		Self-acceptance		Positive relations		Life satisfaction	
	(1a)	(1b)	(2a)	(2b)	(3a)	(3b)	(4a)	(4b)	(5a)	(5b)	(6a)	(6b)	(7a)	(7b)
Sense of place (SoP; mean centered)	0.33* (0.14)	0.40* (0.18)	0.09† (0.05)	0.11† (0.06)	-0.11** (0.04)	-0.15** (0.05)	0.08† (0.05)	0.12† (0.06)	0.06 (0.04)	0.04 (0.05)	0.00 (0.06)	-1.06† (0.58)	0.10 (0.07)	0.07 (0.10)
SoP squared	0.015	0.027	0.064	0.087	0.002	0.002	0.077	0.057	0.115	0.399	0.955	0.065	0.188	0.497
Capital Region	0.08 (0.11)	0.04 (0.15)	0.02 (0.04)	0.01 (0.05)	0.10** (0.03)	0.11* (0.04)	0.03 (0.04)	0.02 (0.05)	0.04 (0.03)	0.09† (0.05)	-0.01 (0.05)	0.14† (0.08)	-0.02 (0.06)	0.02 (0.08)
Woman	0.442	0.780	0.572	0.843	0.001	0.013	0.412	0.638	0.203	0.070	0.863	0.072	0.796	0.814
Age (base: under 35 years)	-0.64** (0.22)	-0.71* (0.28)	0.07 (0.08)	0.05 (0.10)	0.02 (0.06)	0.02 (0.07)	-0.00 (0.08)	-0.01 (0.09)	0.10 (0.06)	0.15† (0.08)	0.01 (0.10)	-1.86 (1.41)	0.26* (0.12)	0.31* (0.15)
35–44 years	0.004	0.010	0.386	0.583	0.738	0.731	0.994	0.939	0.131	0.058	0.918	0.189	0.030	0.036
45–55 years	-0.44* (0.21)	-0.42 (0.22)	0.11 (0.08)	0.11 (0.08)	0.12* (0.06)	0.13* (0.06)	0.08 (0.07)	0.09 (0.07)	0.13* (0.06)	0.13* (0.06)	0.16 (0.10)	0.19* (0.10)	0.13 (0.12)	0.13 (0.12)
56+ years	0.040	0.050	0.168	0.155	0.038	0.027	0.261	0.223	0.039	0.043	0.101	0.045	0.259	0.287
Higher education degree	0.15 (0.30)	0.14 (0.30)	-0.04 (0.11)	-0.04 (0.11)	-0.09 (0.08)	-0.09 (0.08)	-0.23 (0.10)	-0.23 (0.10)	-0.11 (0.09)	-0.11 (0.09)	0.03 (0.14)	0.04 (0.14)	-0.13 (0.16)	-0.13 (0.16)
Mature firm	0.612	0.635	0.717	0.702	0.250	0.253	0.022	0.022	0.189	0.217	0.829	0.766	0.393	0.419
Five or more employees	0.04 (0.31)	0.03 (0.31)	-0.05 (0.11)	-0.05 (0.11)	-0.10 (0.08)	-0.10 (0.08)	-0.10 (0.10)	-0.10 (0.10)	-0.17† (0.09)	-0.16† (0.09)	0.04 (0.14)	0.05 (0.14)	-0.04 (0.16)	-0.04 (0.16)
Services only	0.900	0.914	0.675	0.676	0.214	0.238	0.341	0.357	0.055	0.066	0.772	0.697	0.792	0.812
	0.21 (0.31)	0.22 (0.31)	0.01 (0.11)	0.01 (0.11)	-0.26** (0.09)	-0.25** (0.09)	-0.26* (0.11)	-0.25* (0.11)	-0.17† (0.09)	-0.17† (0.09)	-0.30* (0.14)	-0.29* (0.14)	-0.05 (0.17)	-0.05 (0.17)
	0.504	0.493	0.949	0.940	0.003	0.003	0.016	0.018	0.059	0.068	0.038	0.043	0.763	0.763
	-0.67** (0.21)	-0.66** (0.21)	-0.12 (0.08)	-0.12 (0.08)	0.03 (0.06)	0.04 (0.06)	-0.03 (0.07)	-0.02 (0.07)	-0.16** (0.06)	-0.17** (0.06)	-0.00 (0.10)	0.00 (0.10)	-0.01 (0.11)	-0.02 (0.12)
	0.002	0.002	0.106	0.117	0.581	0.513	0.672	0.730	0.007	0.006	0.996	0.969	0.911	0.883
	0.27 (0.21)	0.28 (0.21)	0.06 (0.08)	0.06 (0.08)	0.10† (0.06)	0.10† (0.06)	0.07 (0.07)	0.08 (0.07)	0.13* (0.06)	0.13* (0.06)	0.01 (0.10)	0.02 (0.10)	0.12 (0.11)	0.12 (0.11)
	0.200	0.189	0.454	0.441	0.096	0.084	0.305	0.284	0.030	0.031	0.879	0.856	0.277	0.288
	0.12 (0.33)	0.11 (0.34)	0.16 (0.12)	0.16 (0.12)	0.10 (0.06)	0.10 (0.09)	0.21† (0.11)	0.21† (0.11)	0.10 (0.09)	0.11 (0.09)	-0.01 (0.15)	0.00 (0.15)	0.14 (0.18)	0.15 (0.18)
	0.729	0.735	0.167	0.174	0.296	0.293	0.059	0.061	0.269	0.244	0.949	0.993	0.437	0.418
	-0.03 (0.21)	-0.03 (0.21)	-0.00 (0.07)	0.00 (0.07)	0.03 (0.06)	0.03 (0.06)	-0.06 (0.07)	-0.06 (0.07)	-0.01 (0.06)	-0.01 (0.06)	-0.04 (0.09)	-0.04 (0.09)	-0.10 (0.11)	-0.10 (0.11)
	0.873	0.881	0.992	0.995	0.601	0.596	0.396	0.405	0.889	0.869	0.681	0.650	0.368	0.354

Table 5 (continued)

	Autonomy		Environmental mastery		Personal growth		Purpose in life		Self-acceptance		Positive relations		Life satisfaction	
	(1a)	(1b)	(2a)	(2b)	(3a)	(3b)	(4a)	(4b)	(5a)	(5b)	(6a)	(6b)	(7a)	(7b)
Time from home to work (log)	0.12 [†] (0.07)	0.11 (0.07)	-0.02 (0.02)	-0.02 (0.02)	-0.01 (0.02)	-0.01 (0.02)	-0.02 (0.02)	-0.02 (0.02)	-0.02 (0.02)	-0.02 (0.02)	-0.03 (0.03)	-0.03 (0.03)	-0.01 (0.04)	-0.01 (0.04)
	0.095	0.101	0.342	0.329	0.722	0.680	0.478	0.451	0.314	0.312	0.418	0.418	0.843	0.869
<i>Interaction terms</i>														
Sense of place * Capital Region		-0.15 (0.27)		-0.04 (0.10)		0.00 (0.50)		-0.08 (0.09)		0.02 (0.08)		-0.06 (0.13)		0.06 (0.15)
		0.581		0.673		0.999		0.418		0.810		0.637		0.706
SoP squared * Capital Region		0.08 (0.22)		0.02 (0.08)		-0.01 (0.07)		0.01 (0.08)		-0.08 (0.07)		-0.12 (0.10)		-0.06 (0.12)
		0.733		0.817		0.894		0.954		0.256		0.255		0.601
R-squared	0.14	0.14	0.03	0.03	0.08	0.08	0.05	0.05	0.06	0.06	0.04	0.05	0.03	0.03

Unstandardized regression coefficients, standard errors in parentheses, and *p*-values based on two-tailed *t*-tests in italics. Model 1 reports ordered logit and Models 2–7 ordinary-least-squares estimates. [†] $p < 0.10$, * $p < 0.05$, ** $p < 0.01$ (two-tailed)

4.5 Additional analyses

We explored our data further by interacting sense of place with several variables that capture different facets of entrepreneurship, which have been previously argued to influence entrepreneurs' resource embeddedness and spatial bonding/bridging (Müller & Korsgaard, 2018). First, we compared entrepreneurs with mature (4+ years) companies with those operating young (less than 4 years) ventures. This is because we expect entrepreneurs running mature firms to be more embedded in the region through their business than those who have recently started their ventures. Second, we compared entrepreneurs operating very small firms (less than five employees) with those who have five or more employees because we expect entrepreneurs with larger firms to be more bound to the region and less mobile, on average, than those who have very small firms. Third, we compared entrepreneurs who only offer services to those who also deal with physical products. Our assumption is that firms dealing with physical products are more bound to their geographic location compared to service-only firms. Fourth, we ran a series of cluster analyses on the three dimensions of entrepreneurial role identity (Cardon et al., 2013): inventor, founder, and developer. The most meaningful solution from the cluster analysis suggests two categories: those who are high on the inventor identity dimension, or simultaneously on the inventor and founder dimensions, and those who score similarly on all three dimensions (the cluster analysis did not suggest "pure" founder or developer types). Thus, we contrast those who are clearly more focused on creating something new with those whose entrepreneurial role identities comprise equal focus on novelty and development of the current business.

Table 6 shows the results of these analyses. The only significant interaction pertains to firm size in Model 6d: having five or more employees is positively associated with the effect of sense of place on positive relations with others. For further interpretation, we plotted the linear prediction and marginal effects. Figure 2 shows that sense of place has a positive and significant effect on positive relations with others only when the entrepreneur operates a firm with five or more employees, and their level of sense of place is medium or high. However, only 20 entrepreneurs in our sample meet these criteria. Therefore, we advise the reader to interpret this finding with caution.

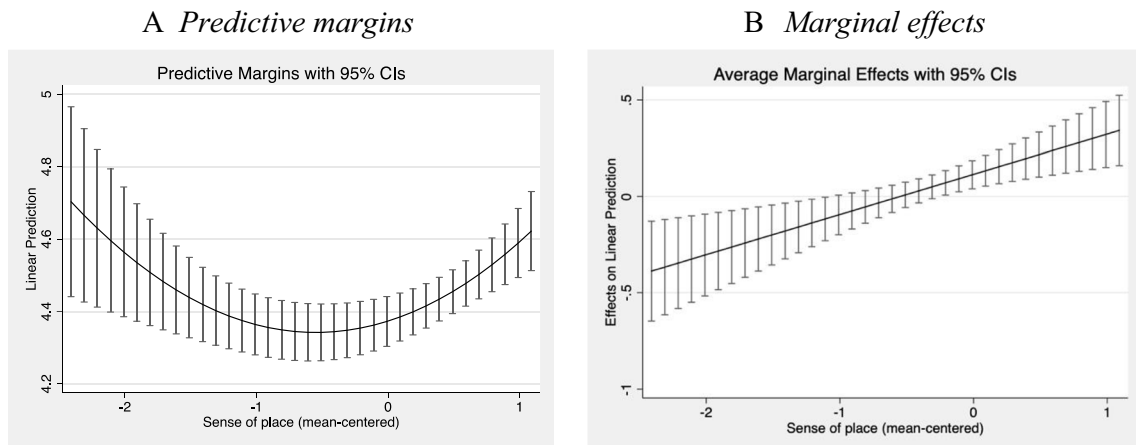


Fig. 1 Effect of sense of place on personal growth. *Panel A: Predictive margins.* *Panel B: Marginal effects.* The marginal effect of sense of place is negative and significant ($p < 0.05$) when sense of place (mean-centered) is less than -0.12 ($n = 66$,

17% of total sample). It is not significant when sense of place (mean-centered) is between -0.10 and 0.50 ($n = 79$, 21% of total sample). It becomes positive and significant for levels greater than 0.50 ($n = 237$, 62% of total sample)

5 Discussion and future research directions

This study generates the first empirical insights into how entrepreneurs' sense of place relates to their eudaimonic well-being. While previous research on well-being in entrepreneurship has emphasized the effects of personality traits (Obschonka & Stuetzer, 2017), emotions (Patzelt & Shepherd, 2011), coping strategies (Uy et al., 2013), stressors (Patel et al., 2019), and institutions (Fritsch et al., 2019), the role of place (as subjectively experienced by entrepreneurs) has been largely overlooked. Considering the cognitive, emotional, and self-expressive aspects of an individual's sense of place (Cartel et al., 2022; Jorgensen & Stedman, 2001; Twigger-Ross & Uzzell, 1996) in tandem with the enactment of an entrepreneurial mindset (Kuratko et al., 2021), our study demonstrates how the immaterial aspects of the local setting can influence the non-pecuniary rewards that entrepreneurs experience in their work.

Our quantitative exploratory analysis, conducted using two waves of original survey data, provides insights into the yet underexplored relationship between sense of place and entrepreneurs' eudaimonic well-being (Table 7). Even within the broader context of research in environmental psychology, our analysis shows novel and robust evidence of a positive association between sense of place and two dimensions of eudaimonic well-being: autonomy and personal growth.

Notably, we identify a previously unrecognized curvilinear relationship between sense of place and personal growth, complementing the prevailing linear understanding of how sense of place impacts well-being. While the effect sizes in both cases are small, this is not uncommon in entrepreneurship (Connelly et al., 2010), where scholars have noted that small effect sizes "can have substantial consequences" (Stephan et al., 2022, p. 38) when it comes to meaningful aspects of individuals' life, such as well-being. In that respect, small effects become especially relevant, since they can imply cumulative consequences in the longer term (Connelly et al., 2010). Furthermore, our analysis reveals weakly significant positive associations between sense of place and the well-being dimensions of environmental mastery and purpose in life. Interestingly, contrary to our initial expectations, we did not observe discernible differences in any of these relationships between urban and rural settings. Additionally, we did not find a positive correlation between sense of place and hedonic well-being (life satisfaction).

Thus, we found some support for Proposition 1 (positive association between sense of place and some dimensions of eudaimonic wellbeing) and Proposition 2 (sense of place matters more for eudaimonic than hedonic well-being), while the results did not support Proposition 3 (no differences between urban and rural environments). Next, we discuss our two substantial findings in the context of existing entrepreneurship

Table 6 Additional analyses

	Autonomy			Environmental mastery			Personal growth					
	(1c)	(1d)	(1e)	(1f)	(2c)	(2d)	(2e)	(2f)	(3c)	(3d)	(3e)	(3f)
Sense of place (SoP; mean-centered)	0.36 (0.24)	0.31* (0.14)	0.36 (0.23)	0.20 (0.17)	0.08 (0.09)	0.09† (0.05)	0.08 (0.08)	0.12† (0.06)	0.13† (0.07)	0.12** (0.04)	0.10 (0.06)	0.15** (0.05)
SoP squared	0.129	0.030	0.108	0.230	0.382	0.079	0.302	0.063	0.051	0.003	0.109	0.001
Mature firm	-0.03 (0.20)	0.11 (0.12)	0.16 (0.21)	-0.02 (0.16)	-0.08 (0.07)	-0.00 (0.04)	0.03 (0.07)	0.04 (0.06)	0.13* (0.06)	0.10** (0.03)	0.15* (0.06)	0.13** (0.04)
	0.861	0.370	0.455	0.921	0.309	0.930	0.700	0.474	0.024	0.003	0.010	0.005
Five or more employees	0.10 (0.28)	0.25 (0.21)	0.24 (0.21)	0.26 (0.21)	-0.06 (0.10)	0.04 (0.08)	0.05 (0.08)	0.05 (0.08)	0.13† (0.08)	0.10† (0.06)	0.10 (0.06)	0.10 (0.06)
	0.735	0.233	0.253	0.228	0.539	0.577	0.548	0.546	0.097	0.092	0.101	0.090
Services only	0.08 (0.34)	0.18 (0.42)	0.12 (0.34)	0.11 (0.34)	0.15 (0.12)	0.03 (0.15)	0.16 (0.12)	0.16 (0.12)	0.10 (0.09)	0.09 (0.12)	0.10 (0.09)	0.10 (0.09)
	0.810	0.674	0.724	0.750	0.219	0.817	0.191	0.189	0.279	0.454	0.273	0.286
Inventor/founder role identity	-0.01 (0.21)	-0.02 (0.21)	0.06 (0.29)	-0.01 (0.21)	0.01 (0.07)	0.01 (0.07)	0.01 (0.10)	0.01 (0.07)	0.03 (0.06)	0.03 (0.06)	0.07 (0.08)	0.03 (0.06)
	0.973	0.912	0.827	0.963	0.839	0.944	0.901	0.923	0.648	0.624	0.354	0.648
Interaction terms	-0.24 (0.19)	-0.25 (0.19)	-0.24 (0.20)	-0.41 (0.26)	-0.12† (0.07)	-0.11 (0.07)	-0.12† (0.07)	-0.09 (0.09)	0.03 (0.05)	0.03 (0.05)	0.03 (0.05)	0.07 (0.05)
	0.218	0.193	0.212	0.108	0.093	0.110	0.091	0.330	0.604	0.583	0.546	0.335
Sense of place * Mature firm	-0.07 (0.28)				0.07 (0.20)				-0.02 (0.08)			
	0.735				0.730				0.781			
SoP squared * Mature firm	0.17 (0.24)				0.07 (0.20)				-0.04 (0.07)			
	0.467				0.730				0.565			
Sense of place * 5 + employees		0.23 (0.50)				-0.01 (0.17)				-0.03 (0.13)		
		0.647				0.970				0.802		
SoP squared * 5 + employees		-0.03 (0.32)				0.13 (0.11)				0.01 (0.09)		
		0.918				0.249				0.935		
Sense of place * Services			-0.06 (0.27)				0.01 (0.10)				0.02 (0.08)	
			0.819				0.957				0.777	

Table 6 (continued)

	Autonomy			Environmental mastery			Personal growth						
	(1c)	(1d)	(1e)	(1f)	(2c)	(2d)	(2e)	(2f)	(3c)	(3d)	(3e)	(3f)	
SoP squared * Services			-0.10 (0.25) 0.692				-0.01 (0.09) 0.946				-0.06 (0.07) 0.374		
Sense of place * Inventor/founder			0.30 (0.26) 0.257					-0.07 (0.09) 0.457				-0.09 (0.07) 0.199	
SoP squared * Inventor/founder			0.22 (0.22) 0.305					-0.04 (0.08) 0.622				-0.05 (0.06) 0.388	
Control variables	INCLUDED												
R-squared	0.14	0.15	0.14	0.15	0.05	0.04	0.04	0.04	0.08	0.08	0.08	0.08	
	Purpose in life			Self-acceptance			Positive relations						
	(4c)	(4d)	(4e)	(4f)	(5c)	(5d)	(5e)	(5f)	(6c)	(6d)	(6e)	(6f)	
Sense of place (SoP; mean-centered)	0.09 (0.08) 0.294	0.08 (0.05) 0.104	0.09 (0.08) 0.233	0.10† (0.06) 0.082	0.11 (0.07) 0.126	0.05 (0.04) 0.235	0.08 (0.07) 0.195	0.07 (0.05) 0.179	0.07 (0.05) 0.179	-0.09 (0.11) 0.401	-0.04 (0.06) 0.527	-0.07 (0.10) 0.531	0.10 (0.08) 0.219
SoP squared	-0.04 (0.07) 0.553	0.05 (0.04) 0.264	0.06 (0.07) 0.404	0.06 (0.05) 0.260	0.02 (0.06) 0.738	0.04 (0.04) 0.269	0.00 (0.06) 0.948	0.06 (0.05) 0.179	0.06 (0.05) 0.179	-0.14 (0.10) 0.155	-0.03 (0.06) 0.566	-0.02 (0.10) 0.857	-0.01 (0.07) 0.923
Mature firm	-0.03 (0.09) 0.790	0.06 (0.07) 0.411	0.06 (0.07) 0.436	0.06 (0.07) 0.428	0.11 (0.08) 0.183	0.13* (0.06) 0.032	0.14* (0.06) 0.026	0.13* (0.06) 0.031	0.13* (0.06) 0.031	-0.12 (0.13) 0.355	0.01 (0.10) 0.938	0.01 (0.10) 0.908	0.01 (0.10) 0.900
Five or more employees	0.20† (0.11) 0.088	0.26† (0.14) 0.070	0.21† (0.11) 0.069	0.20† (0.11) 0.078	0.10 (0.10) 0.302	0.07 (0.12) 0.542	0.10 (0.10) 0.283	0.10 (0.10) 0.295	0.10 (0.10) 0.295	-0.02 (0.15) 0.903	-0.19 (0.19) 0.307	-0.02 (0.15) 0.896	0.00 (0.15) 0.986
Services only	-0.04 (0.07) 0.570	-0.04 (0.07) 0.535	-0.02 (0.10) 0.857	-0.04 (0.07) 0.520	-0.00 (0.06) 0.946	-0.01 (0.06) 0.828	-0.05 (0.08) 0.568	-0.01 (0.06) 0.907	-0.01 (0.06) 0.907	-0.03 (0.09) 0.744	-0.05 (0.09) 0.557	-0.05 (0.13) 0.683	-0.05 (0.09) 0.629
Inventor/founder role identity	-0.19** (0.07) 0.005	-0.19** (0.07) 0.004	-0.19** (0.07) 0.005	-0.14† (0.09) 0.093	0.00 (0.06) 0.946	-0.00 (0.06) 0.992	-0.00 (0.06) 0.957	0.03 (0.07) 0.678	0.03 (0.07) 0.678	-0.03 (0.09) 0.774	-0.03 (0.09) 0.768	-0.03 (0.09) 0.776	-0.01 (0.12) 0.972

Table 6 (continued)

	Purpose in life			Self-acceptance			Positive relations					
	(4c)	(4d)	(4e)	(4f)	(5c)	(5d)	(5e)	(5f)	(6c)	(6d)	(6e)	(6f)
<i>Interaction terms</i>												
Sense of place * Mature firm	-0.02 (0.09) 0.870				-0.07 (0.08) 0.418				0.13 (0.13) 0.310			
SoP squared * Mature firm	0.11 (0.08) 0.203				0.03 (0.07) 0.658				0.18 (0.11) 0.116			
Sense of place * 5 + employees		-0.01 (0.16) 0.951			0.16 (0.14) 0.248				0.55* (0.22) 0.013			
SoP squared * 5 + employees		-0.06 (0.11) 0.564			0.06 (0.09) 0.551				0.28† (0.15) 0.062			
Sense of place * Services			-0.02 (0.09) 0.817			-0.03 (0.08) 0.660				0.10 (0.12) 0.416		
SoP squared * Services			-0.04 (0.08) 0.675			0.06 (0.07) 0.447				0.02 (0.11) 0.891		
Sense of place * Inventor/founder				-0.06 (0.09) 0.489			-0.02 (0.08) 0.841					-0.23† (0.12) 0.059
SoP squared * Inventor/founder				-0.06 (0.08) 0.450			-0.04 (0.07) 0.526					-0.03 (0.10) 0.762
Control variables	INCLUDED											
R-squared	0.08	0.07	0.07		0.07	0.06	0.06	0.06	0.05	0.06	0.04	0.05
Life satisfaction												
			(7c)		(7d)		(7e)		(7f)			(7f)
Sense of place (SoP; mean-centered)		0.18 (0.13) 0.184			0.09 (0.08) 0.228				0.04 (0.12) 0.747			0.15 (0.09) 0.124
SoP squared		-0.06 (0.11) 0.574			-0.04 (0.07) 0.598				0.03 (0.11) 0.820			-0.00 (0.09) 0.976

Table 6 (continued)

		Life satisfaction			
		(7c)	(7d)	(7e)	(7f)
Mature firm		0.06 (0.15) 0.669	0.12 (0.11) 0.296	0.12 (0.11) 0.301	0.12 (0.11) 0.285
Five or more employees		0.13 (0.18) 0.481	0.04 (0.23) 0.847	0.14 (0.18) 0.449	0.14 (0.18) 0.429
Services only		-0.09 (0.11) 0.406	-0.10 (0.11) 0.359	-0.06 (0.15) 0.688	-0.10 (0.11) 0.360
Inventor/founder role identity		-0.01 (0.10) 0.910	-0.01 (0.11) 0.933	-0.01 (0.11) 0.941	0.01 (0.14) 0.915
<i>Interaction terms</i>					
Sense of place * Mature firm		-0.11 (0.15) 0.456			
SoP squared * Mature firm		0.07 (0.13) 0.606			
Sense of place * 5 + employees			0.06 (0.26) 0.822		
SoP squared * 5 + employees			0.11 (0.18) 0.524		
Sense of place * Services				0.08 (0.15) 0.569	
SoP squared * Services				-0.05 (0.14) 0.688	
Sense of place * Inventor/founder					-0.12 (0.14) 0.409

Table 6 (continued)

		Life satisfaction		
		(7c)	(7d)	(7e)
SoP squared * Inventor/founder				(7f) -0.04 (0.12) 0.756
Control variables	INCLUDED			
R-squared	0.04		0.03	0.03

Unstandardized regression coefficients, standard errors in parentheses, and *p*-values based on two-tailed *t*-tests in italics. Model 1 reports ordered logit and Models 2 and 3 ordinary-least-squares estimates. † $p < 0.10$, * $p < 0.05$, ** $p < 0.01$ (two-tailed)

Unstandardized regression coefficients, standard errors in parentheses, and *p*-values based on two-tailed *t*-tests in italics. † $p < 0.10$, * $p < 0.05$, ** $p < 0.01$ (two-tailed)

Unstandardized regression coefficients, standard errors in parentheses, and *p*-values based on two-tailed *t*-tests in italics. † $p < 0.10$, * $p < 0.05$, ** $p < 0.01$ (two-tailed)

literature, while drawing additional insights from research in environmental psychology and human geography. Subsequently, we provide a brief overview of the results comprising weakly significant or null effects, followed by recommendations for future research.

5.1 Sense of place and autonomy

Our results show a significant positive linear association between sense of place and autonomy. It is well known that entrepreneurship grants individuals the freedom to align their values and identities with the actions they take within the context in which they are embedded (Jack & Anderson, 2002; Shir & Ryff, 2022). As such, different attributes of the contexts in which entrepreneurs are embedded may matter differently for different types of entrepreneurs (Fauchart & Gruber, 2011; Müller & Korsgaard, 2018). Subsequently, when pursuing their values and aspirations, entrepreneurs choose which qualities of their context to draw and act upon to sustain their role engagement and enactment. In this context, sense of place becomes a relevant influence for both rural and urban entrepreneurs' autonomy because in both cases the respective regional context provides specific immaterial resources that support entrepreneurs' control over their lives through their entrepreneurial work engagement. For instance, rural entrepreneurs may appreciate the remoteness of their local setting because it protects them from the isomorphism and dynamism (e.g., time-related pressures) characterizing firms in urban settings, which, in turn, allows rural entrepreneurs to develop and run their businesses "as they please," thus authentically expressing themselves through entrepreneurship. On the other hand, urban entrepreneurs facing the hectic life in the city may find running their own business to provide them with more flexibility in terms of when and where to work, compared to waged work, which grants them a stronger sense of control over their time and their lives. This can manifest in a feeling of being the owner of one's time or having the autonomy to decide "when to do what."

5.2 Sense of place and personal growth

Our analysis finds a U-shaped relationship between sense of place and personal growth: entrepreneurs' personal growth exhibits higher values when sense of place is either low or high compared to when it is close to its mean. Regarding the first type of

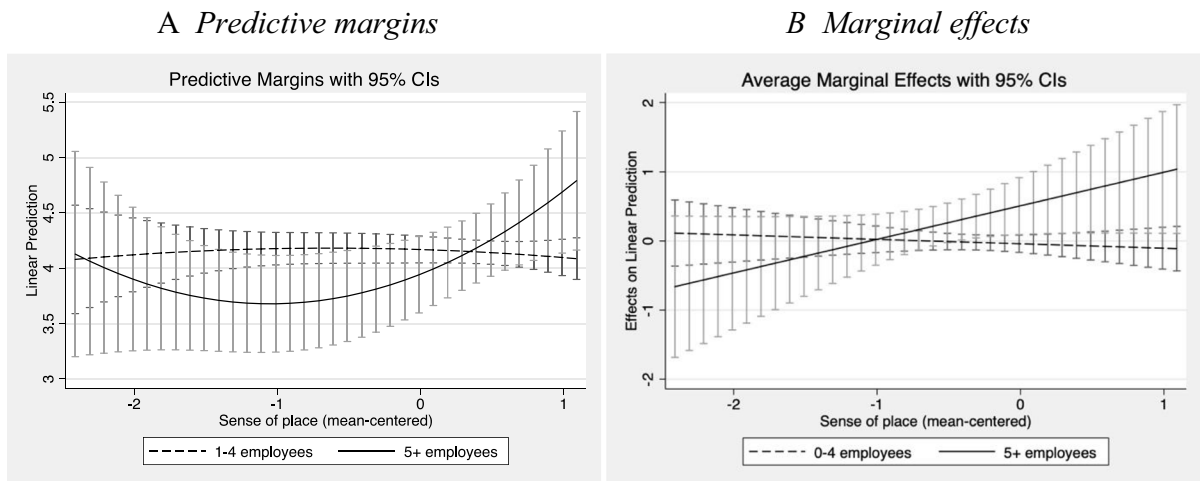


Fig. 2 Effect of sense of place on positive relations with others for entrepreneurs managing firms with less than five versus those managing firms with five or more employees. *Panel A: Predictive margins. Panel B: Marginal effects.* The marginal effect of sense of place is positive and significant ($p < 0.05$)

only for entrepreneurs managing firms with 5 or more employees and only when sense of place (mean-centered) is greater than -0.4 ($n = 20$, 54% of entrepreneurs with 5 or more employees and 5% of total sample). It is not significant otherwise

Table 7 Summary of findings: Relationship between sense of place and dimensions of well-being

Dimension of well-being	Principal findings
Autonomy	Significant ($p < 0.05$) positive linear relationship
Environmental mastery	Weakly significant ($p < 0.10$) positive linear relationship
Personal growth	Significant ($p < 0.01$) U-shaped relationship. The level of personal growth is high when sense of place is either low or high
Purpose in life	Weakly significant ($p < 0.10$) positive linear relationship
Self-acceptance	No significant relationship
Positive relations with others	Conditionally significant ($p < 0.05$) positive relationship: the significant relationship applies only to entrepreneurs whose level of sense of place is medium or high and who manage firms with 5 or more employees. This group comprises only 5% of the total sample ($n = 20$) and hence, the finding is not robust
Life satisfaction	No significant relationship

association—low sense of place and high personal growth—we suggest that a low level of sense of place may reflect individuals' emotional detachment from their place of residence. Not experiencing high levels of sense of place may be beneficial to entrepreneurs' motivation to seek new experiences and develop themselves and their potentials either in their current place of residence or elsewhere. It is well known that entrepreneurs have a high sensation-seeking tendency (Nicolaou et al., 2008) and that they are driven by a desire for self-enhancement (Boudreaux

et al., 2022). Furthermore, entrepreneurship allows the fulfilment of personal needs such as competence and autonomy (Nikolaev et al., 2020). Low emotional attachment to a place might encourage sensation seeking and ways of growth for entrepreneurial individuals accustomed to, and unexcited by already known places and experiences (Obschonka & Stuetzer, 2017).

For the second type of association—a combination of high sense of place and high personal growth—our explanation builds on the argument

that places provide entrepreneurs the necessary resources for goal pursuit (Weber et al., 2022) and conditions that support their sense of self and lifestyle (Boudreaux et al., 2022). For instance, a strong sense of place could be related to a strong sense of safety, trust, or social embeddedness (McKeever et al., 2014) which smoothen paths for developing oneself as a person and as an entrepreneur. Hence, the higher the entrepreneur's place dependence—i.e., their perception that the place supports their goal attainment and preferred ways of living and being—the more likely it is that they will feel able to grow and foster their personal development by making use of their skills and abilities in that place. Thus, we do not observe any evidence suggesting that a heightened sense of place results in potential drawbacks from being excessively entrenched in a region, as prior research might suggest (Czernek-Marszałek, 2020).

As regards the third pattern observed in our analysis—a combination of a medium level of sense of place (i.e., individuals who are neutral about the place) and low personal growth—we postulate that it might reflect a situation in which entrepreneurs are “place-captive” (i.e., held back in a place). As such, these entrepreneurs might be place dependent (i.e., the place is instrumental to their business operations), but they do not feel attached to or identify with the place. Alternatively, they might feel attached to the place, while being unable to fully exert their potentials for creativity there, for instance, by being a radical in a conservative culture (Freire-Gibb & Nielsen, 2014). This is likely to affect their personal growth negatively since they might feel somehow forced or resigned to stay in their current place of operation, unable to move elsewhere in pursuit of opportunities that match their personal values, interests, and self-expression. Another plausible explanation is that these individuals may be guided by values oriented toward loss avoidance and protective behavior (Obschonka & Stuetzer, 2017) which prevents them from attaining higher levels of personal growth. As such, entrepreneurs may find themselves in a situation in which they attain a satisfactory level of well-being, but they are neither keen on further improvements, nor willing to take the risk of moving to another place in search of better conditions.

5.3 Weakly significant and null results

Our analysis suggests a possible positive relationship between sense of place and two further eudaimonic well-being dimensions: *environmental mastery* and *purpose in life*. These relationships are only weakly statistically significant ($p < 0.10$), which is why we caution against strong interpretations of these findings. At the same time, we emphasize the importance of exploring these relationships further. Sense of place likely affects entrepreneurs' environmental mastery based on place-related qualities that could somehow match entrepreneurs' cognitions (e.g., preferences for risk, ambiguity, or market dynamism; Kuratko et al., 2021). For instance, urban entrepreneurs—who are likely attracted by the hustle and bustle of big cities—might be prone to seek and enjoy dynamic and complex environments (Audretsch et al., 2021a, b), whereas rural entrepreneurs—who likely enjoy a less hectic lifestyle—might feel at comfort in more stable and predictable environments that do not put their sense of mastery at risk. On the other hand, sense of place is likely to influence entrepreneurs' purpose in life by allowing the pursuit of personally meaningful opportunities or the enactment and realization of their ‘entrepreneurial heart’ (Cardon et al., 2012). In that sense, places can be a source of culturally meaningful values (Kuratko et al., 2021), which shape entrepreneurs' motivations to engage in and promote local- or global-level causes through their entrepreneurial actions (e.g., fight against climate change, hunger, or poverty; Lang et al., 2014). For investigating this further, it is important to distinguish between purely commercially-oriented and socially-motivated entrepreneurship.

We also found a positive and significant association between sense of place and *positive relations with others*. However, since this finding applies only to a specific small segment of the sample (20 entrepreneurs with medium-to-high levels of sense of place and who run firms with five or more employees), we do not consider this a robust finding yet. Instead, we encourage future research endeavors to investigate this relationship in more detail. This is a relevant area to explore further because existing literature conceives places as sources of social relationships, which influence individuals' well-being (e.g., Cartel et al., 2022; McKeever et al., 2014).

Finally, the regression analysis did not show significant associations between sense of place and *self-acceptance* or *life satisfaction*. It seems reasonable to question why sense of place would directly influence self-acceptance, since the latter deals more with an individual's intrinsic characteristics, self-esteem, or even how (un)fortunate they have been in life. On the other hand, the non-finding concerning hedonic well-being (life satisfaction) is somewhat surprising because prior research on place and well-being has suggested that community ties, local roots, and strong emotional bonds with one's home place are important sources of happiness (Dahl & Sorenson, 2012; Lewicka, 2011). Relatedly, studies drawing on the person-environment fit theory (Edwards, 1996) have reported positive associations between entrepreneurs' subjective (hedonic) well-being and the institutional environment (Brieger et al., 2020), work values (Oren, 2012; Riedo et al., 2019; Vörös, 2022), and the person-work fit (i.e., the ability to meet one's work demands; Hmieleski & Shepard, 2019). However, it is important to note that the conceptualizations of "environment" in those studies differ from our core construct of "sense of place," which renders the comparison of findings problematic. One explanation for the non-finding in our study is the different nature of hedonic and eudaimonic well-being. While hedonic well-being is more contingent on material goods and other tangible sources of satisfaction (Boudreaux et al., 2022), eudaimonic well-being relies on the subjective or immaterial aspects of an individual's circumstances as a means to achieving more fundamental human goals (Sen, 1980). This distinction and how it shapes the effect of context on well-being warrants further attention in future studies.

5.4 Future research directions

Our study opens several avenues for future research based on the concept of sense of place as the subjective dimension of the regional context in entrepreneurship. There are opportunities for theory development regarding the relationship between sense of place and entrepreneurs' well-being by drawing on identity theories, particularly the eudaimonic identity theory (EIT; Waterman, 1984, 2004, 2011). Here, places become integral to self-definitions as they provide the resources and meanings individuals

draw upon to construct and develop their identities (Anderson et al., 2019; Obschonka & Stuetzer, 2017).

Expanding on the notion of place as a key psychological determinant of entrepreneurs' well-being, we encourage future studies to explore the impact of bonding and bridging social capital (Korsgaard et al., 2020) on the relationship between a sense of place and eudaimonic well-being. Bonding social capital characterizes closed local communities, while bridging social capital is fostered by open and diverse places (Lewicka, 2011). Previous research has suggested the advantages of having both types of social capital and the importance of a supportive environment for entrepreneurs and their well-being (Stephan et al., 2020, 2022). However, do these characteristics hold the same relevance for urban and rural entrepreneurs? Future research could refine the concept of "ideal places" for entrepreneurship by developing measures that offer insights into the intangible or symbolic qualities of places as sources of attachment and identification (Kimmitt et al., 2023; Welter & Baker, 2021) and their influence on entrepreneurs' eudaimonic well-being.

Moreover, future studies could investigate the effects of social cohesion and social (over) embeddedness on entrepreneurs' well-being. While social capital has numerous advantages for entrepreneurs, tightly-knit local communities may also be insular (Lang et al., 2014) and resistant to new ideas and resources from outside the community. Similarly, when entrepreneurs become excessively entrenched in and dependent on a single region, they may become less receptive to resources (such as information, innovation, capital, etc.) and entities from different regional contexts. This can lead to a dearth of entrepreneurial diversity, limiting the diffusion and utilization of new ideas and contributing to a lack of fresh and innovative perspectives (Czernek-Marszałek, 2020). Additionally, if entrepreneurs lose their legitimacy and support by introducing disruptive ideas from outside, it may jeopardize their attachment to the place at the expense of their eudaimonic well-being.

Furthermore, we see an opportunity for future research to focus on exploring the sense of place and personal growth in immigrant entrepreneurs (Sevä et al., 2016). This research could delve into how individuals define, motivate, and adapt across roles and

places, and how places shape entrepreneurs' identities as they navigate new settings. By considering the sense of place in relation to migration, future studies could shed light on how feelings of alienation (i.e., negative attitudes toward one's current place; Lewicka, 2011) can drive changes in local norms and cultures through entrepreneurial activities, potentially contributing to entrepreneurs' personal growth.

We also encourage future studies to scrutinize the robustness of our findings, as well as the possibility of reverse causality. Here, we urge either the development or refinement of the instruments used in our data collection, particularly the scales employed to measure eudaimonic well-being, which exhibited less-than-ideal psychometric properties. One potential approach is to incorporate more items from Ryff et al.'s (2007) repository for each dimension of eudaimonic well-being, providing researchers with greater flexibility in selecting items for the final scales. These items could also be adapted to better suit the entrepreneurial context than the currently broadly formulated items. Furthermore, we advocate the adoption of longitudinal perspectives in future studies of entrepreneurial well-being. Such studies could investigate how the relationship between sense of place and entrepreneurs' eudaimonic well-being evolves across different stages of the entrepreneurial process (Shir & Ryff, 2022), and perhaps also among different types of entrepreneurs (Müller & Korsgaard, 2018).

Lastly, we would like to acknowledge that the links we have identified between sense of place and eudaimonic well-being dimensions may be influenced by distinct contextual factors. For instance, the cultural significance placed on comprehensive well-being and happiness in Finland (Martela et al., 2020) could play a pivotal role in explaining our findings. Furthermore, the apparent consistency we observed in the association between sense of place and well-being across urban and rural Finnish settings may obscure nuanced differences that are more pronounced in culturally diverse environments. Against this backdrop, we call for future research to further elucidate how the interplay between an entrepreneur's sense of place and eudaimonic well-being manifests in diverse geographical and cultural contexts, each of which may also offer varying levels of legitimacy and institutional support for entrepreneurs (Kibler et al., 2014; Kimmitt et al., 2023).

6 Conclusion

This study investigated the association between entrepreneurs' sense of place and various dimensions of their eudaimonic well-being. Employing a sample of entrepreneurs from both urban and rural regions in Finland, our analysis revealed that, regardless of the regional context, sense of place actively contributes to the enhancement of certain aspects of entrepreneurial eudaimonic well-being. By delving into these relationships, our study serves as a foundation for future research to further refine and broaden our understanding of the significance of the psychological attributes of place in elucidating entrepreneurs' well-being.

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