NECESSITY-DRIVEN INTENTION AT DOUNREAY AND THE SHAPERO DISPLACEMENT MODEL (INTERACTIVE PAPER)

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NECESSITY-DRIVEN INTENTION AT DOUNREAY AND THE SHAPERO DISPLACEMENT MODEL

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Principal Topic

This research explores the effects of necessity in the entrepreneurial intention model of Krueger and others, with particular attention to the role of need-driven displacement in the work of Shapero. The intention model in the literature suggests that feasibility and desirability predict intention directly, and mediate most if not all other factors. Shapero’s view is that after intention is formed, a displacement event is needed to precipitate individuals into action. Despite the fact that as much as a third of all entrepreneurship is driven by necessity (Global Entrepreneurship Monitor), there has been little interest in the role of necessity-driven intention. Alternative models are presented that integrate necessity into the process of intention development, characterizing alternative ways necessity might work with self-efficacy and desirability to predict entrepreneurial intention.

Method

The study focuses on Dounreay Nuclear Power Station, located on the northern coast of Scotland, to study necessity-driven entrepreneurship. The UK Atomic Energy Agency plans to decommission the facility, and 1500 employees and contract personnel will be seeking new jobs. This constitutes the loss of one out of every five jobs in the area. At the same time other local businesses will be impacted by the loss of GBP67 Millions spent annually in the local economy, suggesting that jobs will be scarce to nonexistent. For those not interested in moving away, start-ups are the most salient of very limited options.

A total of 418 individuals at Dounreay completed a survey that included scales for venturing self-efficacy, desirability and entrepreneurial intention (with alphas of .8, .8 and .9 respectively). Questions created for this research also includes short scales for perceptions of current opportunity and perceived necessity of entrepreneurship as a means of finding work.

Results and Implications

Regression coefficients are used to confirm that as expected higher necessity substantially increases the desirability of entrepreneurship, but that necessity has a substantial impact on entrepreneurial intention above and beyond the contribution of desirability and feasibility. The three factors together explain a substantial proportion of the explained variance in entrepreneurial intention, providing further support to the view that necessity is both a precursor and predictor of desirability, but has additional influence on the crystallization of entrepreneurial intention.

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