SELF-EMPLOYMENT OR EMPLOYMENT AFTER EXIT: THE EFFECT OF AN ENTREPRENEUR’S AGE AND GENDER

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Recommended Citation
Baù, Massimo; Chirico, Francesco; and Zahra, Shaker (2013) "SELF-EMPLOYMENT OR EMPLOYMENT AFTER EXIT: THE EFFECT OF AN ENTREPRENEUR’S AGE AND GENDER," Frontiers of Entrepreneurship Research: Vol. 33: Iss. 4, Article 1. Available at: http://digitalknowledge.babson.edu/fer/vol33/iss4/1

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SELF-EMPLOYMENT OR EMPLOYMENT AFTER EXIT: THE EFFECT OF AN ENTREPRENEUR’S AGE AND GENDER

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ABSTRACT

Building on career literature, we predict that an entrepreneur’s age at the time of re-entry has a unique and complex non-linear effect on the choice to become self-employed versus employed after an exit. Based on a database covering the whole Swedish population, we studied 79,356 entrepreneurs who experienced exit in a five year window (2000-2004) and we examined their career choice as self-employed versus employed. Our results show an inverted S-shaped curve which follows the career lifecycle stages (early, middle, and late). Also, we demonstrate that gender (man vs. woman) moderate the entrepreneur’s age/re-entry relationship.

INTRODUCTION

Although the recognized importance of an individual’s age on career choices (Levesque and Minniti, 2006), to date, limited attention has been given to the “age effect” in case of renascent entrepreneurs—individuals who have experienced entrepreneurial exit (hereafter, exit) and subsequently opted for entrepreneurial re-entry (hereafter, re-entry). The few existing studies on this topic converge in observing that entrepreneurs’ age is negatively related (Stam, Audretsch, and Meijaard, 2008) or not related at all (Carroll and Mosakowski, 1987; Evans and Leighton, 1989; Lin, Picot, and Compton, 2000; Van Praag and Van Ophem, 1995) with their propensity to start a new business after an exit, neglecting the importance of age as a proxy of experience and resource accumulation (Shane, 2003).

Building on existing literature, the present study attempts to clarify this complex phenomenon by investigating how and to what extent after exit, entrepreneurs’ age affects their decision of being entrepreneurs or employees. Specifically, building on career-choice arguments (Cohen, 1991; Douglas and Shepherd, 2000, 2002; Emmerling and Cherniss, 2003), we theorize that an entrepreneur’s age at the time of re-entry has a unique and complex non-linear effect on the subsequent choice to become self-employed versus employed, that we model as an inverted S-shaped curve, which follows the lifecycle stages any individual experiences (early stage, mid-stage, and late stage) (Hall, 1976, 2002; Levinson, 1978; Sonnenfeld and Kotter, 1982). Also, we expect gender to moderate an entrepreneur’s age/re-entry relationship because of the sociological aspects driving female and male career choices at different points in their life (Levesque and Minniti, 2006; Stam et al., 2008). In particular, along the life cycle stages we predict the likelihood of re-entry to be higher for a man than for a woman.

Using a longitudinal dataset obtained from Statistics Sweden, which covers the whole Swedish population, we find support for the theoretical arguments we develop and test. Based on the data
available, we identified all those entrepreneurs who experienced exit between 2000 and 2004, and we then examined their career choice to become self-employed or employed in the following five years. Our population includes 79,356 individuals.

Our study contributes to the literature in several ways. First, our research highlights the importance of entrepreneurs’ age on their choice of subsequent re-entry. Second, our results confirm that gender moderates this relationship, albeit in a more complex way than depicted in the literature (Stam et al., 2008; Wagner, 2007). Third, our work helps to reconcile existing conflicting findings on the relationship between entrepreneurs’ age and their choice to start a new business (Levesque and Minniti, 2006; Quinn, 1980).

This paper is organized in the following manner. We first review the literature on the entrepreneurial career and the re-entry process. We then develop our hypotheses followed by a description of the method adopted. The paper ends with the results, discussion, contributions and limitations of the study.

**Theoretical Framework**

A discussion about an individual’s career and career choices requires the consideration of both sociology and psychology (Barley, 1989). In particular, Sonnenfeld and Kotter (1982) suggest that careers literature moves from (1) an individual differences perspective, based on predicting how static dispositional differences influence career choice and success, (2) a sociological perspective, focused on the social and class determinants of career, (3) a developmental perspective, focused on a dynamic understanding of career stages, and (4) a life cycle perspective, focused on the individual psychology behind a dynamic vision of career over the life course. Building on Sonnenfeld and Kotter’s (1982), Dyer (1994) proposes a general model to understand the dynamics of entrepreneurial careers that considers (1) a theory of career choice—articulating the individual, social, and economic factors that influence an entry, (2) a theory of career socialization—investigating the experiences that prepare someone to fill entrepreneurial roles, (3) a theory of career orientation—explaining the different career orientations an entrepreneur might adopt, and (4) a theory of career progression—considering the dynamism of the entrepreneurial process, and understanding how the entrepreneurial behavior evolve over the career’s course. However, this model avoids considering the situation in which an entrepreneur decides (or is forced) to exit and then opts for re-starting an entrepreneurial experience through a re-entry. To better understand such a decision is relevant to review the following literatures: 1) career progression and entrepreneurial process; 2) risk propensity and switching costs; and 3) age and gender effects.

**Career Progression and Entrepreneurial Process**

The developmental perspective in career studies (Hall, 1976, 2002) presents career as a dynamic and maturing process that evolves over time. The developmental psychology examines human development throughout life, with the perspective that developmental processes can be better understood if they are seen in the context of the entire lifetime of individuals (Baltes and Brim, 1979). This suggests that an individual’s career is a dynamic and changing process, in which different needs, values, and motivators are prioritized at different stages over the life course.

Discussing the career progression, Dyer (1994), posits that while managerial careers has led to the development of several models that outline the stages of a managerial career, little work
has been done to understand the dynamics of an entrepreneurial career from entry to exit. This argumentation is still partially true. On the one hand, a discussion of the entrepreneurial process through the lenses of the career literature is still far to be accomplished, maybe due to a static perspective of the entrepreneur compared to an employee or a manager, in relation to the evolution of their role. On the other hand, the literature about the entrepreneurial process has recently thrived discussing the importance of viewing entrepreneurship as an act of entry and exit (DeTienne, 2010; Nordqvist, Wennberg, Baù and Hellerstedt, 2013). This framework calls for a deep analysis of the exit choice and suggests the opportunity of discussing a consequent entry.

Risk Propensity and Switching Costs

Our preceding discussion suggests that the evaluation of risk represents a significant dimension that must be considered in relation to the career choice. Literature shows that the degree of risk aversion plays a prominent role in the decision of being entrepreneur—i.e. more risk averse individuals are self-selected into paid employment while more risk tolerant individuals become entrepreneurs (Kan and Tsai, 2006; Kihlstrom and Laffont, 1979). However, different career choices present different levels of risk and reward, as a consequence, different entrepreneurial opportunities present also different levels of risk and reward (Friedman and Savage, 1948). Indeed, it is generally accepted that each individual have different orientations to business risk taking, and the decision of re-entering into an entrepreneurial career forces the individual to consider different factors when evaluating such risks. For instance, Bénabou and Tirole (2002) emphasize the importance of individual’s self-confidence and motivation. Indeed, the personal belief in the ability to learn from the past errors and the desire to invest intense and sustained efforts to achieve better results represent a pre-requisite. Similarly, Shepherd (2004) highlights the capacity to deal with the emotional tension connected with risk and the anxiety deriving from the learning process after a failure. However, re-entry also forces the person to negotiate risk sharing with investors and partners (e.g. Amit, Glosten, and Muller, 1990), and to face the stigma of a previous negative experience (Cope, 2011).

Age and Gender Effects

The bulk of prior research has focused on the effect of individuals’ age on their propensity to become entrepreneurs, but conflicting findings exist (Calvo and Wellisz, 1980; Coate and Tennyson, 1992; Levesque and Minniti, 2006; Parker, 2004; Quinn, 1980; Rees and Shah, 1986). For instance, Quinn (1980) found that there is a tendency for employees to switch to self-employment towards the end of their normal working life as an alternative to retirement. Older individuals may be more experienced, more financially equipped and have developed larger networks that help them to start up a business (Calvo and Wellisz, 1980; Parker, 2004). In contrast, Blanchflower, Oswald, and Stutzer (2001), among others, found that the probability of preferring to be self-employed decreases with age. And, Rees and Shah (1986) as well as Coate and Tennyson (1992) and Levesque and Minniti (2006) showed that the effect of an individual’s age on becoming an entrepreneur is nonlinear such that its effect rises first and decline towards the end of life. Older individuals, for example, may be more averse to the more demanding work and other challenges entailed by self-employment.

One more aspect that in literature has been seen affecting strongly the career choice of an individual and consequently the related entrepreneurial process is the gender. Career literature on the differences between men and women indicate that there are significant differences in
their career choices, and that theoretical models that describe the career paths of men are less suited to the experiences of women (Farmer et al., 1995). Stereotypes and sex-role socialization experiences have a strong impact on the individual behavior. For example, Gupta, Goktan and Gunay (forthcoming) found that gender differences in opportunity evaluation are exacerbated when entrepreneurship is linked to masculine stereotypical information, and reversed in favor of women when entrepreneurship is linked to feminine stereotypical information. Similarly, sex-role socialization experiences are seen as constricting career choices. On the one hand, they compromise career potential (Gottfredson, 1981), on the other hand, they influence women’s beliefs, attitudes and self-conceptions affecting their work interests and choices (Farmer et al., 1995).

Similarly, also entrepreneurial literature recognizes the importance of considering the gender perspective while discussing the entrepreneurial behavior. In particular, Brush (1992) argued that women entrepreneurs tend to balance economic goals with non-economic ones, such as personal enjoyment and helping others. Sexton and Bowman-Upton (1990) evinced that female entrepreneurs were less prone to take risks and more focused on autonomy and change than male entrepreneurs. On this same stream of research, Buttner and Moore (1997) found that “pull factors”, such as the research of a personal challenge and self-determination, were more important to women entrepreneurs than to men.

HYPOTHESIS DEVELOPMENT

An Individual’s Age and Re-Entry

Following the developmental carrier perspective (Dyer, 1994; Hall, 1976, 2002), we contend that the career of an individual relates to a sequence of three stages—namely early stage, mid-stage, and late-stage. Each stage is linked with the individuals’ age and their previous experiences that affect their career choice in terms of different risk propensity and switching costs.

The Early Stage

Early-career entrepreneurs are younger than 30 to 35 years old. According to Dyer (1994) the early stage of an individual’s entrepreneurial career presents several new roles and dilemmas. Dyer focuses on the first entrepreneurial experience, in which the entrepreneur often must cope with the insecurity and ambiguity created by acquisition of new roles as both a business owner and manager. The family sphere could also be a source of difficulties, in particular some entrepreneurs in late career stage lament the fact that they did not manage this issue well (Dyer, 1992), reporting a sacrifice of their families for their businesses. Opting for a re-entry opportunity, an individual may weigh risk, remuneration and life-satisfaction. The reasons are several. First, a high motivation guided by the opportunity of learning from past errors (Bénabou and Tirole, 2002). Second, the promise of and high remuneration in case of success is linked with the consideration that the first entrepreneurial experience is generally seen as a learning-by-doing process (Minniti and Bygrave, 2001), or a trial-and-error learning (Eisenhardt and Tabrizi, 1995). According to this, also the grief recovery phase (see Shepherd, 2003) would be less stressful. Finally, a high level of switching costs impact on the years of potential career still available to the individuals due to the young age (Gimeno, Folta, Cooper, and Woo, 1997), and may favor the choice of a new entrepreneurial attempt instead of a career as employee. Therefore, consistent with the above observations, we expect that the early stage of an individual’s career choice is positively related with the likelihood of re-entry.
**Mid-Stage**

Mid-career entrepreneurs are aged approximately 35-55 and usually face the necessity of self-determining their future economic prosperity, career and personal identity over the prospective benefits of being an employee (Greenhaus, Callanan, and Godshalk, 2009). During this stage, the midlife crisis deeply impacts on the entrepreneurial career choice. According to Jung (1933), individuals tend to shift from a primary focus on the external world to a more internal, reflective state, opening the possibility for profound changes facing the second half of life if the midlife change appears to be too unknown or dangerous. Moreover, Baruch (2004) suggests that these individuals may lack explicit goals. They will show an orientation toward a holistic approach to life—that jointly considers family, friends, interests, and perceived quality of life—searching for a work-life balance that can be better guaranteed by a career as employee. Several research, indeed, shows that despite the freedom implied in serving in their own businesses, entrepreneurs work long hours (Aboud and Hornaday, 1971), experience work-family conflict (Carlson and Perrewé, 1999), and are susceptible to stress reactions (Kets de Vries, 2006). Therefore, we expect that the mid-stage of an individual’s career choice is negatively related with the likelihood of re-entry.

**Late-Stage**

Following Greller and Simpson (1999) the general boundaries of a late-stage career are recognized in individuals who are over 50 years of age or who have experienced a career path of many years of service. These individuals are considered to be senior enough to be less troubled by minor psychological issues related to negative work experiences (Hall and Mirvis, 1995; Lawrence, 1987; Meyer and Allen, 1997). While facing the choice of a re-entry in late-stage career, an individual may also evaluate an alternative option that is early retirement. Early retirement refers to exit from a long-term job or career path before 65 years of age or before 30 years of service (Feldman, 1994). This choice requests a clear evaluation of the individual’s switching costs. While focusing on entrepreneurs at the late-stage of their career, Gimeno et al. (1997) found that they are generally not contemplating retirement, considering that “older people have less time to recoup the costs associated with switching jobs” (p.759). Moreover, according to the Atchley’s (1989) theory of continuity, only when individuals have the ability to continue valued activities and routines during retirement, they will be able to well adjust to the retirement phase. Applied to an exit in the late-stage of an individual’s career, we expect that individuals will do their best to re-entry and establish a valuable activity again. Therefore, we expect that the late stage of an individual’s career choice is positively related with the likelihood of re-entry. Summing up, we expect that:

\[ H1: \text{The relation between individual’s age and the likelihood of re-entry (namely, the possibility of being again entrepreneur) first increases, then decreases, and finally increases again (sideways inverted S pattern).} \]

**The Moderating Effect of Gender**

Entrepreneurship is a gendered process (Eddleston and Powell, 2008). However, as Rae (2007) explains, the existing literature shows a lack of a conceptual connection between and empirical findings about entrepreneurship and career choices in relation to gender.
In this study we theorize gender (male or female) to be an important contingency of our baseline hypothesis (Hypothesis 1). According to Eddleston and Powell (2008), women and men value different sources of career satisfaction and thus have different goals. Indeed, while men search for financial success and business growth (DeMartino and Barbato, 2003), women place greater emphasis on socio-emotional career satisfiers—such as relations with employees and customers, and the pursuit of social goals (Brush, 1992). As a consequence, compared to a man, a woman may be satisfied with her entrepreneurial career, despite achieving relatively less business success in objective terms. For instance, Anna, Chandler, Jansen, and Mero (2000) suggest that women's career paths differ from men because of parental role expectations. Accordingly, literature suggests that women have both lower entrepreneurial self-efficacy and lower entrepreneurial intentions compared to men (Chen, Greene, and Crick, 1998; Kourilsky and Walstad, 1998). In addition, there is significant evidence that women are more likely than men to limit their career aspirations and interests because they perceive to be less capable (Bandura, 1992). Interestingly, whereas male midlife crises are more likely to be driven by work or career issues (Mendenhall, Kalil, Spindel, and Hart, 2008), women's are more likely to begin with family events or problems, such as a divorce, a parent's death, or an extramarital affair (Gordon and Whelan, 1998; Shellenbarger, 2005). Therefore, we expect that:

\[ H2: \text{Gender moderates the entrepreneur's age/re-entry relationship. In particular, along the life cycle stages (early, mid, and late) the likelihood of re-entry is higher for male than for female.} \]

**METHOD**

To test our hypotheses, we used three longitudinal databases maintained by Statistics Sweden, the official census bureau in Sweden. We constructed a longitudinal dataset by combining the RAMS database that provides yearly data on all firms registered in Sweden and the databases LISA and Jobbregistret (work register) that provides yearly data on all Swedish inhabitants, family relationships, and income sources. We singled out all the Swedish entrepreneurs who experienced exit consequent to the firm dissolution in a five-year window (2000-2004). We then examined through a pooled cross-sectional logit regression their career choice to become self-employed or employed in the following five years. Given that the Swedish pension system offers a guarantee pension, which can be drawn from the age of 65 for both men and women, we decided to consider only those individuals that at the time of re-entry have an age between 18 and 65 years. Our final population consisted of 79,356 individuals.

**Dependent Variable**

Entrepreneurial re-entry was measured as a dummy variable that addresses the career choice of being employed (0) or self-employed (1) after exit due to a firm dissolution (Wiklund et al., forthcoming). In particular, we consider all those entrepreneurs that experienced an exit between 2000 and 2004 Therefore, we followed their status in the next five years after the exit, in order to identify the choice of being self-employee versus employee. Finally, we excluded all those individuals that in the next five years after an exit remained unemployed or retired.

**Independent Variables**

The entrepreneur’s age was considered at the time of re-entry. Gender is coded as dummy variable where 0 is male and 1 is female.
Control Variables

In order to account for different entrepreneurial experiences before the exit and their potential influence on the decision to re-entry, we controlled for a serial entrepreneur’s profile (Johan Wiklund and Shepherd, 2008) and for past experiences as an entrepreneur in the same industry chosen for the re-entry (Stam et al., 2008). In particular, we define serial entrepreneur an individual that had one or more other entrepreneurial experiences in the ten years before the exit we considered in our analysis. We matched previous and new industry considering three digits NACE code. In order to control for family influence, we considered the presence of offspring of 18 years old or younger living with the entrepreneur (Eddleston and Powell, 2008). Indeed, career studies show that career experiences affect individuals’ family lives and vice versa (Ruderman, Ohlott, Panzer, and King, 2002; Singh and Greenhaus, 2004). We controlled for industry, using a set of 19 dummy variables with the agriculture industry as the comparison industry. Finally, in order to perform a pooled cross sectional time series, we also measured the year in which the exit occurred (between 2000 and 2004) and we codified it as a set of four dummy variables, having 2000 as the comparison year.

Results

We present descriptive statistics and correlations in Table 1 (industry controls suppressed. Inspection of the variance inflation factors (VIFs) showed that multicollinearity was not a major concern in the study. All VIF coefficients were lower than 10 (Kutner, Nachtsheim, and Neter, 2004). Given that the dependent variable is dichotomous (i.e. re-entry as employee or self-employee), we used pooled logit regression analysis. To correct for possible unspecified time effects as a source of heteroskedastic variance, we also included year-specific dummy variables (Zajac and Westphal, 1994). We tested the hypotheses in seven models, as reported in Table 2. First, we consider the control variables (model 1) and then we add the independent variables of interest—entrepreneur’s age (model 2), age squared (model 3), age cubic (model 4), gender (model 5)—in order to test curvilinear effects. In model 6 we test the interaction effects of gender with entrepreneur’s age and its squared and cubic terms. Finally, we further investigated the two-way interaction by splitting the sample by gender (Aiken and West, 1991). This allowed us to separately test the interaction per male and female, running a separate pooled logistic regression analyses within each subsample (model 7a and 7b).

Hypothesis 1 posits that an inverted S-shaped relationship exists between the entrepreneurs’ age and their propensity to re-entry. The analytical results support our first hypothesis while entrepreneur’s age is significantly related with the re-entry choice, presenting a positive value for age, the squared term is negative and the cubic term again positive and statistically significant (see model 4). Thus, as hypothesized, the possibility of being again entrepreneur first increases, then decreases, and finally increases again. To better understand the nature of this relationship, we plotted the result in Figure 1.

Hypothesis 2 suggests that gender moderates the entrepreneur’s age/re-entry relationship. In particular, male should have a higher likelihood of business re-entry than female. The hypothesis suggests that along the life cycle stages (early, mid, and late) the likelihood of re-entry should be higher for a male than for a female. The results obtained in model 6—confirmed also in models 7a and 7b—support hypothesis 2. Finally, we used the results of models 7a and 7b to plot the gender effect in Figure 2.
Finally, to check for the robustness of the results, we also run several tests. We verified whether the non-linear relationship of our study was instead a bi-quadratic curve—namely if age power 4 was significant or not—finding support only for the cubic term. Moreover, we separately tested our pooled sample considering cross sectional data per each of the selected years. These tests showed robust results in sign and significance of the main effects and interaction terms.

**Discussion**

Drawing on the developmental career perspective (Dyer, 1994; Hall, 1976, 2002), we hypothesized and tested how an entrepreneur’s age and gender affect the likelihood of re-entry, after exit due to firm’s dissolution. The results are consistent with our theory and predictions. In particular, in the first hypothesis, we predicted the existence of a cubic relationship between an individual’s age and the likelihood of re-entry, such that the possibility of being again entrepreneur first increases, then decreases, and finally increases again. Consistently with the developmental carrier perspective and hypothesis 1, we found an S-shaped relationship highlighting a sequence of three stages—namely early stage, mid-stage, and late-stage.

Hypothesis 2 was also supported, showing that gender moderates the entrepreneur’s age/re-entry relationships, showing that the probability of re-entry for male is higher than for female. However our results show also a different pattern for women and men. While the men subsample presents the inverted S-shape pattern described in hypothesis 1, women entrepreneurs present a different pattern. In particular, in the early stage, men present a higher probability of choosing for a re-entry, reaching the highest distance with women entrepreneurs at the beginning of the mid-life stage. After that, we see that a mid-life crisis impacts on men’s entrepreneurial choice, but not on women. Indeed, during the mid-life stage the likelihood of re-entry keeps increasing for women entrepreneurs. Finally, in the late-stage the behavior of men and women become similar, though the choice of re-entry is still higher for men than for women.

The early stage presents results which are consistent with the literature on entry regarding the curvilinear relationship between an entrepreneur’s age and the likelihood of opportunity exploitation (e.g. Boyd, 1990; Lofstrom, 2002; Taylor, 1996). In particular age incorporates the positive effect of experience, which typically increases with age, and the negative effects of opportunity cost and uncertainty premiums, both of which also increase with age (Shane, 2003). However, the literature has broadly discussed the “age effect” without paying attention to the exit while considering the past entrepreneurial experiences only as a control variable (e.g. Evans and Leighton, 1989; Van Praag and Van Ophem, 1995).

Focusing on the mid stage, we found that the effect of age on re-entry substantially differ between women and men. While for men we find support to the hypothesized decrease of the possibility of being again entrepreneur, for women we observed an opposite behavior. Eddleston and Powell (2008) offer us a possible explanation to this effect. They propose that some female business owners may place high importance on status-based satisfiers whereas some male business owners may place high importance on socio-emotional career satisfiers (Brush, Carter, Gatewood, Greene, and Hart, 2004; Gundry and Welsch, 2001; Walker and Brown, 2004). Moreover, the mid-life crisis has a higher impact on men than on female. While women have a very clear vision of their biological growth, marked by significant milestones (e.g. the fertile cycle), men do not clearly perceive age advancing (Levinson, 1978, 1996). Indeed, during this phase, men tend to shift
from a primary focus on the external world to a more internal, reflective state, thus opening the possibility for profound change as well experiencing the midlife crisis (Jung, 1933).

Finally, in the late stage career, individuals are old enough to have gotten over the “entry shock” of the world of work and senior enough to be less troubled by minor psychological contract violations (Hall and Mirvis, 1995; Lawrence, 1987; Meyer and Allen, 1997). Moreover, consistent with Gimeno et al. (1997), switching costs and opportunity costs related to choice of being employee versus self-employee encourage the former entrepreneur to conclude the career as entrepreneur. Indeed, older people have had time to build better networks, and identified valuable opportunities in entrepreneurship (Calvo and Wellisz, 1980). Also, a similar behavior is expected for women entrepreneurs.

Conclusions

Our study contributes to the literature in several ways. First, our research highlights the importance of entrepreneurs’ age on the choice of re-entry, providing empirical evidence for a cubic relationship. That is, the probability of this choice first increases (early stage), than decreases (mid stage) and ultimately increases again (late stage). Second, our results confirm that gender moderates this relationship, albeit in a more complex way than depicted in the literature (Stam et al., 2008; Wagner, 2007). In particular although compared to men, women tend to have a lower propensity to be self-employed after exit, their propensity to do so continues to increase over time. Third, our work helps to reconcile existing conflicting findings on the relationship between entrepreneurs’ age and their choice to start a new business (Levesque and Minniti, 2006; Quinn, 1980). As a result, it extends previous studies that offered a limited view of the effect of an entrepreneur’s age, as well as gender, on subsequent re-entry (Stam et al., 2008). Fourth, previous studies have mainly focused on re-entry as a choice between the start-up of a new business or not after exit. In contrast, we focus on an individual’s choice to start a new business or be employed in a firm after exit, offering a more fine-grained specification of the re-entry’s concept. Fifth, our data offered us the unique opportunity to test our hypotheses longitudinally in an interesting setting (the entire population of Sweden) while addressing issues that often arise from sample size and other sampling limitations. Finally, our findings offer important indications for institutions and policy makers about the support of those start-ups created by former entrepreneurs based on their age and gender.

This study has some limitation that can favor the identification of future research directions. For instance, we do not consider the reason for the dissolution of the previous company, and in case of business failure we do not empirically verify the existence of a grieving time (Shepherd, 2003). Further, we do not measure how long it took to individuals to decide for a re-entry according to the different stages of their career. Likewise, we do not introduce the family dimension although according to the family embeddedness perspective individuals’ entrepreneurial behavior is strongly affected by their family (Aldrich and Cliff, 2003). In addition, we discuss gender keeping a simple distinction between men and women, without accepting the challenge proposed by Eddleston and Powell (2008) of considering a continuous measure that deal with femininity and masculinity. Finally, we perform our analysis in a specific cultural context: Sweden indeed is commonly recognized as a highly feminine society (Hofstede, 2001) and this aspect may strongly affect our arguments and results about genders. A comparison beyond the Swedish context and the time period we examined would be valuable.
To conclude, we hope that this research disseminates new knowledge and will inspire future work on the effects of an entrepreneur’s age and gender on re-entry after exit.

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ACKNOWLEDGMENTS

The authors would like to acknowledge the financial support from the Lars Erik Lundbergs and Handelsbanken Foundations.

REFERENCES


TABLE ONE: Descriptive statistics and correlations.

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num=79,356; * p<0.05; ** p<0.01; *** p<0.001

TABLE TWO: Results of the pooled cross sectional logistic regression on re-entry.

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<th>Entrepreneurial re-entry</th>
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<td>0.18175***</td>
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<td>1.49573***</td>
<td>1.49619***</td>
<td>1.49280***</td>
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</table>

† p<0.1; * p<0.05; ** p<0.01; *** p<0.001; a. years 2000-2005 (ref. 2000); note: control variables for19 industry dummy code included but unreported for space limitation (ref. agriculture).
FIGURE 1: The S-shaped relationship between an individual’s age and the probability of re-entry.

FIGURE 2: The cubic relationship between an individual’s age and the probability of re-entry for men and women.