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RECRUITER PERCEPTIONS OF ENTREPRENEURS' HUMAN CAPITAL (SUMMARY)

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 SUMMARY **RECRUITER PERCEPTIONS OF ENTREPRENEURS' HUMAN CAPITAL**

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Principal Topic

Corporate entrepreneurship has been shown to increase firm performance and growth (e.g., Bierwerth et al. 2015; Zahra et al. 2000). To achieve the goal to be more entrepreneurial, corporations often seek to hire entrepreneurs. Hence, entrepreneurs should be highly valued by corporations. Surprisingly, however, most entrepreneurs do not switch to employed work, although the financial returns in their own business are lower than their market wage would be (Baptista, 2012; Hamilton, 2000; Moskowitz and Vissing-Jørgensen, 2002). While this observation could be explained by, for example, non-monetary rewards of self-employment, another intriguing idea is that entrepreneurs cannot switch to employed work (Koellinger et al., 2014). One particular barrier for entrepreneurs to enter the job market may be recruiters, i.e., the gatekeepers of the organization. Therefore, this study tests recruiters' perceptions of entrepreneurs' human capital on the labor market.

Methods

We test our assumptions in a dataset from an international online job market portal. Our analyses are based on 630,000 observations of job candidates and recruiters over a period of 12 years (2000 - 2011). We estimate probit regression models and report marginal effects for job candidates being viewed and bookmarked by recruiters. Regression results demonstrate that entrepreneurial compared to employed job candidates are 64% less likely to be viewed, but only 1% less likely to be bookmarked, for wage employment. In particular, the likelihood for entrepreneurial job candidates to be viewed by recruiters depends on their age, academic degree, study background, job tenure, work experience, current salary, and prior industry experience. The likelihood for entrepreneurial job candidates to be bookmarked depends on their gender, age, years of education, academic degree, study background, and prior industry experience.

Results and Implications

Our study's results imply that recruiters treat entrepreneurs adversely when applying for corporate jobs. Our results indicate that, although corporations seek to be more entrepreneurial, corporate practice provides barriers for entrepreneurs to enter wage employment. Our findings may also present an alternative explanation of previous studies' results on occupational choice in entrepreneurship by looking at the demand-side of the labor market for entrepreneurs. Entrepreneurs may remain in entrepreneurship in part because the outside option is not necessarily available to them. Finally, our results provide first important insights into how recruiters perceive entrepreneurs on the labor market.

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