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RE-ENTRY INTENTIONS AT THE MOMENT OF EXIT: THE INTERPLAY BETWEEN INDIVIDUAL AND VENTURE CHARACTERISTICS (SUMMARY)

Karlien Coppens

Ghent University, Belgium, Karlien.Coppens@UGent.be

Mirjam Knockaert

Ghent University, Belgium

Annelore Huyghe

Cass Business School, UK

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≈ SUMMARY ≈

**RE-ENTRY INTENTIONS AT THE MOMENT OF EXIT:
THE INTERPLAY BETWEEN INDIVIDUAL
AND VENTURE CHARACTERISTICS***Karlien Coppens, Ghent University, Belgium**Mirjam Knockaert, Ghent University, Belgium**Annelore Huyghe, Cass Business School, UK***Principal Topic**

For many entrepreneurs exit is not the end point of their entrepreneurial career path but rather the trigger to start a new venture (Wright et al., 1997). Despite the prevalence of entrepreneurial re-entry, there are hitherto scant insights into how the nature of prior start-up experiences influences ex-entrepreneurs' likelihood of re-entry (Hsu et al., 2015). Furthermore, the few studies exploring re-entry intentions (Stam et al., 2008; Hessels et al., 2011; Nielsen & Sarasvathy, 2011) have focused on a limited number of individual characteristics, such as the entrepreneur's education and experience, hereby however producing contradictory findings. The lack of conformity in prior work calls for a contingency approach, in which characteristics of the exited individual are studied in conjunction with characteristics of the exited venture. Hence, building upon self-efficacy theory, this study investigates the characteristics of both the exited entrepreneur and the exited firm as well as the relationship between these characteristics and the re-entry intentions of entrepreneurs at the moment of exit.

Method

Our study is based upon unique cross-sectional data collected in Belgium in 2013-2014. The dependent variable, re-entry intentions, was measured by asking respondents about the likelihood of them re-entering entrepreneurship in the future using a 7-Likert scale. Covariate measures at the individual level are exit motivation and entrepreneurial experience. Moderators at the venture level include size (in terms of revenues) and profitability of the exited firm. In order to test our hypotheses, hierarchical regression analysis was used.

Results and Implications

First, in line with self-efficacy theory, our results indicate a negative relationship between involuntary exit and individuals' re-entry intentions at the moment of exit. Further, we find firm profitability to positively moderate this relationship, such that the negative impact of involuntary exit is attenuated by higher levels of firm profitability. Second, contrary to our expectations, our analyses reveal that individuals with more entrepreneurial experience show significantly lower intentions to re-engage in new venture creation. This negative relationship is further moderated by firm size, indicating that inexperienced entrepreneurs show higher levels of re-entry intentions in case the ventures they exited from were relatively small.

CONTACT: Karlien Coppens; Karlien.Coppens@UGent.be; (T): +32 9 264 35 37; Ghent University, Tweekerkenstraat 2, 9000 Ghent, Belgium.