6-10-2006

SERIAL ENTREPRENEURS: WHAT KEEPS THEM PUSHING FOR MORE? (SUMMARY)

Dietmar Grichnik
Witten/Herdecke University, grichnik@uni-wh.de

Robert D. Hisrich
Thunderbird University

Recommended Citation
Available at: http://digitalknowledge.babson.edu/fer/vol26/iss7/5

This Summary is brought to you for free and open access by the Entrepreneurship at Babson at Digital Knowledge at Babson. It has been accepted for inclusion in Frontiers of Entrepreneurship Research by an authorized administrator of Digital Knowledge at Babson. For more information, please contact digitalknowledge@babson.edu.
SUMMARY

SERIAL ENTREPRENEURS: WHAT KEEPS THEM PUSHING FOR MORE?

Dietmar Grichnik, Witten/Herdecke University
Robert D. Hisrich, Thunderbird University

Principal Topic

In this paper, we extend the existing studies about serial entrepreneurship by analyzing whether the differences between serial and novice entrepreneurs could be attributed to the types of skills and competences possessed by the individuals, and whether particular motives for starting new ventures are more conducive to multiple businesses founding than others. We refer to the arguments of Casson (1982) and Lazear (2004) by suggesting that further selection of novice entrepreneurs into serial/habitual entrepreneurs may be a function of the levels of particular skills and competencies. In particular, we hypothesize that entrepreneurs with above-average levels of general skills are more likely to start multiple ventures whereas above-average levels of functional skills would have no noticeable (or have a negative) effect on the probability of becoming a serial entrepreneur. Prior literature has also suggested the importance of particular motives in the individual’s decision to pursue an entrepreneurial occupation. At the same time, relatively little is known about particular individual goals in the serial entrepreneurship context. We acknowledge the likelihood of differences in individual motives between novice and serial entrepreneurs while leaving the directionality of such differences to empirical investigation.

Method

We test our hypotheses using a cross-sectional data collected in Germany and China in 2003 and 2004. We examined 10 items in entrepreneur’s goals/motivations, 8 items in functional skills, and 7 items in general competencies. Given the binary coding of the dependent variable – serial entrepreneur –, we used binary logistic regression to estimate the hypothesized relationships.

Results and Implications

Our results indicate that general skills are successful in explaining the probability of a novice entrepreneur becoming a serial entrepreneur. Novice entrepreneurs with significantly higher levels on some functional skills (finance, marketing, operations, organizing and planning, technological expertise) show no effect on serial entrepreneurship. Novice entrepreneurs that have higher rankings on learning and personal growth, and satisfying work relationships are significantly less likely to start yet another venture. We believe that our findings are consistent with the work of Casson (1982) and Lazear (2004), support the research on entrepreneur’s overconfidence and tend to indicate that entrepreneur’s social ties could often be bonding rather than enabling in nature.

CONTACT: Dietmar Grichnik; Chair of Corporate Finance & Entrepreneurship, Witten/Herdecke University (UW/H), Alfred-Herrhausen-Str. 50, D-58448 Witten, Germany; (T): +49 2302/926596; (F) +49 2302/926 521; grichnik@uni-wh.de