SORTING NASCENT GROWTH ENTREPRENEURS FROM NASCENT LIFESTYLE ENTREPRENEURS AT THE INTENTIONS STAGE (SUMMARY)

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SORTING NASCENT GROWTH ENTREPRENEURS FROM NASCENT LIFESTYLE ENTREPRENEURS AT THE INTENTIONS STAGE

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Principal Topic
Shane (2009) argued that public support of independence-oriented new ventures is not justified since they typically do not grow and repay public investment via new employment creation or tax revenues. Thus it is important to predict whether the nascent entrepreneur’s intention is to pursue a growth-oriented rather than independence-oriented venture. Prior research has demonstrated that generic entrepreneurial intentions are explained by the individual’s entrepreneurial self-efficacy (ESE) and by attitudes to the salient career outcomes of income, autonomy, risk, hard work, and other net perquisites associated with venturing. We ask whether these antecedents of intention have differential impacts according to the type of new venture preferred, and whether nascent entrepreneurs can be sorted on that basis.

Method
Our sample is 106 MBA students poised to choose either self-employment or an employment role. Surveys were conducted to ascertain ESE and personal. A conjoint experiment revealed attitudes to the salient career outcomes, and new items gauged respondents’ strength of intention for each the two main types of new venture opportunity.

Results and Implications
Principal components analysis revealed that respondents’ entrepreneurial intentions are distinct as a two-factor solution – one typifying independence-orientation and another typifying growth-orientation. A scale provided a single-factor measure of ESE for each respondent and conjoint analysis revealed attitudes to the five salient outcomes. Attitudes to income and to net perquisites were negatively related, indicating that respondents typically viewed these as substitute sources of utility. Using seemingly-unrelated regression we attempted to explain intention for each type of entrepreneurship. For the independence-oriented equation we found intention was negatively and significantly related to risk tolerance. For the growth-oriented equation, ESE was highly-significant (positive); attitude to net perquisites was highly significant (negative) and the male gender was marginally significant.

This study makes two main contributions. First, we incorporate the two main types of new venture opportunity into the intentions literature and demonstrate that “entrepreneurial intentions” may have been previously too broadly defined. Second, we demonstrate the differential impact of ESE and specific attitudes. Public policy implications are that nascent entrepreneurs might be profiled for their ESE and attitudes, so only those inherently interested in growth outcomes would be supported by public funds.

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