RISK PERCEPTION, ORGANIZATIONAL CHOICE, AND ENTREPRENEURSHIP: MODERATING EFFECTS OF SELF-EFFICACY, SOCIAL SUPPORT AND CONTROL BELIEFS (SUMMARY)

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SUMMARY

RISK PERCEPTION, ORGANIZATIONAL CHOICE, AND ENTREPRENEURSHIP: MODERATING EFFECTS OF SELF-EFFICACY, SOCIAL SUPPORT AND CONTROL BELIEFS

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Principal Topic

If individuals do not choose to start their own new venture, what do they do instead? Do they work as employees for a small or large organization, and why? In this study, we examine if the Theory of Mixed Control (Monsen & Urbig, 2009), a multi-dimensional risk perception model which integrates self-efficacy, social support, and locus of control, can identify shades of difference in how individuals perceive risk and make choices about employment and entrepreneurship.

Method

We surveyed four samples of accountants and doctors, both full-time students and full-time working professionals (107 undergraduate accounting students, 32 accounting professionals, 57 doctors in a full-time MBA program, and 33 practicing doctors), regarding future career intentions, and in the case of the working professionals their actual career choices. Following the Theory of Mixed Control, we measure of self-efficacy, social support, and control beliefs, and compute the interactions of both self-efficacy and control beliefs and social support and control beliefs. Given that our two intention variables, evaluations of self-employment and large vs. small employers, are dependent on the same attitude variables, we apply GLM multivariate analysis. To evaluate the actual organizational and career choices of the full-time accountants and doctors, we conduct multinomial logit analysis.

Results and Implications

Initial results from the accounting student sample generally confirm the Theory of Mixed Control's interaction hypotheses, but also highlight shades of differences between entrepreneurial and employer choices. While the interaction of self-efficacy and control beliefs is more relevant for organizational size preferences, the interaction of social support and control beliefs is more relevant for self-employment choices. Furthermore, these results appear to be robust, independent of work-related risk preferences. We anticipate analysis of the three other samples will more conclusively demonstrate how control beliefs moderate the effects of self-efficacy and social support on both intended and actual entrepreneurial and employment choices (i.e. small vs. large organizations). These findings should help to clarify what is distinct and unique to entrepreneurial career choices and contribute to the current conversation regarding the role of social support and control beliefs.

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