Antecedents of Career Commitment in Entrepreneurs

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ANTECEDENTS OF CAREER COMMITMENT IN ENTREPRENEURS

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Abstract

Entrepreneurship has played a key role and gained much attention during the last decade in the US and world economy. That should not come as a surprise since every business started small and most grew out of nothing to become big players in the business market, whether that was five or one hundred years ago. Many billionaires and millionaires built their fortune through entrepreneurial endeavors, which is motivating young students and professionals to try and fast track their way to financial freedom through entrepreneurship. This study explored the factors behind an entrepreneur’s commitment and examine antecedents that cause career commitment among entrepreneurs. To do so, a survey was conducted that focused on five constructs that were analyzed in terms of Career Commitment, General Self-Efficacy, Career Satisfaction, Career Identity and Career Orientation. To examine these variables, a sample size of 4,508 alumni from a mid-sized university located in the northeast of the USA was used. Findings are presented and discussed.

Keywords: entrepreneurship, Theory of Planned Behavior, career identity, career orientation, career satisfaction, general self-efficacy, career commitment
Introduction

Entrepreneurship has had a great impact during the last century in the business market. The number of patent applications has increased in the last 50 years from 100,000 to 600,000 annually and, worldwide, start-ups have increased from 10 million to almost 100 million per year (Dyer, Furr & Lefrandt, 2014). This growth accelerated during the last 10 years due to the spread of technology that allowed any person to reach virtually any part of the world. This empowered entrepreneurs to generate ideas that not only would affect the environment surrounding them, but would also make an impact in the rest of the world.

An entrepreneur starts something out of nothing with the end result being success or failure. There are more cases of failure than success, but those who are successful normally hit the jackpot. With more venture capitalists and angel investors putting money into any startup, there are extra incentives to create your own startup in the hopes that you get funded. This has been the main force behind the rise in entrepreneurship, where a simple pen and paper, a good idea, and a group of motivated skilled friends can make you a lot of money. Recent examples like Dropbox (2008), Facebook (2004), Groupon (2008), Twitter (2006), LinkedIn (2003), and Square (2009) are proof of this. Other examples also include Warby Parker (2010), Netflix (1997), Uber (2009), or AirBnb (2008) that are innovate and have the ability to disrupt established markets.

Although all of these examples are mostly tech based, we must not forget the less exuberant yet independent and important entrepreneurs that run their businesses from their own home-offices. There are dozens of people around the world that daily start their own one-person businesses. They are also entrepreneurs. They might not have an idea that will revolutionize the world, but being financially independent and your own boss should also be seen as a
motivational factor to start your own business. We must not forget the important role that small businesses have in our economy.

**Theoretical Foundation**

The Theory of Planned Behavior is a theory of social behavior which links beliefs and behavior, intended to explain all behaviors over which people have the ability to exert self-control. The theory uses intentions to predict a behavior and there are three attitudes antecedents of intentions: the attitude towards the behavior – which can be broken down to two attitudes, one toward a successful behavioral attempt and one toward an unsuccessful attempt – the subjective norm with regard to trying which can be viewed as the beliefs about the normative expectations of others, and perceived control behavior which reflects the subjects’ perceptions that the behavior is personally controllable (Azjen 1985, Krueger 1993).

The Theory of Planned Behavior has been applied to the areas of health care and advertising (Ajzen and Fishbein 1980, Sheppard et al. 1988) and only in recent years to the field of entrepreneurship with research from Kolvereid (1996) who applied the theory of planned behavior to predict employment status choice intentions among first-year undergraduate students at a Norwegian business school. He found that attitude, subjective norm and, perceived behavioral control, contributed significantly to the explanation of intentions. Krueger et al. (2000) applied a competing models approach to examine the theory of planned behavior and Shapero and Sokol’s (1982) entrepreneurial event (SEE) and found that both attitude and perceived behavioral control had significant effects on intention, however the effect of subjective norm was not significant. Autio et al. (2001) applied the theory of planned behavior to analyze factors influencing intent among university students from Finland, Sweden, the United States and
ANTECEDENTS OF CAREER COMMITMENT IN ENTREPRENEURS

the United Kingdom found that attitude, subjective norm and perceived behavioral control had significant effects on intention. Fayolle, Gailly, and Lassas-Clerc (2006) used the theory of planned behavior to test the impact of an entrepreneurship-teaching program, a three-day seminar focusing on the evaluation of new venture projects, which had students enrolled in a Specialized Master in Management program at a French business school take part in the study. The authors found that all three determinants had significant influence on entrepreneurial intentions (Nishimura and Tristán, 2011).

The model used in our research uses elements from the Theory of Planned Behavior. Our model (Figure 1) has the following constructs to which we linked elements of the Theory of Planned Behavior: Career Orientation (Attitude), General Self-Efficacy (Behavioral Control), Career Identity (Attitude), Satisfaction with Career (Attitude), and Career Commitment (Intention).

Figure 1 – Research Model
Hypotheses Development

The first hypothesis explores the relationship between career orientation and career commitment. Literature suggests that the higher the extent of inter-organizational career orientation is a tendency more significant in the group of those with high career goal commitment (Yamamoto, 2006). Richardson (1974) suggests that women with higher levels of career orientation show higher levels of career commitment.

\[ H1: \text{Entrepreneurs with high levels of career orientation are more committed to their career than entrepreneurs with low levels of career orientation.} \]

The second hypothesis explores the impact of career orientation in career satisfaction. Literature suggests that career satisfaction is higher among those who view their work as a “calling” (Lan et al., 2012). Beycioglu, Ozer and Ugurlu (2012) found that vice-principals in elementary schools who did not plan to be a principal felt themselves less effective when coping with work stress and balancing their work and personal lives. Literature of Gerber et al. (2009) also shows that traditional career oriented employees had the stronger relationship to job satisfaction. Cha, Kim and Kim (2009) found that job satisfaction increased as career orientation increased toward career development opportunities, then decreased when career development opportunities exceeded career orientation. Hence, entrepreneurs with higher levels of career orientation are more likely to possess a higher career satisfaction than entrepreneurs with low levels of career orientation, which can be articulated as follow:

\[ H2: \text{Entrepreneurs with high levels of career orientation are more satisfied with their career than entrepreneurs with lower levels of career orientation.} \]
ANTECEDENTS OF CAREER COMMITMENT IN ENTREPRENEURS

The third hypothesis explores the relationship between general self-efficacy and career satisfaction. The literature of Punnett et al. (2007) found that higher scores in self-efficacy were related to higher levels of satisfaction. Caza, Brower and Wayne (2015) suggest that students at a French university showed higher levels of career self-efficacy compared to other traditional curricula along with higher levels of satisfaction.

\[ H3: \text{Entrepreneurs with high levels of general self-efficacy are more satisfied with their career than entrepreneurs with low levels of general self-efficacy.} \]

The fourth hypothesis explores the impact of career identity in career satisfaction. Literature of Alnıaçık et al. (2012) shows that career motivation has a positive correlation with organizational commitment and job satisfaction, which draw parallels to the same psychological state of career identity. Hoektra (2010) found that combining different career roles predicts success as well as satisfaction, which are similar constructs to the ones we are referring to. Hence, entrepreneurs with higher levels of career identity are more likely to be more satisfied with their career than entrepreneurs with lower levels of career identity, which can be articulated as follows:

\[ H4: \text{Entrepreneurs who have high levels of career identity are more satisfied with their career than entrepreneurs with low levels of career identity.} \]

The fifth hypothesis explores the impact of career identity in career commitment. Rowe, Bastos and Pinho (2011) suggest that a strong sense of career identity has a positive impact in career commitment. Hirschi (2010) found that career identity promotes career confidence and engagement (commitment). Hence, entrepreneurs with higher levels of career identity are more
likely to possess higher levels of career commitment than entrepreneurs with lower levels of career identity, which can be articulated as follows:

\[ H5: \text{Entrepreneurs with higher levels of career identity are more committed to their career than entrepreneurs with low levels of career identity.} \]

The sixth hypothesis explores the relationship between career satisfaction and career commitment. Allen (2011) suggests that both affective commitment and interactional commitment are positively correlated with career satisfaction. Goulet and Singh (2002) found that job involvement, organization commitment, and job satisfaction are positively related to career commitment. Hence, entrepreneurs that are more satisfied with their careers are likely to have a higher career commitment.

\[ H6: \text{Entrepreneurs who have high levels of career satisfaction are more committed to their careers than entrepreneurs with low levels of career satisfaction.} \]

**Methodology**

In 2014, a survey was administered to alumni of an MBA program from a well-known business school that consistently ranked among the top business schools in the U.S. Its program focused primarily on traditional MBA applicants, with the average admitted student in the past 20 years possessing approximately four years of work experience. The program was exclusively full-time and did not offer a part-time MBA option. Its graduate placement, in terms of compensation and industry, was representative of the other leading business schools. The vast majority of program graduates were in their late 20s or early 30s with significant training and job opportunities. In addition, previous exploratory research suggested that the career path of other
top business school graduates share a number of similarities (Muzyka, Stevenson, and Larson 1991).

The survey was administered to the entire population of MBA alumni, totaling approximately 9,500 individuals. 4,500 alumni fit the criteria for inclusion into the sample used in this study. Women represented roughly 35 percent of this sample.

There were a total of twenty-four self-reported survey items designed to measure these constructs: three measuring an individual’s career identity, five measuring career commitment, five measuring career orientation, ten measuring general self-efficacy, and one assessing career satisfaction.

Three items were included to measure career identity and were self-rated measures ranging from 1 to 7 of the priority each of the following had: job involvement, self-assessment as a professional or technical expert, and courses related to the job. These items are based on the work adapted from London (1993). As further evidence of the validity of London’s (1993) career identity construct, Eby et al.’s (2003) research study utilized items similar to London’s (1993) work to examine classes of career competencies as important predictors of success in the boundary less career, where the criteria of career satisfaction, perceived internal and external marketability were examined. This technique resulted in a measurement of career identity that was continuous in nature and one that could be assumed to be normally distributed.

Five items were included to measure career commitment and consisted of self-ratings ranging from 1 to 7 of the importance of going to a different industry if it paid the same, having a career in the current industry, change of fields if could start all over again, would it work in a specific industry if it had all the money needed, and levels of disappointment towards the current industry. These items are based on the work adapted from Blau (1985). As further evidence of
ANTECEDENTS OF CAREER COMMITMENT IN ENTREPRENEURS

the validity of Blau’s (1985) career commitment construct, Prottas’ (2007) research study utilized items similar to Blau’s (1985) work to examine attitudes towards occupation, job, life and family. This technique resulted in a measurement of career identity that was continuous in nature and one that could be assumed to be normally distributed.

The items in this survey employed to measure career orientation are based on Spence and Helmrich’s (1978) work, further developed by Delong (1982). Procedures used for this portion of the analysis were as detailed by Fabrigar, Wegener, MacCallum and Strahan (1999). Items used in the survey were aligned with the autonomy, identity, competence, and security items used in the career orientation scale as explicated by Delong (1982) and more recently by Suutari (2003). This survey operationalized career orientation via five items consisting of self-ratings of the importance of rapid career achievement, earning and income potential, the existence of generous retirement provisions, job autonomy, and the prospect of company ownership. This technique resulted in a measurement of career orientation that was continuous in nature and one that could be assumed to be normally distributed.

Ten items were included to measure general self-efficacy and consisted of self-ratings ranging from 1 to 7 of the levels of confidence regarding ability to solve difficult problems, confrontation and persuasiveness, ability to achieve personal plans and goals, ability to deal with the unexpected, using creativity to handle surprising situations, ability to put effort and solve problems, ability to remain calm when facing difficulties, ability to think of a solution when in trouble, ability to handle whatever comes an individual’s way, and if the creation of a new business or product would be good for one’s career. These items represented an extension of London’s (1983, 1993) research. As further evidence of the validity of London’s (1983, 1993) general self-efficacy construct, Day and Allen’s (2004) research study utilized items from
ANTECEDENTS OF CAREER COMMITMENT IN ENTREPRENEURS

London’s (1983, 1993) work to study the relationship between career motivation and self-efficacy with protégé career success. This technique resulted in a measurement of general self-efficacy that was continuous in nature and one that could be assumed to be normally distributed.

One item was included to measure career satisfaction and consisted of a self-rating of career satisfaction that ranged from 1 to 7. This item represents an extension of Greenhaus et al.’s (1990) research. As further evidence of the validity of Greenhaus et al.’s (1990) career and job satisfaction scale, Juhdi’s (2011) research study utilized the scale to explore a specific non-financial dimension of entrepreneurial success, termed as psychological accomplishment. This technique resulted in a measurement of career satisfaction that was continuous in nature and one that could be assumed to be normally distributed.

The sex of the respondent was measured by a single-item where the subject was to indicate their sex (m/f). Comparisons of the groups represented in this research were done by comparing means of independent samples (i.e., the t-test).

This study reports the results of only those respondents graduating in the past 20 years. This subcategory was selected because prior to 1994 the proportion of female MBA graduates was relatively small and influx. Intra gender comparisons between women and men prior to this time would bias the analysis by increasing the graduation range (a proxy for age) for men in the sample.

**Results**

Table 1 shows the means, standards deviations, Cronbach’s alpha coefficients and Pearson r correlations among variables. Cronbach’s alphas ranged from 0.55 to 0.84, suggesting
internal reliability for all variables was adequate for the social sciences (Rosenthal & Rosnow, 1991).

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>St. Dev.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Career Orientation</td>
<td>5.07</td>
<td>1.20</td>
<td>.59</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>General Self-Efficacy</td>
<td>5.79</td>
<td>0.68</td>
<td>.241(**)</td>
<td>0.84</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Career Identity</td>
<td>5.82</td>
<td>1.15</td>
<td>.139(**)</td>
<td>.247(**)</td>
<td>0.55</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Career Satisfaction</td>
<td>5.41</td>
<td>1.59</td>
<td>.059(*)</td>
<td>.236(**)</td>
<td>.305(**)</td>
<td>-</td>
</tr>
<tr>
<td>5</td>
<td>Career Commitment</td>
<td>4.99</td>
<td>1.29</td>
<td>.013</td>
<td>.108(**)</td>
<td>.328(**)</td>
<td>.522(**)</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

Correlations between career orientation and career commitment (beta=−0.04; p=0.07), and career orientation and career satisfaction (beta=−0.02; p=0.44) provided no support for hypotheses 1 and 2. In support of hypotheses 3, general self-efficacy correlated positively with career satisfaction (beta=0.18; p<0.01). In support of hypotheses 4 and 5, career identity correlated positively with both career satisfaction (beta=0.26; p<0.01) and career commitment (beta=0.19; p<0.01). Finally, hypothesis 6 was supported with positive correlations between career satisfaction and career commitment (beta=0.47; p<0.01).

** Figure 2 - Results of Analysis **
Discussion

The present study aimed to identify possible antecedents of satisfaction with an entrepreneurial career and career commitment which, as a second step, would potentially lead to entrepreneurial success. The paper tested six hypotheses related to the career commitment of entrepreneurs with similar academic backgrounds.

Hypotheses one and two were not confirmed in this research. The first proposed that entrepreneurs with higher levels of career orientation would be more committed to their career than entrepreneurs with lower levels of career orientation, and the second proposed that entrepreneurs with higher levels of career orientation would be more satisfied with their careers than entrepreneurs with lower levels of career orientation. There were no statistically significant effects of career orientation in neither commitment nor satisfaction among the group studied. The findings suggest that the fundamental construct of career is different from entrepreneurs as compared to non-entrepreneurs, and that career orientation does not affect career satisfaction nor commitment of an entrepreneur. The relationship between orientation with both commitment and satisfaction is different for entrepreneurs, as there is a component that can potentially play a larger effect in commitment and satisfaction such as the successful conversion of an idea into a reality.

Hypotheses three, four, five and six were all confirmed in the research. Hypothesis three proposed that entrepreneurs with higher levels of general self-efficacy were more satisfied with their careers than entrepreneurs with lower levels of general self-efficacy. Our findings suggest that there is a positive relationship between entrepreneurs with high level of general self-efficacy and career satisfaction, as well as positive relationships for the following hypotheses. Results show that general self-efficacy, a scale designed to assess optimistic self-beliefs to cope with a
ANTECEDENTS OF CAREER COMMITMENT IN ENTREPRENEURS

variety of difficult demands in life, is positively related to career satisfaction, suggesting that entrepreneurs that are aware of their surroundings and are able to assess realistic expectations about the challenges of life and business tend to be happier with their careers. This suggests that awareness plays an important factor in happiness. Hypothesis four proposed that entrepreneurs with higher levels of career identity were more satisfied with their career than entrepreneurs with lower levels of career identity. Hypothesis five proposed that entrepreneurs with higher levels of career identity were more committed to their career than entrepreneurs with lower levels of career identity. Hypothesis six proposed that entrepreneurs with higher levels of career satisfaction were more committed to their careers than entrepreneurs with lower levels of career satisfaction. Given that hypotheses four, five, and six use the same three constructs, some conclusions can be made of the bottom section of the research model. These suggest that entrepreneurs that are able to align their motivations, interests and competencies with their career roles are happier than those who are not able to align themselves with a career role that fits them.

A satisfied entrepreneur will be more driven to succeed in his role, making him more committed to his career path, an assumption that is backed up by the results of the present study. Since results suggest that career identity is positively related to career satisfaction, and career satisfaction is positively related to career commitment, we can use the law of transitive relation to assume that an entrepreneur that is aligned with his career role is more committed to it.

In reviewing the findings of the study, certain issues that warrant a somewhat closer look come to mind. The first concerns the fact that all survey data were self-reported and, as a consequence, subject to a number of cognitive and motivational biases. The second concerns the sample population being subject to little variation given the fact that it is a group of generally high achieving individuals. In the light of these findings, we need to rethink the psychology of
the entrepreneur, or the vocational behaviors associated with the entrepreneur, given that career orientation did not work for these entrepreneurs. This might suggest that the focus of entrepreneurs is not within career orientation, therefore there would be no difference between them and someone else that works, for example, in a corporate environment. This suggests that the focus of an entrepreneur is not how high can he go, but how passionate he is about his ideas. For entrepreneurs career orientation would be about achieving goals in a, possible, never ending pursuit. To entrepreneurs, career orientation is a different sort of psychological state. Previous research from DeMartino, Barbato and Jacques (2006) suggest that entrepreneurs that have a different motive profile, which is consistent with results from the present study that suggest that the fundamental construct of career is different for entrepreneurs as compared to non-entrepreneurs.

This study also gives insights of providing the would-be entrepreneur early business experiences where they make decisions and are given responsibility in the area of product or service development – early examples are those of a lemonade stand or a paper boy. Exposing individuals to the domain of entrepreneurship and to mentors through trial experiences and showing people how success looks like is a great step towards a successful career in entrepreneurship. Finally, a third concern regarding this study comes to mind as it does not incorporate the core of entrepreneurship – ideas. The model used in the research does not take into account the quality of an entrepreneur’s idea, an important aspect to materialize a successful business plan into a successful business.

Given these results, further research is needed to explore whether or not entrepreneurs have the same concept of career orientation as non-entrepreneurs. Other topics for discussion in further research would be to explore if the model applies equally to males and females and to
ANTECEDENTS OF CAREER COMMITMENT IN ENTREPRENEURS

explore if the model applies to the entire spectrum of entrepreneurs, which can be split in three categories: low range of entrepreneurs (those who do it for convenience, such as a mother that has a toddler and opens a day care center), mid-range of entrepreneurs (those who do it to try out an idea came up with), and a high range of entrepreneurs which would be composed by serial entrepreneurs.
References


ANTECEDENTS OF CAREER COMMITMENT IN ENTREPRENEURS


ANTECEDENTS OF CAREER COMMITMENT IN ENTREPRENEURS
