2002

Ethnic Entrepreneurship: Do Values Matter?

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Ethnic Entrepreneurship: Do Values Matter?

Michael Morris  
Minet Schindehutte  
Jack Lesser

While considerable attention has been devoted to the personality traits of entrepreneurs, less attention has been given to their values, especially outside of a Western context. Values are instrumental in the decision to pursue entrepreneurship, and have implications for the entrepreneur’s approach to creating and managing the venture. The role of values would seem especially relevant in the context of ethnic subcultures. Values traditionally associated with entrepreneurship, such as risk, individualism, competitiveness, wealth generation, and growth, may be more consistent with Western cultures, and may conflict with closely held values within various ethnic subcultures. The results indicate entrepreneurs tend to embrace common values regardless of their individual ethnic heritage, but with different underlying patterns. In addition, the entrepreneurial path itself gives rise to certain shared values; and the overarching country culture has a strong influence on value orientations. Implications are drawn from the results, and suggestions made for ongoing research.

Entrepreneurship is the driving force in economic development throughout the world. Yet, some have argued that entrepreneurship is fundamentally a values-driven activity (Berger 1991; Lipset 2000). Kilby (1993) notes that values are instrumental in advancing constructive understanding of human behavior and consequent change. Thus, it would seem that personal values should have important implications not only for the decision to pursue entrepreneurship, but the way in which the entrepreneur approaches a venture (Gassee 1977; Bird 1989; Bryan 1999).

A notable lack of attention has been devoted to the role of values in successful entrepreneurial endeavors. Typically, such Western values as individualism, competitiveness, material gain, and a strong work ethic are implied with having an internal locus of control, being a calculated risk-taker, and having a higher tolerance of ambiguity, among other traits (e.g., Bird 1989). A trait is a

Literature Review

A review of the literature addressed the nature of values, values and culture, and the culture’s consequences on values and entrepreneurship.

The Nature of Values

Value is “a broad tendency to prefer certain states of affairs over others” (Hofstede 2001, 5). Rokeach (1972, 159) explains that “to have a value” is to maintain an enduring belief that a specific mode of conduct or end-state of existence is preferable to the alternatives. Schwartz (1992, 4) characterizes values as: (1) concepts or beliefs that (2) pertain to desirable end-states or behaviors and (3) transcend specific situations in (4) guiding selection or evaluation of behavior and events, and (5) are ordered by relative importance. Values are related to but different from personality. A common approach to personality is trait theory, and this has been applied extensively in the entrepreneurship research. Thus, entrepreneurial behavior has been associated with having an internal locus of control, being a calculated risk-taker, and having a higher tolerance of ambiguity, among other traits (e.g., Bird 1989). A trait is a

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characteristic or typical pattern of individual behavior, where combinations of traits are often used to distinguish personality types (Eysenck and Ruskin 1965). Unlike values, traits can be inherited as well as learned. However, many traits imply the development of certain values. For instance, the choice of a career line may be a trait that may lead one to favor values such as financial stability or security. Other traits may be more related to actions, such as integrity or aggression, which may lead one to favor values such as honesty or respect for authority.

Values and Culture

Values are learned predispositions. They represent learned mechanisms for bringing about positive consequences or avoiding negative ones with respect to the surrounding environment (Hofstede 2001). Moreover, values are held by individuals as well as by collectives (Kilty 1993; Kluckhohn 1951). Where a collective is involved, values become a component of culture together with such other components as symbols, rituals, artifacts, and heroes.

Culture occurs within the context of a social unit or group. It consists of patterns of ways of thinking, feeling, and acting (Kluckhohn 1951). Cultural values are widely held and kept intact through pressure from the unit or group. Hence, the existence of a norm implies a value that is shared by a collective. In an entrepreneurial context, where a value associated with economic innovation or individual success is inconsistent with the conventional traditions of a culture, the entrepreneur is likely to be frowned upon or even hated by others belonging to the cultural group (Lipset 2000).

Cultures exist at multiple levels, from broad macrocultures (e.g., country, continent) to subcultural levels such as family, gender, and ethnicity. At the macrolevel, values evolve through time, driven by factors such as economic development, technological change, and cultural evolution. At the subcultural level, values may be more specific and localized, reflecting the unique experiences and identities of different groups.

Values can be preferred modes of conduct (instrumental) or they can be desirable end-states of existence (terminal). Values can be instrumentally (e.g., power) or terminally (e.g., happiness) valued, and they can also be both instrumentally and terminally valued.

Values and Entrepreneurship

Research on economic development has focused extensively on the critical role of environmental conditions, such as factors such as capital accumulation, the political and economic environment, and institutional arrangements. Attention has also been paid to the role of values, and other structural aspects of a community or society (e.g., Davidsdottir 1993; Morris 1998). As a case in point, Davidsdottir and Wiklund (1997) found that local economic conditions were more important than entrepreneur characteristics in determining new firm formation rates in Sweden than did cultural factors. Alternatively, sociologists have stressed the importance of social structure, such as the socialization of values, in entrepreneurship development. Perhaps the most noted work in this regard is McClelland (1961), who demonstrated a relationship between individual values and the rate of economic development. Lipset (2000, 110) summarizes the prevalent thinking in claiming that "structural conditions make development possible; cultural factors determine whether the possibility becomes an actuality." Looking historically, Berger (1971) concludes that culture and economy are “twin-born,” and that cultural modernization, as reflected in changes in key values, beliefs, and behaviors, more often than not has preceded economic development.

To the extent that values matter, how do they specifically relate to entrepreneurship? Historically, the phenomenon has been attributed to a range of factors, including values of innovation and change (Schumpeter 1950; Mueller and Thomas, 2000), individualism (e.g., Holt 1997; Komives 1972), and social control (e.g., independence; Hornaday and Aboud, 1971), achievement (McClelland, 1961), personal gain and profit (Cathorn 1989; Knight 1942), competition, hard work (Weber 1930), success (Bird 1989), risk (Knight 1921), and private ownership (Hebert and Link 1988).

Beyond McClelland’s work on achievement, there has been limited empirical evidence to determine if entrepreneurs have common values or value sets. For instance, Hornaday and Aboud (1971) found that entrepreneurs tended to score higher on measures of achievement and independence than did the general population. Others have found entrepreneurs score lower on support, cooperation, and solidarity value scales (Kornivitz 1972), and are no different than others in their value for money and fame (Hull et al. 1980).

In recent years, entrepreneurs have attempted to link values, entrepreneurship, and culture, with the latter examined both at the societal and subcultural levels. At a societal level, differences in underlying value systems have been associated with varying rates of new business formation across nations (Husman 1985; Shapiro and Sokol 1996). For example, development of North America is attributed to part in the Protestant ethic, while the slow development in Latin America has been associated with familism, the desire for harmony within family arrangements, preference for social prestige over money, and disinclination to sacrifice personal authority to group decisions. Among other values (Doodeman 1995; Lipset 2000). Mueller and Thomas (2000) were able to demonstrate that national cultures that were higher on Hofstede’s dimensions of individualism and lower on uncertainty avoidance tended to produce young people who are stronger on traits associated with entrepreneurship (internal locus of control, autonomy, self-confidence). In a study of indigenous Australian entrepreneurs and dispositions of collectivism and individualism (Hebert and Link 1988). Of relevance is the fact that these authors also note that differences in subcultures within the minority sample, which included blacks, reagans, Asians, and Native Americans. Separately, Garsombe and Garsombe (1999) note a strong community orientation among entrepreneurs, something that is different from other entrepreneurs. Gasse (1977) uncovered a tendency for English–Canadian entrepreneurs to value open-mindedness, self-reliance, and flexibility at the expense of individualism and performance excellence. It would seem that an individual’s values affect not only his or her decision to pursue entrepreneurship, but the nature of the firm and its performance. Entrepreneurial values may include not only the types of ventures pursued but also the manner in which the entrepreneur approaches the venture creation process. Other than Gasse’s (1977) finding that entrepreneurs scored significantly higher on values of power distance, individualism, masculinity, and lower on uncertain avoidance, than did nonentrepreneurs, and that these results held regardless of national culture.

With some exceptions, values of entrepreneurs at the subcultural level have received little attention. For example, (1990) examined indigenous Australian entrepreneurs and found little regard for money, but high values for maintaining social order or tradition. Research by (1985) and Strickland (1987) noted that they struggled with a traditional value of sharing business assets with the community, and tended to do so only after making a success of the venture.

In the United States, DeCarlo and Lyons (1979) demonstrated that the values of entrepreneurs were different from those of nonentrepreneurs in terms of lower community and greater individualism. A subsequent study demonstrated more strongly held values of collectivism, duty, rationality, novelty, materialism, and power among minority entrepreneurs compared to nonminority entrepreneurs (Enz, D’Onofrio, and Daily 1990). Of relevance is that the value of the entrepreneurs may not be only the result of their decision to pursue entrepreneurship, but also the impact of their values on the nature of the firm and its performance. Entrepreneurial values may include not only the types of ventures pursued but also the manner in which the entrepreneur approaches the venture creation process. Other than Gasse’s (1977) finding that entrepreneurs scored significantly higher on values of power distance, individualism, masculinity, and lower on uncertain avoidance, than did nonentrepreneurs, and that these results held regardless of national culture.
critical need arises for richer insights into cultural values and their implications for the successful pursuit of entre-
preneurship.

To assess the nature of value structures of entrepre-
neurs from different subcultures, an exploratory study was conducted. Within the South African context of the South African context is one that has experienced significant turbulence and trans-
formation in recent years. The dismantling of apartheid and the creation of a post-apartheid South African nation has been accompanied by the reinforcement of fundamental economic and civil rights to the non-white population. The past decade has witnessed the reintroduction of global competition, rapid technologi-
cal change, and emergence of a powerful labor movement. Furthermore, the economy can be characterized in terms of high interdepartmental levels of unemploy-
ment, and an ongoing devaluation of the rand. South Africa is both a “first world” economy with a well-
developed infrastructure and technologically advanced business environment, and a “third world” economy with a sizeable informal sector, large numbers of underdeveloped and underemployed workers, and significant issues of poverty and crime. It is also a highly diverse society, with sizeable black, white, colored, and Indian communities, and various subcultures within these communities. Today, the country faces the unique economic development challenge of attempting to correct past wrongs while also becoming globally competitive. Entrepreneurship is a key element in addressing this challenge.

While the political struggle over apartheid largely focused on white versus colored nations, the non-white population is anything but homogeneous. As a case in point, significant differences exist between the black and the colored communities. Each of these groups has a unique South African history, including their experiences before and during apartheid. They differ in terms of language, observed rituals, and political issues. They have been frequently described as collaborating with the white minority. There is some evidence to suggest that when blacks have suc-
cceeded professionally or on national teams. In a commercial context, there is significant small business activity, much of it in the formal sector, and a significant ethnic economy. Members of the colored population are more likely than blacks to rely on networks within their community in build-
ging their businesses.

In a very real sense, then, each of these groups lives in a different world, each with its own distinctive array of atti-
tudes and perceptions, opportunities, and constraints. What is needed to understand entrepreneurship within these ethnic communities, it would seem that entrepreneurial activity would be influ-
enced by a set of values and underlying norms and values as shared by members of the respective groups (Aberle 1967; Berger 1991; Bryan 1999; Godsell 1991). At the same time, there is evidence that such value orientations are both trans-
tent in value orientations across countries (McGath, MacMillan, and Scheinberg 1992). Accordingly, a study was designed to test the following central hypothesis:

H1: There are no differences in the personal and business values of entrepreneurs among blacks.

H2: Black and colored entrepreneurs differ significantly in terms of their personal and business values.

Methodology

Cross-sectional survey research was conducted with entrepre-
eurs from each of the two ethnic communities. The study sought to assess both the general values held by these entrepreneurs and any values affecting the run-
ning of their businesses. Accordingly, four key variables were measured:

1. The functional values in the entrepreneur’s personal life and business,
2. motives for starting the business,
3. values associated with “good” and “bad” businesses,
4. perspectives on personal and citizen responsibilities.

Motives for starting the business were included as various researchers have stressed the linkage between values and motives, while motives have also received con-
siderable scholarly attention (Heider 1958; Higgins 2000; McClelland 1961). Perspectives on personal and citizen responsibilities help in ascertaining the larger purpose of the venture from a value perspective.

Measurement of these variables was accomplished using a structured-form questionnaire consisting mostly of open-ended questions, with response categories creat-
ed after the fact based on similarity of answers. The approach is consistent with Kilby’s (1993) recommended reliance on sensitive interviewing when attempting to measure real values and the respondent’s sense of commitment, especially with subjects having varying levels of literacy and familiarity with survey instruments.

To measure value orientations, a hybrid approach was adopted. To deal with the tendency to have subjects respond to questions relating to established value inventories, usual-
ly employing fixed-format response scales. In the current study, subjects were asked a series of open-ended ques-
tions regarding the values with which they most identified, and for which their businesses stood. In addition, they were presented with an inventory of 26 values and asked to prioritize the 5 values with which they most closely iden-
tify. These values were selected to reflect an equal mix of values associated with African culture (e.g., achievement, respect for earth, extended family, community responsi-
bility, respect, ancestors, harmony) and those associated with the language, observation, and interaction of the business (e.g., achievement, individualism, freedom, hard work, competitiveness, wealth) (Godsell 1991; Hebert and Link 1991). Three of these values (achievement, individualism, freedom, hard work) were chosen by more than 90% of respondents in both groups.

Findings

The study employed two separate convenience samples of black and colored entrepreneurs based in townships within the Western Cape Province. Religion especially resonates in the col-
ored community, where association with the Muslim faith features prominently. Sport also resonates within this com-

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1. value priorities in the entrepreneur’s personal life and business,
ETHNIC ENTREPRENEURSHIP: DO VALUES MATTER?

When black entrepreneurs were asked to list the traits and values important in their business ventures, the top priorities included hard work, honesty, and proper treatment of employees. These values are consistently important for entrepreneurs of all races. Business success for these entrepreneurs was defined in terms of improved revenues, improved facilities, new products, and more jobs. Responding to an open-ended question, the most important things in life for these entrepreneurs in order of importance were family, religion, happiness, their business, and money/wealth. When provided with a list of personal values, hard work, warm relationships, individualism, tolerance, and respect were prioritized. With regard to citizen responsibilities, this sample placed greatest emphasis on job creation, community upliftment, and relationship building.

Business practices that may be related to success with which they were uncomfortable included dishonesty/corruption, lack of professionalism, and tendencies toward unethical/dishonest behavior. Business practices that may be related to success included high professional standards, honesty, and fair treatment.

Comparing the Samples

Comparing the Samples of Colored and White Entrepreneurs

The colored sample tended to most admire businesses that offered high quality products/services, those with happy employees, firms with highly satisfied customers, and those demonstrating excellent management skills. Least admired businesses exhibited inferior product/service quality, poor management, inability to meet promises, and tendencies toward unethical/dishonest behavior. Looking to the future, the best evidence of success within their own businesses five years from now would be growth in revenues, improved facilities, new products, and more employees.

Businesses admired by the respondents were those having good products, satisfied customers, profitability, and happy employees. Consistent with these responses, characteristics that "bad" businesses were poor customer service, lack of profitability, dishonesty, poor product quality, and weak management. An alternative question asked if there were aspects of business with which respondents were uncomfortable, or that conflicted with their values and beliefs. The top answers were dishonesty/deception, demands of competition, and dealing with money issues.

For colored entrepreneurs, leading motives for going into business included ambition/desire to create something, independence, service to the community, and building personal wealth. Responding to an open-ended question, the most important things in life for these entrepreneurs in order of importance were family, religion, happiness, their business, and money/wealth. When provided with a list of personal values, hard work, warm relationships, individualism, tolerance (of others), and being well-respected were prioritized. With regard to citizen responsibilities, this sample placed greatest emphasis on job creation, community upliftment, and relationship building.

Core business values mentioned most frequently were being product/customer oriented, customer service/product excellence, reliability/hard work, treatment of employees, and honesty. Words that best describe what responsible businesses stood for included excellence, success, service, and community responsibility. Values that have become more important since starting the business were family, customer service, growth, and good management; less important values included money, family, and desire for success. When hiring new employees, attributes of greatest importance were honesty, personal/communication skills, willingness to work hard, and job skills/qualifications. Colored entrepreneurs were less apt to share their business profits with the community. Rather, they believed the business itself was responsible for creating value for the community by creating jobs, producing goods, and so forth. In considering what would be signs or evidence of business success five years hence, the most commonly cited responses were improved products and facilities, enhanced profitability, growth and diversification, and improvement of staff.

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Comparing the Samples

Both sets of entrepreneurs got into business for the same reasons, although the relative emphasis on achievement was greater for colored entrepreneurs, and serving their community was more prevalent among black entrepreneurs. The two samples did not differ significantly in terms of their perceived responsibilities as citizens. When hiring employees the samples differed marginally, with black entrepreneurs more likely to hire someone who shared their values.

Table 1

<table>
<thead>
<tr>
<th>Comparison of the Samples in Terms of Key Values</th>
<th>Number of Mentions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colored Sample</td>
<td>Black Sample</td>
</tr>
<tr>
<td>Most important traits personally in life (open-ended question)</td>
<td>Family (32)</td>
</tr>
<tr>
<td>Money/wealth (13)</td>
<td>Happiness (20)</td>
</tr>
<tr>
<td>Community (9)</td>
<td>Quality of life (20)</td>
</tr>
<tr>
<td>Words with which I personally identify (list of values provided)</td>
<td>Hard work (38)</td>
</tr>
<tr>
<td>Relationship building (12)</td>
<td>Warm relationship (27)</td>
</tr>
<tr>
<td>Role model (6)</td>
<td>Individualism (21)</td>
</tr>
<tr>
<td>Support family (6)</td>
<td>Tolerance/other (16)</td>
</tr>
<tr>
<td>Education (4)</td>
<td>Citizenship (15)</td>
</tr>
<tr>
<td>Generosity (12)</td>
<td>Human rights (12)</td>
</tr>
<tr>
<td>Gratitude (12)</td>
<td>Personal security (9)</td>
</tr>
<tr>
<td>Wealth/power (10)</td>
<td>Honesty (9)</td>
</tr>
<tr>
<td>Excellence (9)</td>
<td>Being respected (9)</td>
</tr>
<tr>
<td>Dignity/honor (9)</td>
<td>Job creation (14)</td>
</tr>
<tr>
<td>Extended family (7)</td>
<td>Community upliftment (9)</td>
</tr>
</tbody>
</table>

Table 2

<table>
<thead>
<tr>
<th>Examples of Specific Practices that Illustrate Key Values of the Business</th>
<th>1. Selection of staff; someone who can fit with company values.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Fixed prices for all clients irrespective of who they are.</td>
<td>3. Producing consistently good quality products.</td>
</tr>
<tr>
<td>4. I respect my customers; I have a polite way of dealing with my customers; I always smile.</td>
<td>5. I know my customers' names.</td>
</tr>
<tr>
<td>6. Hospitality: I transport an old lady who is a customer to her house; If people have not been in for a while I make inquiries.</td>
<td>7. I treat customers with honesty at all times, no matter what.</td>
</tr>
<tr>
<td>8. Success is important to me, and I am very selective in choosing staff so as to ensure business success.</td>
<td>9. I work alongside my workers; I'm not a “big boss”; I spend time with them and talk with them; If they make mistakes I help them learn how to do it right.</td>
</tr>
<tr>
<td>10. I get involved with the community, including not just providing good service, but helping to develop young people and opening up an internet facility for them.</td>
<td>11. I render extra service for the community, such as chopping up a beast for a funeral.</td>
</tr>
<tr>
<td>12. We clean up our premises before we open for business; We set up the shelves neatly, for good appearance.</td>
<td>13. We do tests such as blood pressure for free, give free advice even if people are not buying, look at a long-term relationship.</td>
</tr>
<tr>
<td>14. We help the crèche and old people's home by supplying vegetables for free.</td>
<td>15. Honor - return money from client's pockets; lead by example.</td>
</tr>
<tr>
<td>16. Open door policy to ensure people get fair treatment.</td>
<td>17. The way I talk to my customers.</td>
</tr>
<tr>
<td>18. Money back guarantee if people are not satisfied.</td>
<td>19. To service the customer well I have tags that say &quot;thank you.&quot;</td>
</tr>
<tr>
<td>20. I ensure that, even if money is tight, my staff are paid on time every week.</td>
<td>21. We keep our promises; We set up the shelves neatly, for good appearance.</td>
</tr>
<tr>
<td>22. High professional standards.</td>
<td>23. Appearance is important and my staff and I always look smart and our environment shows this.</td>
</tr>
</tbody>
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In the area of business values, significant differences were not identified between the two samples, with the exception that hard work received greater priority among colored entrepreneurs (chi sq. = 12.5, p < 0.03). Changes in security, education, etc. were not identified between the two samples, with the business itself.

However, the colored sample placed significantly more emphasis on religion/spiritual life, while the black sample was more concerned with quality of life (as reflected in security, education, etc.) and they placed a higher priority on the business itself.

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In the area of business values, significant differences were not identified between the two samples, with the exception that hard work received greater priority among colored entrepreneurs (chi sq. = 12.5, p < 0.03). Changes in security, education, etc. were not identified between the two samples, with the business itself.
an important beginning point in formulating sales approaches, communication efforts, negotiation strategies, and educational programs. Perhaps of greater importance is the need to rely on tactics that reinforce, or at least do not conflict with, such ethnically distinct values as social relatedness, among blacks, or religion and personal fulfillment among coloreds. These findings also provide direction in terms of future research priorities. The current study has identified patterns of values as they relate to ethnic subcultures and entrepreneurship. However, additional work is needed to determine the relative importance of cultural values, sub-cultural values, and values related to other aspects of life (e.g., institutions with which one has been affiliated such as schools, labor unions, civic organizations, prisons) as they relate to entrepreneurial activity. Further work should also address the relationship between personal values, business values, and the manifestation of values in the workplace. In this study, there was no clear relationship between the personal values of the entrepreneurs and the values they ascribed to their businesses, but the ability to uncover such a relationship was limited by the open-ended structure of the questions. In a related vein, additional insights are needed into the relationship between values and particular aspects of entrepreneurship, such as the entrepreneur’s resource acquisition strategy, financial structuring of the venture, growth strategy of the firm, and so forth. A shortcoming of the current research is that it did not consider entrepreneurs who failed. To the extent that values play a role in success or failure, it is important to include unsuccessful entrepreneurs in future studies. Moreover, failure itself may well affect the entrepreneur’s values, determining not only whether he or she pursues subsequent ventures, but the way in which those ventures are approached.

Finally, any interpretation of the research results should consider the methodological limitations inherent in the current study. Most prominent among these is the process of reporting values to researchers. Values have saliency not only for the individual, but within larger cultural contexts. As such, it is possible that respondents might indicate certain values are more important simply because those values are thought to be politically correct or are more salient in the larger social milieu. In addition, the samples were limited both in terms of size and the selection process. The representativeness of the sample is also an important consideration. The lack of comparable data regarding the total number of ventures in the region studied that are owned by black and colored entrepreneurs, especially with the large number of informal sector businesses, and because the current government discourages reporting of racial identifiers.

References


Using Social Cognitive Career Theory to Predict Self-Employment Goals

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Social Cognitive Career Theory (SCCT; Lent, Brown, and Hackett 1994, 1996) proposes that career interests, goals, and choices are related to self-efficacy beliefs and outcome expectations. It suggests that people's self-efficacy beliefs and outcome expectations with regard to self-employment would predict their goals to become self-employed. This study explores the ability of SCCT to predict goals for self-employment in a sample of 115 undergraduate business students. Results indicated that students with higher entrepreneurial self-efficacy and higher self-employment outcome expectations had higher intentions to become self-employed. These findings imply that educators and policy-makers may boost student entrepreneurial intentions by (1) enhancing students' confidence to succeed in an entrepreneurial career and (2) enhancing students' expectations of strong positive outcomes resulting from an entrepreneurial career.

Being an entrepreneur, one who is self-employed and who starts, organizes, manages, and assumes responsibility for a business, offers a personal challenge that many individuals prefer over being an employee working for someone else. Entrepreneurs accept the personal financial risks that go with owning a business but also benefit directly from the success of the business. As career choices go, becoming an entrepreneur is one of the most risky and unstructured choices an individual can make (Campbell 1992). Being an entrepreneur is often viewed as an averse career choice where one is faced with everyday life and work situations that are fraught with increased uncertainty, impediments, failures, and frustrations associated with the process of new firm creation. It seems, therefore, unlikely that an individual would make a goal for an entrepreneurial career if he or she did not feel confident to perform the necessary tasks associated with forming and developing his or her own business. What is it about certain people that drives them to take on the risk, uncertainty and independent structure of business ownership?

Stevenson and Jarillo (1990) suggested that research exploring entrepreneurial behavior could be divided into three categories: (1) how entrepreneurs act (i.e., what they do), (2) what happens when entrepreneurs act (i.e., what are the outcomes of their actions), and (3) why people choose to act as entrepreneurs (i.e., what motivates them). The research presented in this article focuses on the third category, and explores the use of a well-accepted model from the careers literature, Social Cognitive Career Theory (SCCT), to shed light on the motivation to become an entrepreneur.

Although many studies of entrepreneurial motivation have examined personality traits of entrepreneurs, the results of these studies are mixed and inconclusive (Herron and Sapienza 1992; Shaver and Scott 1991; Kreiser, Marino, and Weaver 2002). Recent research (Roy and Elango 2000) has begun to focus on other characteristics of entrepreneurs, such as cognitive make-up as a potential indicator of success. Entrepreneurship research has also attempted to identify the situational and environmental factors that predict entrepreneurial activity, such as job displacement, previous work experience, availability of various resources, and governmental influences. However, these empirical studies of contextual factors have also found few explanatory power and predictive ability (Krueger, Reilly, and Carsrud 2000).

Most of the entrepreneurship motivation models advanced in recent years are process-oriented models, based on either economic or social psychological theory. Several researchers (Campbell 1992; Levesque, Shepherd, and DiJanio 2002; Prag and Cramer 2001) have proposed models using economic perspectives to predict self-employment. These economic models suggest that the decision to become self-employed is based on maximizing the net usefulness, utility, or desirability of an entrepreneurial career.

In a theoretical discussion of the psychology of new venture creation, Shaver and Scott (1991) emphasized that new ventures emerge because of deliberate choices made by individuals. They then examined the immediate antecedents of choice: (1) Can I make a difference? (i.e., feasibility) and (2) Do I want to? (i.e., desirability). Research (Krueger and Carsrud 1993; Krueger et al. 2000) has continued on models using perceived feasibility and perceived desirability to predict entrepreneurship. This research found support for models developed by Alpern and Elango (1991, 1985) and Shapiro (1982), which used perceived feasibility and desirability to predict entrepreneurial intentions. While these process-oriented models of motivation to become an entrepreneur have some promise, one area of potential beneficial research that is ripe for application is that of the field of entrepreneurship is the careers literature and models of career choice.

SCCT (Lent, Brown, and Hackett 1994) is one of the most accepted and validated models discussed in the careers literature to understand career interests and goals

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