

Mid-career management transition: from corporate manager to entrepreneur

A research project submitted

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ABSTRACT

The aim of this study is to gain a thorough understanding for the reasons why and how some mid-career managers are able to leave corporate organisations to start their own companies in SA and what perceived factors make them successful. SA needs to develop entrepreneurs so as to achieve a 6% growth rate, in order to overcome unemployment and poverty.

Twelve semi-structured interviews were conducted with successful entrepreneurs, who had already made the transition from corporate manager to entrepreneur. The feedback was analysed using a combination of narrative, content and constant comparative analysis. Convenience and snowball sampling generated a participant base that had extensive corporate experience, were well educated, had each been in entrepreneurship for many years and employed more than 1240 employees.

The key findings were: (1) changing career – career reasons directly affect whether a mid-career entrepreneur (“MCE”) will engage in an entrepreneurial activity, as this is the basis of entrepreneurial intention, (2) motivation – human motivations directly influence who pursues entrepreneurial opportunities, and who persists and survives when challenges arise, (3) career development – both human capital and social capital are essential for success, and (4) entrepreneurialism – mid-career entrepreneurs gain considerable experience while in corporate which assist them to be a successful entrepreneurs. Years of corporate experience are the foundation for a MCE, as it provides knowledge, experience, networks and confidence.

DECLARATION



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I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master in Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other university.

Roy Midlane

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LIST OF ABBREVIATIONS

ASGISA	Accelerated and shared growth initiative – South Africa
AV	Aspiration values
CA(SA)	Chartered Accountant (South Africa)
GEM	Global Entrepreneurship Monitor
GNI	Gross National Income
KSA	Knowledge, skills and ability
MCE	Mid-Career Entrepreneur
MOV	Market offering values
nAch	Need for achievement
PESTLE	Political, economic, social-cultural, technological, legal and environment
SA	South Africa
SARB	South African Reserve Bank
TEA	Total Early-Stage Entrepreneurship Activities



1 INTRODUCTION TO THE RESEARCH PROBLEM

1.1 Introduction

South Africa (“SA”) continues to face the major social challenges of widespread unemployment and poverty (World Bank, 2007a). Unemployment remains very high (25.5% - narrow definition) (SARB, 2007), while the extreme differences in wealth and income remain relatively unchanged (13% live in “first world” conditions, while 45% live in “developing country” conditions) (World Bank, 2007a).

To overcome these challenges, entrepreneurs must be developed so that an acceptable level of economic growth can be achieved. Entrepreneurs create, identify and exploit opportunities which, once successfully converted, will provide growth and employment. SA’s economy has improved due to strong fundamentals, with growth in 2007 being the highest in 23 years. With a GNI per capita of \$4,960 atlas method (World Bank, 2007b), SA is almost an “upper middle income” country.

This bodes well for achieving ASGISA’s (“Accelerated and shared growth initiative – South Africa”) objectives. The South African Government was mandated in 2004 to halve poverty and unemployment by 2014. The objective is to achieve a 4.5% average annual growth rate over the initial few years and a 6% growth target by 2010 (ASGISA, 2006). These objectives are feasible given the steady improvement in the economy’s performance and job



creating capacity. To rate, it is critical that SA develop into an entrepreneurial economy.

Unfortunately, according to the GEM (“Global Entrepreneurship Monitor”) South African Report 2006, SA’s position in the GEM rankings has deteriorated over time despite improved macro-economic conditions in the country (GEM SA, 2006). This stark reality further supports the need to nurture entrepreneurship in SA.

The executive summary of the GEM SA Report (2006) highlights a number of issues, the two most pertinent to this research project being as follows:

- “One of the most important findings is that potential entrepreneurs lack the mindset and skills to become true entrepreneurs. Although a positive entrepreneurial culture is starting to form on a macro-level, entrepreneurship on a micro-level is not showing any signs of growth. International markets are not penetrated, employment creation is not encouraged and innovation is under pressure. The low levels of educational qualifications may be an important reason why this discrepancy persists. However, the lead-time in education is far too long to wait for a general overall improvement before entrepreneurship is encouraged. **Dual strategies** need to be developed and implemented, thus encouraging entrepreneurship.
- Total Early-Stage Entrepreneurship Activities (“TEA”) (i.e. from 0 months to 3.5 years) are not up to standard if SA wants to sustain economic growth rates that will create wealth for everybody. With a

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young popul^xerted on existing businesses to create enough wealth for all. If the TEA activities are not improved quickly enough, the danger exists that the dependency level on existing business will become too much” (pg 4) (underscore and **bold** are researcher’s emphasis).

This research project has therefore identified the business problem as being that SA needs more entrepreneurs to build successful entrepreneurial activities.

For the purpose of this research, an entrepreneur is defined as:

- A person who is willing and able to convert a new idea or invention into a successful innovation (Schumpeter, 1950).
- Someone who acts with ambition beyond that supportable by the resources currently under his control, in relentless pursuit of opportunity (Timmons and Spinnelli, 2007).

Further, the research project has interpreted the above issues (researcher’s emphasis) as supporting arguments for mid-career entrepreneurs (“MCEs”), who can assist in developing a “dual strategy”. One of the dual strategies is to encourage and promote MCEs.

MCEs can provide a bridge for the young South African population to develop, which will alleviate some of the dependency on existing businesses. Each MCEs education, experience, skills and knowledge, can be converted



into entrepreneurial entrepreneurial intention and motivation. If MCEs can start at “micro-level” entrepreneurship (or some higher level), they will be more likely to develop sustainable job-creating businesses more rapidly, create employment and penetrate international markets.

Importantly, MCEs have the mindset and skills to be entrepreneurs. Clearly, this provides a “dual strategy” – MCEs’ on the one hand using their skills to provide economic growth through entrepreneurial activity, which in turn provides the opportunity for the young population to develop into entrepreneurs on the other hand.

By making the transition from corporate to entrepreneurship, MCEs, will give SA a realistic chance of achieving a 6% annual growth rate. MCEs are already increasing in economic and social significance, as they are responsible for a growing proportion of entrepreneurial activity, such that they will constitute the majority of entrepreneurs (Rae, 2005).

In addition, there is growing evidence that a “career” is no longer necessarily only a sequence of hierarchical promotions in a single company, but instead a “career” is more discontinuous and flexible (Terjesen, 2005). This new phenomenon is being described as a “boundaryless career” (Arthur and Rousseau, 1996; Peiperl and Baruch, 1997). Therefore, the next potential career opportunity for a MCE with a boundaryless career is to start his own entrepreneurial activity.

1.2 Research Objective



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The primary objective of this research project is to understand why and how mid-career corporate managers are able to make the transition to entrepreneur, and also to understand what factors made the entrepreneur perceive the transition as successful.

The transition from corporate manager to entrepreneur is an under-explored area of academic literature, and deserves more attention as increasing numbers of mid-career managers look for the opportunity to make the transition to entrepreneurship. The field of study is of particular importance for SA, in the light of the bridging role that MCEs play in the development of a more entrepreneurial orientated economy.

SA needs entrepreneurs and MCEs are a great source of experience and knowledge. Understanding this area of entrepreneurial development will add a further dimension of opportunity for SA to achieve its economic growth rate objectives.

Finally, the underlying objective is to assist the researcher personally to understand what it takes to become a mid-career entrepreneur. I am one of many mid-career managers who has the romantic notion to make the transition to entrepreneurship. We all have visions of the success we would like to achieve. This research report will be the reality check to understand what it really takes.

1.3 Research Moti



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The research is highly relevant to the situational need in SA. The GEM SA Report (2006) is quite clear – entrepreneurship in SA is falling behind. The purpose of this research report is to determine what factors successful entrepreneurs, who have made the transition from corporate manager to entrepreneur, perceive as having contributed to their success. From a personal perspective, I am a successful corporate manager who continually searches for an entrepreneurial opportunity. I am passionate about making the transition from corporate employment to entrepreneurship and can identify very distinctly with the literature available.

To achieve ASGISA's targeted growth rates, SA has to grow and develop as an entrepreneurial economy. Developing successful entrepreneurs is an imperative. As stated by Thurik and Wennekers (2004), the central role of government policy in the entrepreneurial economy is enabling in nature. Government policy is however, only one of many factors that can help entrepreneurs be successful.

Entrepreneurship can therefore be seen as a driver for economic growth, competitiveness and job creation, which in turn can affect personal development positively while helping resolve social issues (Thurik and Wennekers, 2004). This concurs with Schumpeter (1912), who emphasises the role of the entrepreneur as a prime causative agent of economic development.



Acs (1992) claims that small businesses play an important role in the economy:

- serving as agents of change by their entrepreneurial activity;
- being the source of considerable innovative activity;
- stimulating industry evolution; and
- creating an important share of the new generated jobs.

The GEM conceptual model aims to explore the contribution of entrepreneurial activity to national economic growth, as depicted in Figure 1 (GEM SA Report, 2006). The conceptual model is self explanatory. Nevertheless, so as to avoid misunderstanding, a detailed discussion of the framework as provided by Von Broemson, Wood and Herrington (2005), is given in Appendix 1.

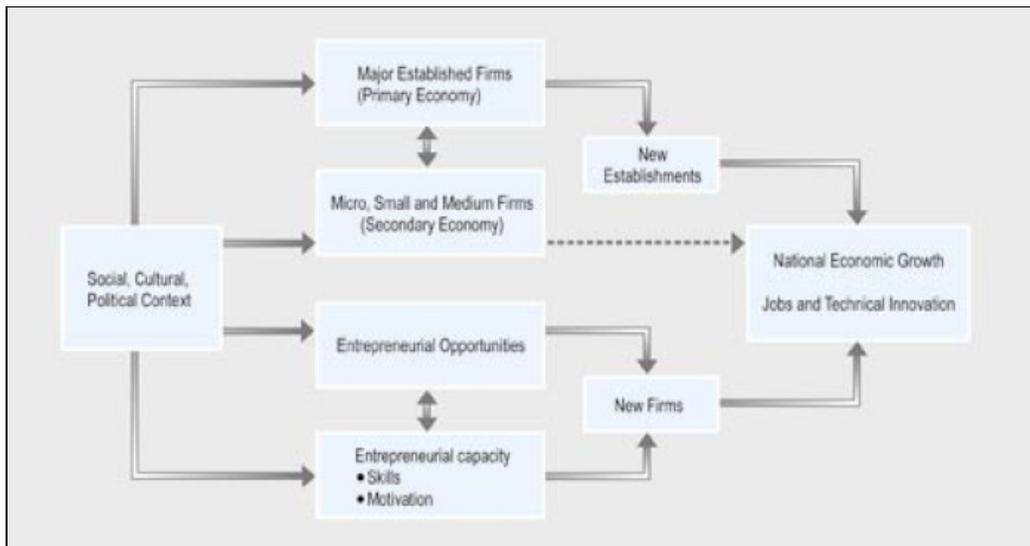


Figure 1: The GEM conceptual model



SA's position in comparison in Figure 2 (GEM SA Report, 2006), as a function of the average TEA. SA is clearly lagging behind.

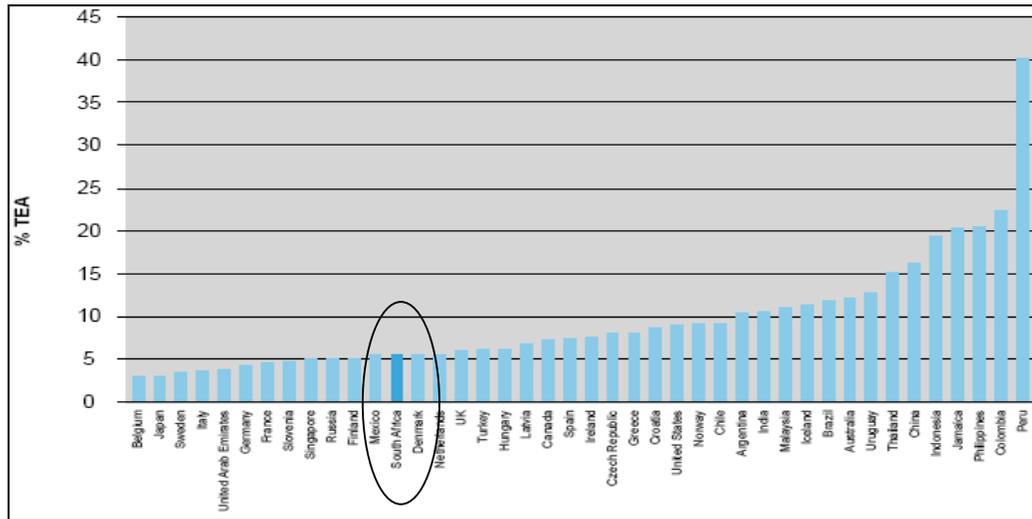


Figure 2: TEA rates for all countries

In Table 1 (GEM SA Report, 2006) the average for all countries is given as 9.43%, whereas that of SA is 5.29% – clearly a below average ranking. SA is also below the 7.79% average of the “upper-middle income countries” category (where per capital income is between \$3,466 and \$10,725). The average of the “developing countries”, indicated by means of an asterisk, is 14.80%: this is of great concern as SA’s TEA rate is complete disparate at 5.29%. Table 2 (GEM SA Report, 2006) shows that SA’s performance in terms of relative position over the years has been below the median consistently – which shows unequivocally that SA’s position has not improved since 2001.



Ranking	Country	TEA Index
1	Peru *	22.48
2	Colombia *	20.44
3	Philippines *	20.32
4	Jamaica	19.28
5	Indonesia	16.19
6	China	15.20
7	Thailand *	12.56
8	Uruguay *	11.96
9	Australia	11.65
10	Brazil *	11.26
11	Iceland	11.09
12	Malaysia	10.42
13	India *	10.18
14	Argentina*	10.18
15	Chile *	9.19
16	Norway	9.14
17	United States	8.82
18	Croatia	8.58
19	Greece	7.90
20	Czech Republic	7.85
21	Ireland	7.35
22	Spain	7.27
23	Canada	7.12
24	Latvia	6.57
25	Hungary	6.04
26	Turkey	5.96
27	UK	5.77
28	Netherlands	5.42
29	Denmark	5.32
30	South Africa	5.29
31	Mexico *	5.26
32	Finland	4.99
33	Russia	4.86
34	Singapore	4.85
35	Slovenia	4.63
36	France	4.39
37	Germany	4.21
38	United Arab Emirates	3.74
39	Italy	3.47
40	Sweden	3.45
41	Japan	2.90
42	Belgium	2.73
	Average all countries	9.43
	Average for countries in upper-middle income group	7.79

Highlights and Italics = countries within the upper-middle income group.

Table 1: Total TEA 2006 index

TEA Ranking	2002	2003
20 th out of 28 countries	20 th out of 37 countries	22 nd out of 31 countries
South Africa's TEA rate	9.4	6.3
Median	14	19
Number of positions below the median	0	1
South Africa's TEA ranking	20 th out of 34 countries	25 th out of 34 countries
South Africa's TEA rate	5.4	5.15
Median	17	17
Number of positions below the median	3	8

Table 2: Relative ranking from 2001–2006

Tables 3 and 4 (GEM SA Report, 2006) rank opportunity and necessity entrepreneurs separately. Opportunity entrepreneurs take advantage of business opportunities while necessity entrepreneurs have no better employment options.



Ranking 2006	Country	TEA 2006
1	Peru *	29.57
2	Indonesia	16.67
3	Colombia *	13.68
4	Jamaica	12.91
5	Philippines *	11.11
6	Australia	10.64
7	Thailand *	10.23
8	Malaysia	10.12
9	Iceland	9.81
10	China	9.59
11	Norway	8.36
12	Uruguay *	7.87
13	Argentina*	7.49
14	United States	7.44
15	India *	6.71
16	Chile *	6.57
17	Ireland	6.20
18	Spain	6.12
19	Canada	6.00
20	Brazil *	5.99
21	Czech Republic	5.45
22	Latvia	5.05
23	Greece	5.01
24	Denmark	4.94
25	Netherlands	4.94
26	United Kingdom	4.70
27	Hungary	4.64
28	Croatia	4.41
29	Singapore	4.10
30	Slovenia	4.05
31	Finland	3.74
32	Turkey	3.60
33	South Africa	3.47
34	Mexico *	3.41
35	Russia	3.39
36	Sweden	3.01
37	United Arab Emirates	2.95
38	France	2.70
39	Italy	2.61
40	Germany	2.46
41	Japan	2.45
42	Belgium	2.36
	Average all countries	6.82
	Average for countries in the upper-middle income group	5.46

Highlights and Italics = countries within the upper-middle income group

Table 3: TEA opportunity index

Ranking 2006	Country	TEA 2006
1	Peru *	10.57
2	Philippines *	9.32
3	Colombia *	8.74
4	Jamaica	6.60
5	China	6.27
6	Brazil *	5.55
7	Thailand *	4.75
8	Uruguay *	4.57
9	Croatia	3.81
10	India *	2.86
11	Argentina*	2.63
12	Indonesia	2.62
13	Chile *	2.59
14	Czech Republic	2.40
15	Turkey	1.77
16	France	1.70
17	Greece	1.63
18	Germany	1.52
19	South Africa	1.51
20	Russia	1.44
21	Hungary	1.33
22	Australia	1.28
23	United States	1.19
24	Mexico *	1.17
25	Spain	1.11
26	Latvia	1.04
27	Canada	1.02
28	Iceland	0.95
29	United Kingdom	0.89
30	Italy	0.78
31	Ireland	0.76
32	Finland	0.71
33	Singapore	0.65
34	Malaysia	0.53
35	Slovenia	0.47
36	Japan	0.45
37	Netherlands	0.33
38	United Arab Emirates	0.32
39	Norway	0.32
40	Sweden	0.25
41	Denmark	0.19
42	Belgium	0.19
	Average all countries	2.35
	Average upper-middle income countries	2.07

Highlights and Italics = countries within the upper-middle income group

Table 4: TEA necessity index

Again, SA's TEA opportunity index of 3.47% is far below the 6.82% average of all participating countries. It is also below the upper-middle income category which has an average of 5.46%, as well as way below the "developing" countries average of 9.65%. SA's ranking in the necessity index is not much better: SA's index of 1.51% is below the 2.35% average of



participating countries the upper income countries and below the average of 4.93% of the 'developing' countries.

The profile of people categorised as entrepreneurs within the TEA definition shows that 2.8% are male and that 2.5% are female. Table 5 (GEM SA Report, 2006) shows that the majority are in the 25–34 years age group (31.5%) followed by the 35–44 years age group (23.8%) and then by the 18–24 years age group (21.7%). This is an interesting statistic, considering that 42.63% of the population is below the age of 20 and a further 18.83% is between the ages of 20 and 29 (GEM SA Report, 2006).

Age categories	Frequency	Percent	Stage	2004	2005	2006
18-24 years	31	24.7%	Nascent entrepreneur (0-3 months)	71.3	69.3	67.1
25-34 years	45	31.5%	Baby business owner-manager (3 months -3.5 years)	28.7	30.7	32.9
35-44 years	34	23.8%	Total	100.0	100.0	100.0
45-54 years	18	12.6%				
55-64 years	15	10.5%				
Total	143	100.0				

Table 5: Age distribution

Table 6: State of activity

Table 6 (GEM SA Report, 2006) shows that although the activities of nascent entrepreneurs decreases over a three-year period, the number of baby businesses shows a positive trend which. This means that more entrepreneurs are developing and surviving, so as to reach the next level.

With 23.8% of the entrepreneurial activity being accounted for by the 35-44 age group, the scale of MCEs therefore cannot be ignored. Individuals in this



age group would still be in the opportunity availability and their personal skills, which diminish in the 45-54 age group. As both these age groups act as role models for the younger groups, GEM SA (2006) has identified these trends as a further factor inhibiting entrepreneurial development in SA.

These facts are interesting as younger age groups are more likely to take entrepreneurial action in the future, while the mid-career groups appear most likely to do so at present. The latter also may constitute the largest proportion of the population engaged in entrepreneurial activity and could thus assist directly in achieving SA's economic objectives.

1.4 Research Problem

“Why and how are some mid-career managers able to leave corporate organisations to start their own companies in SA and what perceived factors make them successful”.

Successful entrepreneurs are a necessity if SA is to achieve the objectives of ASGISA. It is thus of direct benefit to the future economic growth of SA that more MCEs are encouraged to make the transition, so as to grow the economy through entrepreneurial activity. These MCEs who have a solid launching pad due to their experience, skills and networks, can start and grow entrepreneurial companies which, in turn, will help the country achieve the 6% economic growth rate required.



2 LITERATURE REVIEW

2.1 Introduction

Very little prior research has been done on why and how mid-career managers leave corporate organisations to start their own companies. No research appears to have been done on the topic in SA and only a limited amount has been done internationally. All research on the topic is focused on already successful entrepreneurs or nascent entrepreneurs, although there seems to be a move in academic literature to explore why mid-career managers are leaving corporate organisations to become entrepreneurial business owners.

There are numerous risks and challenges in moving from corporate to entrepreneurial life. One of the persistent threats to those employed in a corporate environment is redundancy – defined as losing one’s employment to corporate whim – which results in a lack of control over one’s destination while in corporate life (Weinstein, 2003). However, as noted by Weinstein, the entrepreneurial route only gives one an “illusion of control” as success is dependent on many different variables that are also out of the entrepreneur’s control. These include, but are not limited to, luck, finance, customer loyalty and government incentives / disincentives.

This literature review is broken down into six different areas of theory, as identified by the researcher. Firstly, the review begins by examining career choice and explores why an individual would change his career – is it



because there has Secondly, a lot of
entrepreneurial literature has explored the motivations of an individual becoming an entrepreneur – are these motivations different to those of a manager or have the motivations of an individual changed over time? Thirdly, career capital is gained over time via a sequence of experiences that are described as human and social capital – does the accumulation of information and knowledge of a manager offer an individual the opportunity of leveraging embedded career capital? Fourthly, do managers who perceive that their aspirational value exceeds their market value, tend to pursue entrepreneurial opportunities? Fifthly, according to Rae (2005), MCEs may constitute the majority of the growing proportion of entrepreneurs – is this an accurate assessment? Finally, is there a gender difference in the areas of theory identified? Anecdotal evidence suggests that women who experience the glass ceiling in a corporate environment may be particularly prone to mid career entrepreneurship transitions. The research therefore explores to what extent there are gender differences in these areas.

2.2 Career Reasons

2.2.1 Factors

The creation of new businesses has a direct impact on the economic growth of a country. Economic growth is vital to combating unemployment and poverty. It is the entrepreneurs that potentially provide some of the economic growth and employment that is so desperately required. Therefore, examining the factors that influence an individual's decision to pursue



independent business that would have an impact on economic growth and development (Carter, William, Gartner, Shaver and Gatewood, 2003).

Academic research has for many years investigated personal characteristics, cognitions and social conditions to determine what influences an individual's reasons to pursue an entrepreneurial career (Carroll and Mosakowski, 1987; Gartner, 1988, 1989; Katz, 1992; Kolveried 1996a, b; Krueger, Reilly and Carsud, 2000; Shaver and Scott, 1991; Simon, Houghton and Aquino, 2000). In determining what influences an individual's reasons to pursue an entrepreneurial career, would give insight into how to encourage potential MCEs to engage in entrepreneurial activities.

As outlined in Kolveried (1996a), the reasons that potential entrepreneurs offer for getting into business - should have a significant influence on whether they actually engage in entrepreneurial activity (Ajzen, 1994; Krueger and Brazeal, 1994). The reasons that individuals offer for getting into business are traditionally considered to be the basis of intentions (Shaver, 1985). Carter *et al* (2003), states that "new businesses are not created by accident – the effort and time involved in starting a business would suggest that entrepreneurial actions are clearly intentional" (pg. 17). Further, Bird (1988) stated that entrepreneurial intentions, entrepreneurs' states of mind that direct attention, experience, and action toward a business concept, set the form and direction of organisations at their inception. Therefore, the reasons,



intentions and entrance the potential entrepreneur in his decision on whether to start a business or not.

Research by Carter *et al* (2003) concluded in their research that six separate factors (career reasons) account for 68% of the variance when comparing the reasons that nascent entrepreneurs offered for their work and career choices to the responses of non-entrepreneurs. The six career reason categories identified by Carter *et al* (2003) in their study are:

1. Innovation – involves reasons that describe an individual's intention to accomplish something new (McClelland, 1961; McClelland and Winter, 1969),
2. Independence – describes an individual's desire for freedom, control, and flexibility in the use of one's time (Schein, 1978; Smith and Miner, 1983),
3. Recognition (and approval) – describes an individual's intention to have status, approval and recognition from one's family, friends and other people in the community (Bonjean, 1996; Nelson, 1968),
4. Roles – describes an individual's desire to follow family traditions or emulate the example of others (Shane, Kolveried and Westhead, 1991; Hofstede, 1980),
5. Financial success – describes an individual's intention to earn more money and achieve financial security (Knight, 1987),
6. Self-realisation – describes reasons involved with pursuing self directed goals (Carter *et al*, 2003).



Interestingly, the research found that:

- “Entrepreneurs were similar to non-entrepreneurs on four scales: independence, financial success, self realisation and innovation.
- Both entrepreneurs and non-entrepreneurs rated independence, financial success and self-realisation as more important than recognition, innovation or roles.
- Nascent entrepreneurs rated reasons concerning roles and recognition significantly lower than non-entrepreneurs. Nascent entrepreneurs offered reasons for getting into business that were less likely to take the validation of others into account.
- There were differences in reasons for career choice by gender. Males (entrepreneurs and non-entrepreneurs) rated financial success and innovation higher than females (entrepreneurs and non-entrepreneurs) as a reason for choosing a career” (pg15). This was consistent with prior research by Carter (1997) and Gatewood, Shaver and Gartner (1995).

The overall results of the research by Carter *et al* (2003) argue against considering entrepreneurs to be qualitatively different from individuals who pursue other career options. These results concur with Gartner (1985; 1988), where he states that the differences among entrepreneurs may be as large as the differences among non-entrepreneurs.

Clearly then, the differences between corporate managers and entrepreneurs of either gender, is minimal. This is important, as this implies that transition is



quite possible for corepreneurial inclination and who want to pursue their entrepreneurship dreams.

2.2.2 Gender Differences

Research has indicated differences between men and women in their career choices (Farmer, 1997; Farmer, Wardrop, Anderson and Risinger, 1995). More often than not, these differences are referred to as “glass ceiling” for a woman. In a study by Gatewood *et al* (1995), nascent entrepreneurial women who offered internal reasons (e.g. “I always wanted to be my own boss”) and nascent entrepreneurial men who offered external reasons (e.g. “I had identified a market need”) were more likely to be entrepreneurs. Carter (1997), using four factors; autonomy or independence, task interest, wealth or income, and a desire to stay in the community, found that nascent men entrepreneurs rated wealth and prestige higher than nascent women entrepreneurs, although both rated the autonomy factor higher than other factors.

In prior research on gender in entrepreneurship (e.g. Brush, 1992; Carter, 1997; Fischer, Reuber and Dyke, 1993), they confirmed that there is evidence that men are more likely to seek to create financial wealth, whereas women are more likely to pursue other types of goals that center on personal interests. Women are seen as experiencing more complexity in making career choices because of their need to balance employment, childcare and housing (Carter *et al*, 2003) – fulfilling multiple roles requires women to



consider time and : economic and social decisions (Gilbert, 1997).

Orhan and Scott (2001) confirm that there is a range of reasons as why females become entrepreneurs, such as “dynastic compliance”, “no other choice”, “entrepreneurship by chance”, “natural succession”, “forced entrepreneurship”, “informed entrepreneur” and “pure entrepreneur”. Hisrich, Brush, Good and De Souza (1996) confirm that entrepreneurial motivations are very similar between men and women – where the need for independence and the need for self-achievement are always being ranked first – with other causes usually being found to be much less important.

Prior research again indicates that there is no real significant difference between men and women entrepreneurs. This implies that transition is possible for both men and women who want to pursue their entrepreneurship dreams.

Various studies describe the individual persistence required over long periods in order to create a new entity (Carter, Gartner and Reynolds, (1996); Gatewood *et al* (1995)). According to Carter *et al* (2003), new venture creation requires repeated attempts to exercise control over the process in order to succeed. Persistence over long periods and repeated attempts to exercise control over the process requires motivation and commitment to keep going.



2.3 Motivation

The development of entrepreneurship theory requires consideration of the motivations of people making entrepreneurial decisions (Shane, Locke and Collins, 2003). The motivations of individuals influence their career choice or reason. Therefore, the decision to make the transition from corporate manager to entrepreneur is influenced by their motivations. Shane *et al* (2003) further state that human motivations influence who pursues entrepreneurial opportunities – who assembles resources, and how people undertake the entrepreneurial process – in addition to external factors (status of the economy, availability of venture capital, actions of competitors and government regulations).

2.3.1 Effects of Motivation

Shane and Venkataraman (2000), define entrepreneurial opportunities as, “situations in which new goods, services, raw materials, and organising methods can be introduced and sold at greater than the cost of their production” (pg. 220). Opportunities identified and pursued by entrepreneurs have different economic value and thus influence entrepreneurial behaviour differently (Shane *et al*, 2003). In addition, Shane *et al* (2003) states that as entrepreneurs are people, they make different decisions when confronted with similar opportunities. Thus the entrepreneur’s interpretation of the opportunity differs by individual, which is what Shane calls “vision”.



Opportunities are : ed from a certain perspective – opportunities for making profit – otherwise called vision (Locke, 2000). The opportunities depend on free will – the capacity of the human mind to discover, through creative thought and solutions that had not existed before (Shane *et al*, 2003). Perspective therefore directly affects motivation and the entrepreneurs' decisions.

2.3.2 Motivational Concepts

Research has explored and identified several motivational concepts that effect entrepreneurship, namely:

- Need for achievement (nAch) – individuals that are high in nAch are more likely than those who are low in nAch to engage in activities or tasks that have a high degree of individual responsibility for outcomes, require individual skill and effort, have a moderate degree of risk and include clear feedback performance (McClelland, 1961). McClelland argues that entrepreneurial roles are characterised as having a greater degree of these risk attributes than other careers; thus, it is likely that people high in nAch will be more likely to pursue entrepreneurial jobs than other types of roles. According to Collins, Locke and Hanges (2000), nAch is an effective tool for differentiating between firm founders and the general population, but less so for differentiating between firm founders and managers.
- Risk taking – McClelland (1961) claimed that individuals with high achievement needs would have moderate propensities to take risk.



Prior research  do not differ significantly from managers or even the general population in risk taking (Low and Macmillan, 1988). Only one study found a difference between firm founders and managers in this motivation Begley (1995). According to Shane *et al* (2003), the measurement of risk taking propensity may be confounded with high self-efficacy. Therefore, the risk taking propensity may be influenced by high self-efficacy. In other words the risk taking decision could be overcome by having a pile of corporate-earned money that the MCE can fall back on, should the entrepreneurial activity not be successful. Risk evaluation would still however be a big factor in the MCEs decision-making.

- Tolerance for ambiguity – Schere (1982) argued that tolerance for ambiguity is an important trait for entrepreneurs because the challenges and potential for success associated with business start-ups are by nature unpredictable. Begley and Boyd (1987) found that firm founders scored significantly higher in tolerance for ambiguity than did managers, as did Schere (1982). However, studies by Babb and Babb (1992) and Begley (1995) found no significant difference in tolerance for ambiguity between firm founders and managers, suggesting that we do not yet know whether tolerance for ambiguity is a motivation that affects any part of the entrepreneurial process.
- Locus of control – Individuals who have an external locus of control believe that the outcome of an event is out of their control, whereas individuals with an internal locus of control believe that their personal actions directly affect the outcome of an event (Rotter, 1996). Rotter



therefore argue that individuals with an internal locus of control would be likely to seek entrepreneurial roles because they desire positions in which their actions have a direct impact on results. Most studies however have not found a difference between firm founders and managers on locus of control (Babb and Babb, 1992).

- Self-efficacy – Self-efficacy is the belief in one’s ability to muster and implement the necessary personal resources, skills and competencies to attain a certain level of achievement on a given task (Bandura, 1997). According to Shane *et al* (2003), an individual with high efficacy for a given task will exert more effort for a greater length of time, persist through set backs, set and accept higher goals, and develop better plans and strategies for the task. These attributes of self-efficacy may be important to the entrepreneurial process because these situations are often ambiguous - in which effort, persistence, and planning is important. Baum (1994) found that self-efficacy had a strong positive relationship with realised growth (company growth).
- Goal setting – Tracy, Locke and Renard (1998) concluded in their study that quantitative goals the entrepreneurs had for each outcome were significantly related to their corresponding outcomes, both concurrently and longitudinally.
- Independence – Independence is taking responsibility to use one’s own judgment as opposed to blindly following the assertions of others (Shane *et al*, 2003). Many researchers have observed that the entrepreneurial role necessitates independence: (1) the entrepreneur takes responsibility for pursuing an opportunity that did not exist



before, (2) e responsible for results, whether achieved or not achieved, and, (3) individuals may pursue entrepreneurial careers because they desire independence. Hisrich (1985) found that one of the prime motivations for women starting a business was a desire for independence. Firm founders scored significantly higher than the general population on personality measures of independence (Aldridge, 1997).

- Drive – Drive is the willingness to put forth (Shane *et al*, 2003) – “both the effort of thinking and the effort involved in bringing one’s ideas into reality” (pg268). There are four aspects to drive: ambition, goals, energy and stamina, and persistence (Shane *et al*, 2003).
- Egoistic passion – Egoistic passion is a passionate, selfish love of the work – where ego is a central motive – they love the process of building an organisation and making it profitable (Shane *et al*, 2003). Shane goes on further to state that they are motivated to do what is actually in their own interest – that is do everything that is necessary. Baum, Locke and Smith (2001) suggested that passion had a direct significant effect on firm growth.

2.3.3 Entrepreneurship as a process

According to Shane *et al* (2003), “much of the prior research has looked at entrepreneurship as a profession that certain types of people adopt, rather than as a process that occurs over time” (pg 270). They argue that entrepreneurship is a dynamic process that is episodic – entrepreneurial



action is not long last. This model motivation as dividing entrepreneurs and the rest of the population into two groups. Accordingly, they argue that “the motivations that allow progression from opportunity recognition to resource assembly might not lead from financial assembly to first sales” (pg 271). Therefore, motivation is a requirement at various stages along the entrepreneurship process.

As Aldrich and Zimmer (1986) explain, “opportunities are irrelevant unless taken advantage of, and people vary widely in their ability to seize opportunities” (pg14). Shane *et al* (2003) agree, but argue that people also differ widely in their motivation to seize opportunities. Shane *et al* (2003) suggests that researchers could better think about how motivation influences the entrepreneurial process – they could:

- “Incorporate motivations into a dynamic evolutionary perspective on entrepreneurship by using motivations to distinguish those individuals who select out at different steps in the entrepreneurial process” (pg 271).
- “Consider how motivations might influence some people to make different decisions from others in the entrepreneurial process” (pg 272).

2.3.4 How motivations influence entrepreneurship

Shane *et al* (2003) have developed an interesting model to suggest how human motivations might influence the entrepreneurial process (Figure 3).

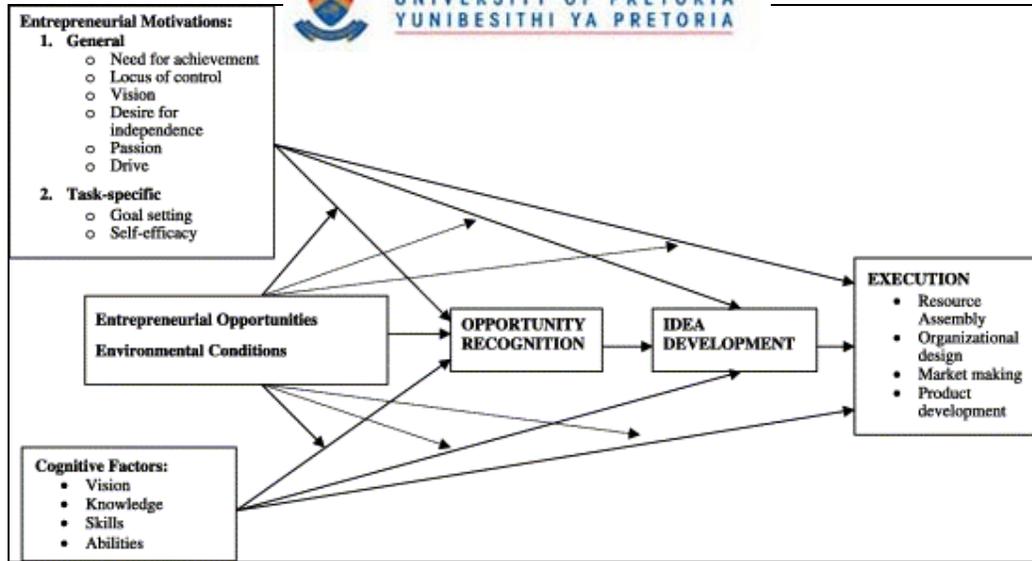


Figure 3: Model - entrepreneurial motivation & entrepreneurship process.

In Figure 3 Shane *et al* (2003) proposes that entrepreneurship is a process that begins with the recognition of an entrepreneurial opportunity and is followed by the development of an idea of how to pursue that opportunity, the evaluation of the feasibility of the opportunity, the development of the product or service that will be provided to customers, assembly of human and financial resources, organisational design and the pursuit of customers. Further they suggest that some or all of the motivations influence the transition of individuals from one stage of the entrepreneurial process to another – in some cases all the motivations might matter.

Motivations are not the only things that influence these transitions – cognitive factors, including knowledge, skills and abilities (KSAs), the opportunities themselves and environmental conditions do matter (Shane *et al*, 2003).



Locke (2000) concludes the combination or integration of motivation and cognition.

2.4 Career Capital

There is a fast growing population of new entrepreneurs with corporate or management experience that is being labeled as “careerpreneur”, “corporate incubator”, “corporate climber”, “modern” and “second generation” entrepreneurs (Moore 2000). This changes the understanding of a career from a sequence of hierarchical promotions in a single organisation to a structure which is more discontinuous and flexible - to one being described as the “boundaryless”, “new”, “protean”, “post corporate”, and “intelligent” career (Arthur and Rousseau, 1996; Peiperi and Baruch, 1997).

The boundaryless career is distinguished by “independence from, rather than dependence on, traditional organisational career arrangements” (Arthur and Rousseau, 1996, pg. 6).

In her review, Sullivan (1999) summarises a boundaryless career as having the following characteristics: flexible employment relationships, transferable skills across multiple firms, on-the-job action learning, personal identification with meaningful work, development of multiple networks, peer learning relationships, and individual responsibility for career management. In order to make the transition from corporate manager to entrepreneur, a person must have the characteristics of a “boundaryless” career.

This gives rise to the concept of human capital and social capital – within a conceptual framework of embedded career capital (Terjesen, 2005).

2.4.1 Human Capital

Human capital examines the role of an individual's investment in education, knowledge, skills and abilities and how this enhances cognitive abilities and can result in more productive activities (Becker, 1964). Human capital resources include both informal and formal education, such as that acquired on the job or in training courses (Terjesen, 2005). Human capital therefore enables job performance and advancement.

2.4.2 Social Capital

Social capital is also linked to career success, but mostly at upper levels of management (Terjesen, 2005). Social capital is an individual's position in a network of relationships and the resources embedded in, available through or derived from these networks (Nahapiet and Ghoshal, 1998) – drawing value from trust, reciprocity, information, and cooperation in these associations. Social network structures enable access to resources which benefit career success in terms of salary, promotions and career satisfaction, and also by access to information and resources and career sponsorship (Seibert, S.E., Kraimer, M.L. and Liden, R.C., 2001).



One form of bonding relationship designed to support learning and development (Terjesen, 2005). Other forms of social capital can also take the form of professional or occupational industry networks, in-company networks or training networks (Terjesen, 2005).

Entrepreneurship literature indicates that entrepreneurs possessing human and social capital specific to the type of venture undertaken are more likely to be successful (Davidson and Honig, 2003). Therefore, the good networks that MCEs have access to, stand them in good stead when under taking a new entrepreneurial venture.

2.4.3 Embedded and Embodied Career Capital

Careers are “accumulations of information and knowledge embodied in skills, experience and relationship networks acquired through an evolving sequence of work experience over time” (Bird, 1994, pg. 326). Career competencies vary in degree of transferability: individuals with highly transferable competencies are marketable and not bound to a particular organisation, whereas those with less transferability of competencies possess more firm specific skills (Sullivan, Carden, and Martin, 1998).

Studies to date have placed limited focus on individuals’ mobility outside traditional organisations and have not addressed the transfer of competencies to new ventures (Terjesen, 2005). According to DeFillippi and Arthur (1994), in the age of the boundaryless career, individuals must possess personal



competencies which workplace – as well as be portable to new work experiences, including one’s own business. Unfortunately, to date, the boundaryless career research has focused on mobility in terms of physical and psychological passages – and not transferability to entrepreneurial opportunities (Sullivan and Arthur, 2004).

Terjesen (2005) states that, “human and social capital which is mobile and value-generating outside the arena in which it was originally developed can be described as ‘embedded career capital’” (pg. 249). She goes on to state that “human and social capital which is accumulated during work experiences but anchored to and possessing little value outside the arena in which it was originally developed can be termed ‘embodied career capital’” (pg. 249).

Embedded career capital increases an individual’s marketability, when looking for alternative employment or when leveraging an opportunity within a new venture environment. Whereas, embodied career capital helps an individual move up in a firm and access other opportunities (Terjesen, 2005).

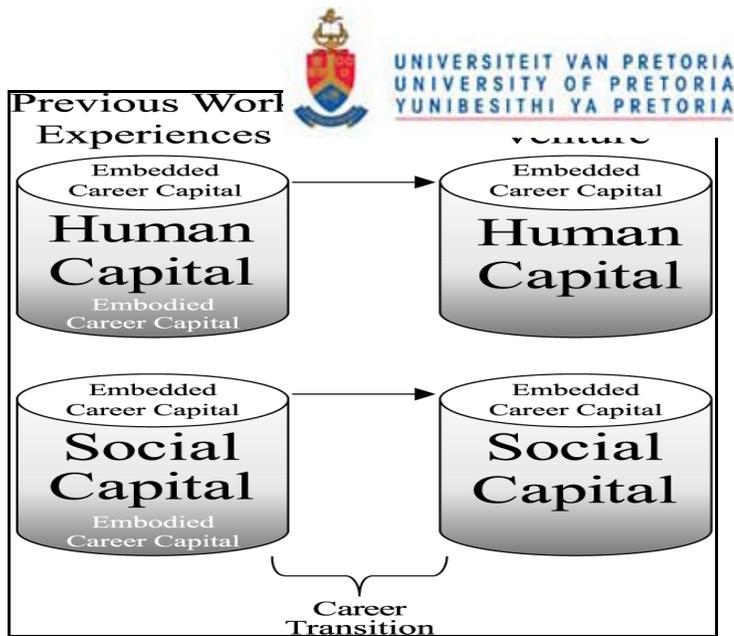


Figure 4: Embeddedness of human capital and social capital.

In Figure 4, Terjesen 2005 proposes that the conceptual model illustrates with “buckets” of human capital and social capital and transferability with shading. “Embedded career capital” is depicted by clear capital which flows easily across experiences and can be leveraged in a new venture environment. In contrast, the dark shading illustrates “embodied career capital” which is previous experience-specific and not transferable to a new venture.

According to DeFillippi and Arthur (1994), embedded career capital includes both human capital and social capital dimensions which can be seen in the context of three ways of knowing:

- Human capital “knowing how” – knowledge and skills needed to perform a job, as well as the industry, management and other experiences acquired in this process.



- Social capital ; network of family, friends, mentors, colleagues and professional associations – including both bonding and building relations ships.
- “Knowing why” – focuses on an individual’s motivations, values and identity, such as the need for balance between work and family activities.

2.5 Aspirations and Market Offerings

An individual’s perception of their market offering value is an important element in the entrepreneurial decision, as the entrepreneurial dilemma arises when an individual’s aspirations do not correspond with their market offering value (Lee and Venkataraman, 2006). Further, this framework is inherently dynamic – the constructs (aspiration value and market offering value) vary across time and space – and it is the interaction between the two constructs that brings value to the complexity and richness of entrepreneurship (Lee and Venkataraman, 2006). Lee and Venkataraman (2006) go on to claim that the disequilibrium within the framework has a tangible affect on an individual’s likelihood of seeking an entrepreneurial opportunity.

2.5.1 Individual’s Level of Aspiration

An individual’s aspiration value comprises a combination of economic, social, and psychological benefits that an individual would like to have or believe



they have the ability themselves (Lee and Venkataraman, 2006). The aspirations of an individual are influenced by the individual's abilities (Hollenbeck and Whitener, 1988), values and traits (Hollenbeck and Whitener, 1988), past achievements and environment (Herron and Sapienza, 1992). Lee and Venkataraman (2006), state that these aspirations are formed by the human, intellectual, and social capital of an individual. This is confirmed by Shoham and Fiegenbaum (1999), who state that different managers in a firm may use different strategic reference points depending on their position, perceptions, focuses, and styles. Therefore, individual aspirations vary widely and are affected not only by human, intellectual and social capital, but also by a point in time.

2.5.2 Individual's Appraised Value in the Labour Market

The individuals appraised market offering value is a combination of economic, social and psychological dimensions that are implicitly or explicitly available to the individual from the labour market at a given point in time – which market offering value is determined by a source exogenous to the individual (Lee and Venkataraman, 2006). They go on to state that the factors that determine the market value go beyond specific human, intellectual and social capital – as they take into account social benchmarks, past experience with similar individuals, reference points, organisational constraints, labour market demand and supply conditions. The determination of the market offering value is outside the control of the individual.



2.5.3 Individual Asp

Eisenhauser (1995) views the decision to be an entrepreneur as a career choice, although as pointed out by Lee and Venkataraman (2006), entrepreneurship is a search process for alternative or new opportunities instead of alternative employment. The framework put forward by Lee and Venkataraman (2006), suggests that when the aspirations value is significantly different to their market offering value, individuals tend to pursue entrepreneurial opportunities and become entrepreneurs. Specifically they point out that individuals pursue entrepreneurial opportunities when their aspirations are biased and higher than their market offering value. Similarly, they state that, when the aspiration value and market offering value are similar, an individual tends to be satisfied with non entrepreneurial options and remain non-entrepreneurs.

2.6 Entrepreneurial Skills

2.6.1 Mid-Career Entrepreneurs

MCEs are increasing in economic and social significance (Rae, 2005). He states that MCEs are responsible for a growing proportion of entrepreneurial activity and may well constitute the majority of entrepreneurs. As indicated in Table 5, this is true for SA as well where the majority of entrepreneurs are in the age group 25–34 years (31.5%) followed by the age group 35–44 years (23.8%).



By mid-career, most people have accumulated significant life experience and may well be at the peak of their potential and capability, yet many studies indicate the dissatisfaction and need for change frequently experienced by people in this age group (Holmes and Cartwright, 1994; Mallon and Cohen, 2001). Weinrauch (1980) explored the entrepreneurial spirit of mid-career transition among US managerial, professional and technical employees – suggesting that mid-career change needed closer attention. Gibb Dyer (1994) noted the rich contribution of management skills and experience gained in corporate organisations as a “launching pad” for subsequent entrepreneurship.

Holmes and Cartwright (1994) found that career plateaus were being reached earlier by specialist and technical fields than in management and that career was moving away from structure progression towards a lifelong sequence of personal growth experiences adapted to individual’s life stage needs. They also found that boredom was prevalent and self-employment increasingly popular in the 35+ age group, with many managers wishing to change career but being inhibited by personal, organisational and social factors. Their study also indicated that career change was most likely among individuals high in achievement values and motivation, whilst those with high internal locus of control were more likely to be successful than those with an external locus of control.

Block (2005) stressed the role of unexplained trajectories and relational networks. The UK GEM report for 2004 indicated that the highest



entrepreneurial activities (Rae, 2005). This age group shows the highest level of confidence in opportunity availability and confidence in personal skills, which diminish slightly in the 45-54 age groups (Rae, 2005).

According to Rae (2005), he concludes that “where people choose opportunity entrepreneurship, it suggests that existing organisations, career opportunities, cultures and practices do not fit their aspirations, preferred identities and work modes” (pg.571). He goes on to state this is different to where people become necessity or reluctant entrepreneurs, through “push” factors such as redundancy or forced career change, where the issues may be different (Boyle, 1994). Further, Rae (2005) suggests that most mid-career people already possess many of the skills in different degrees and “are in the optimum position to identify and develop opportunities by using their experience, skills, networks and energy to create and build business ventures” (pg. 573).

2.7 Model

Based on the academic literature reviewed, the researcher was able to create a conceptual model (Figure 5) which strings together the underlying factors in the process of the transition from corporate manager to entrepreneur.

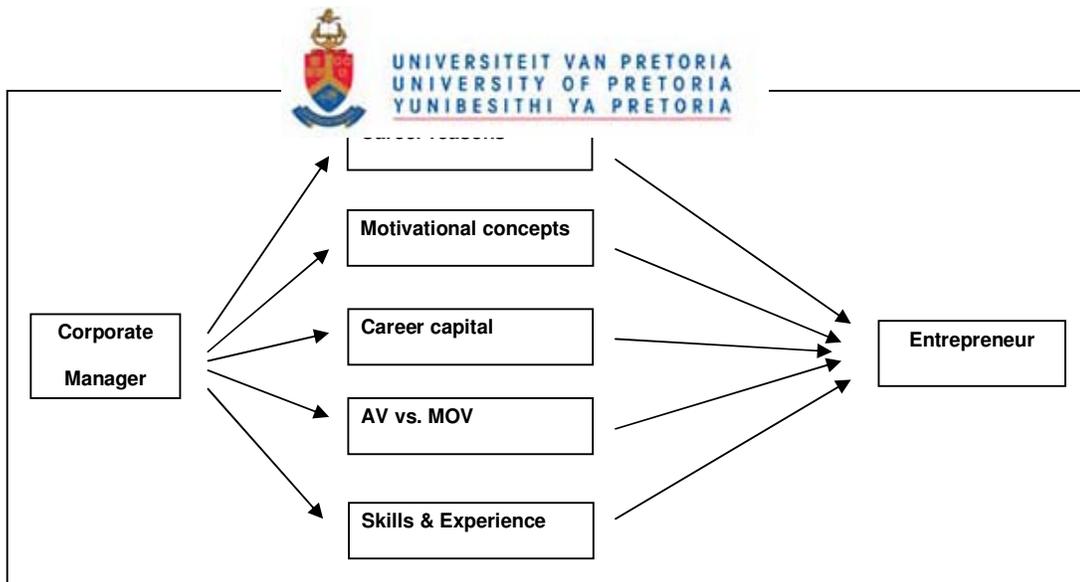


Figure 5: Academic model – Transition from corporate manager to entrepreneur.

Figure 5 shows each of the factors identified in the prior academic research. From the literature review, it appears that each factor is equally important in the overall process, and that there is a web linking or stringing all the factors that are required to make a transition from corporate manager to entrepreneur potentially successful.

2.8 Conclusion

The purpose of the literature review was to build a framework so as to understand and to explore mid-career transition - from corporate manager to entrepreneur. The reasons why and how some mid-career managers start their own companies in SA and the perceived factors that make them successful would be investigated in greater detail in the research phase.



The literature review

1. The main themes

that emerged were:

- Change in career choice is related to a change in career reason.
- Motivation is a key driver to become an entrepreneur and to keep going through the entrepreneurial process.
- Leveraging embedded career capital plays an important role in identifying the opportunity, managing the process and growing the business.
- Mid-career managers may develop entrepreneurial skills whilst in corporate employment, which could be useful in an entrepreneurial activity.
- When aspirational values exceed market offering values, the motivation may arise to make a career change.
- Gender differences do not appear substantially relevant.

The literature review also highlighted the importance of entrepreneurial development to an economy, and that MCEs constitute the majority of the growing proportion of entrepreneurs. This is a vital factor in the growth of the South African economy, as mandated in ASGISA.



3 RESEARCH QUESTIONS

3.1 Purpose of the Research

The purpose of the research is to explore why and how corporate mid-career managers leave corporate organisations to start their own companies in SA and to determine what perceived factors made them successful. The research findings will allow a reader to understand some of the factors that influence a MCE, when making the decision, to make the transition from corporate manager to entrepreneur.

After the research areas had been identified, they should be delineated to identify one or more research questions (Welman and Kruger, 2001).

3.1.1 Research Questions

The following questions were identified as being relevant to the research problem:

Research Question 1:

Does the change in career choice (transition from corporate manager to entrepreneur) arise because of a change of career reason?

Research Question 2:

Do human motivations influence who pursues entrepreneurial opportunities?

Do career capital and aspiration values have any effect on the success of becoming an entrepreneur?

Research Question 4:

Have mid-career managers developed entrepreneurial skills, which are useful in entrepreneurship?



4 RESEARCH METHODOLOGY

4.1 Research Method

As this was an explorative study, a qualitative research method has been utilised. A qualitative research method was recommended as the researcher was attempting to interpret certain phenomena (Leedy and Ormrod, 2001). Therefore, a qualitative research technique using one-on-one in-depth interviews was considered to be the most suitable process to uncover the perceived factors.

The use of one-on-one in-depth interviews enabled the researcher to gain insights and understandings of various topics and to qualitatively explore the research questions. In order to answer the research questions, it was therefore not possible to conduct a superficial review but rather the researcher had to dig deeper (Leedy and Ormrod, 2001). The one-on-one interviews allowed the researcher the opportunity to connect and identify with the entrepreneur, and thus build up a trust and rapport in order to investigate further and go into greater detail.

The qualitative approach of this research project provided a deeper understanding of the underlying reasons and factors as to why, and to some extent how, MCEs make the transition from corporate manager to entrepreneur. The literature review provided the research questions that were used to understand the factors that make the transition possible and the reasons for the successful entrepreneurial activities. As confirmed by



Welman and Kruger performed so as to ensure a clear formulation of the research questions. This in turn provided the guidelines for the structured questionnaire compilation. An exploratory study, such as this one, lends itself to the emergent nature of qualitative research as it is not a linear objective process that can easily be captured by means of an impersonal questionnaire (Merriam, 1998).

Daft (1983) supports the idea of a deep exploratory study by stressing that it is not the data *per se* that is important, but rather the continual questioning of the data. The continual asking of the question “why” is what leads to the discovery of real knowledge.

Daft (1983) stresses the craft-like quality of the research process and that it is a journey of discovery, where the surprises are what makes the journey worthwhile. It is also not only the surprises, but the reality checks of preconceived ideas or academic literature which were either supported or not supported by the entrepreneur’s experience, which made this journey more interesting.

Creswell (1994) supports Daft (1983) in his attitude towards qualitative research and stresses that reality has multiple views, stating that the researcher who chooses to follow a qualitative method must be comfortable with ambiguity. The risks associated with an emerging process, such as exploratory research, is what gives this method of research its power and inherent appeal.



4.2 Research Proc

The research process consisted of the following processes:

- The researcher conducted semi-structured interviews with successful mid-career entrepreneurs (“MCEs).
- The data gathered from the interviews was collected, analysed and inserted into a data matrix.
- The information from the data matrix was then analysed using the following techniques: narrative enquiry, constant comparative, descriptive statistics and content analysis
- Finally, the researcher presented his findings and recommendations for future research.

4.3 Population and Sampling

4.3.1 Target Population

The target population consisted of individuals, male and female, of varying age, who have successfully made the transition from mid-career corporate manager to successful entrepreneur. The sample was limited to individuals residing in the Gauteng area. The size of the population was not determined.

The population consisted of individuals who had worked in the corporate environment for a minimum of 5 years or more. The sample included a broad spectrum of entrepreneur: from baby owner / manager entrepreneurs to mature entrepreneurs.



4.3.2 Sampling Frame

The sampling frame for the transition of individuals falling within the category “mid-career manager to entrepreneur” was defined as follows:

- The mid-career managers with at least 5 to 10 years corporate business experience.
- The mid-career manager with a professional qualification or at least a university degree.
- The entrepreneur is actively in their entrepreneurial activity or was actively involved in the entrepreneurial activity prior to it being sold to a third party.
- The entrepreneur was either the founder shareholder or significant shareholder and Chief Executive Officer.

4.3.3 Non-probability Sampling

The non-probability sampling techniques called convenience and snowball sampling were used. One of the disadvantages of using non-probability sampling technique is that the sampling error cannot be estimated (Welman and Kruger 2001). Therefore, projecting the data beyond this sample would be statistically inappropriate (Zikmund, 2003). As the population was unknown, non-probability sampling was considered the most appropriate sampling technique.

Initially the convenience sampling technique was used – based on the researcher’s network – both professional and social. However, the sampling



technique evolved as a snowball sampling technique as the researcher's network and those interviewed suggested other suitable respondents.

4.3.4 Sampling selection process

The sampling selection process was based on 3 sources, namely: (1) the researcher's business network, (2) the researcher's social network, and (3) referrals from both.

4.3.5 Sample Size

The sample size was 12 individuals. Refer to Appendix 2 for the list of mid-career entrepreneurs interviewed.

4.3.6 Unit of Analysis

The unit of analysis was the mid-career manager who has already successfully made the transition to entrepreneurship.

4.4 Questionnaire

The questionnaire was derived from the literature review. As mentioned by Welman and Kruger (2001), when using structured questionnaires the interviewer was limited to the questions and how they are asked as well as



the order in which the questionnaire was used, the structure provided direction and consistency, but did provide the interviewer with the opportunity to allow the entrepreneur to “tell their success story”.

The questionnaire was pre-tested on a colleague who fitted the sample profile. A few minor confusing, repetitive and ambiguous questions were edited or removed.

The structured part of the questionnaire, as per Appendix 3, was split into 4 sections:

- Section 1 – Introduction
- Section 2 – Demographics
- Section 3 – Research questions 1 to 4
- Section 4 – Closing comments

The one-on-one in-depth interviews were held in various locations, which included place of work, homes, restaurants, coffee shops and telephonically.

4.5 Data Collection, Data Analysis and Data Management

It was technically possible to separate the data collection and data analysis phases in a qualitative study. However, the collection and analysis was done iteratively in order to obtain deeper levels of understanding, which enhanced



the quality of the research process and management process was performed as follows (Leedy and Ormrod, 2001):

- Conduct interview (Appendix 3 – Interview guide).
- Make notes during the interview.
- Reflect on the respondent's body language and language used.
- Capture researcher's notes onto data matrix and endeavor to develop themes.

4.5.1 Data Collection

Data collection was done by way of semi-structured interviews. The interview guideline (Appendix 3) shows how the semi-structured interviews were conducted, using a combination of structured and unstructured sections.

The structured part of the interview was based, firstly on certain demographic and other information, and secondly on the research questions, which were derived from the literature review. The structured questionnaire allowed the researcher to guide the entrepreneur along the underlying issues identified.

The unstructured section took the form of a narrative inquiry in conjunction with the research questions. The narrative inquiry gave the entrepreneur the opportunity to "tell their success story". The underlying success story allowed the researcher to get a deeper understanding. This method was highly effective when trying to get a deeper understanding of specific factors (Welman and Kruger, 2005).

Each interview lasted between one and half to two and half hours. The researcher made notes during the interview. A summary of each case situation was then captured onto a data matrix, so as to be able to identify, compare and analyse the results of the various interviews.

There are a number of disadvantages and advantages of using the one-on-one in-depth interview method to collect data, as stated by Welman and Kruger (2001), namely:

- Disadvantages:
 - Preparation time, traveling time and interviewing time.
 - Interviewees in some cases respond the way they think the interviewer wants them to respond.
 - Interviewees in some cases put up a facade.
 - The researcher took notes during the interview and could have missed some relevant information.
- Advantages:
 - The interviewer is in control of the interview process, so any misunderstandings or vague responses can be cleared up. Consequently, the responses obtained are of a high quality standard.
 - The response rate is very good; often better than telephonic interviews and postal surveys.



4.5.2 Data Analysis

Data analysis in qualitative research can be compared to “the peeling off the layers of an onion”. It is where the researcher peels off the layers data, applies his analytic powers and emerges with the findings. The process is highly intuitive and it is not always possible to locate the source of an insight (Merriam, 1998).

The analysis method used in this research project was a combination of narrative analysis, constant comparative analysis, descriptive statistics and content analysis. These methods can be combined effectively as there is no “right” way of performing analysis in a qualitative study. The only constraint is that the analysis must be an iterative process, running alongside the data collection phase (Daft, 1983; Creswell, 1994; Merriam, 1998). The data was captured onto a spreadsheet in a data matrix format, so as to efficiently and effectively analyse the data and observe the patterns that emerged.

Each interview was analysed in relation to two levels:

1. The demographics, general background and experience; and
2. The research questions.

The analysis of the findings is discussed further in chapter 5.

Table 7 is a summary of the data analysis that was used during this research project (Creswell, 1994).



Analysis Method	
Narrative Enquiry	This method is applicable as the entrepreneurs are reliving certain successes through the stories they tell. It is important to search for the hidden meanings behind the words. This method will be used during and directly after the interview.
Constant Comparative	The iterative nature of the data collection / data analysis process, demands a constant comparative of the data, wherein new sets of data are compared to the data already collected and assimilated. This method will be used after the narrative analysis of each interview.
Descriptive Statistics	The demographic data, background and experience is best analysed using descriptive statistics.
Content Analysis	This is a detailed examination of the contents of the data; in this case the interview notes and the data matrix. The content analysis will be performed in conjunction with the other methods.

Table 7: Data analysis methods for research study

4.6 Data Validity and Reliability

Qualitative research needs to convince the reader that the study makes sense, unlike quantitative research that has to convince the reader that procedures have been followed faithfully (Merriam, 1998). In order to introduce rigor into this research, the data was be presented to an expert in qualitative analysis. In addition, the preliminary findings were discussed with the expert, in order to determine whether the results are reasonable.

This will reduce the researcher bias, which as Daft (1983) points out is inevitable. Instead of trying to achieve an objective position, it is preferable to accept the subjectivity of the interview process and to introduce rigor by using another researcher's opinion (Gillham, 2005).

4.7 Potential Rese



The following aspects are limitations to this research project:

- The entrepreneur's perceived factors may be communicated to the researcher in an exaggerated manner.
- The entrepreneur's ego and confidence may bias the data presented.
- The entrepreneur may only tell the researcher what he wants to relate, and may thus conveniently ignore certain facts and factors.
- To gain a more in depth understanding of the factors, it would be beneficial to conduct 360° interviews with the entrepreneur's family, colleagues and subordinates.
- The transition period from corporate to entrepreneur is quite a specific period. Therefore, having to rely on memory to recall information from this period may have introduced inaccuracies.
- Convenience sampling and snowball sampling may have resulted in the research being homogenous in nature. Therefore, conclusions drawn from this data may not accurately represent the population.
- It is recommended by Welman and Kruger (2001) that the interviewer be trained properly and that the interviewer formulates questions consistently. Although the questionnaire guidelines were fairly simple, the researcher was not officially trained to conduct the one-on-one in depth interviews, and the manner in which the questions were phrased may not have been interpreted consistently by the interviewees.
- The one-on-one interviews were conducted in various environments, i.e. entrepreneurs' houses, entrepreneurs' work places, interviewers'



house, inter office shops and telephonically which may have impacted on the entrepreneurs' concentration to accurately recall experiences from memory.

- The sample selection of entrepreneurs ranged from nascent entrepreneur to retired entrepreneur. This range provided an interesting variety of perspectives, but may have made the analysis less focused.
- As the researcher took notes during the interviews and did not use recordings, some relevant information might have been missed.

The methodology used attempted to overcome these weaknesses by:

- Listening to the MCE carefully and clarifying what they said, so as to eliminate as much exaggeration, ego, arrogance, memory fatigue and “conveniently ignored facts” as possible.
- Explaining and formulating each question carefully and consistently, so as to ensure that question ‘misinterpretation’ is avoided where possible.



5 RESEARCH RESULTS AND DISCUSSION

As a consequence of the qualitative nature of this research study, the research results and discussion have been combined into a single section. The findings are related back to the literature review, where applicable.

In order to achieve a combined single section, the researcher proceeded as far as possible to do the following: the entrepreneurs' statements (findings) were separated from what the literature stated (discussion) and from what the researcher is saying (critique and conclusions).

Gender differences were not one of the research questions, but the literature review did mention some differences between men and women. Therefore, as gender differences were noted in the findings, the researcher has commented thereon. However, due to the small number of women in the sample, no reliable generalisations can be made on the female MCEs.

5.1 Introduction

The interviews provided rich, meaningful data. The interviewees provided proud, candid and detailed accounts as to why they had embarked on their mid-career entrepreneurial ventures. They also expressed their weaknesses and anxieties, as well as achievements and successes. All the interviewees displayed insightful analysis and most enjoyed the opportunity for introspection.



The research data from 12 entrepreneurs interviewed was separated into 2 parts. These were:

- Demographics of the entrepreneurs;
- Research questions.

5.2 Demographics of the Entrepreneurs

Small sample sizes and the nature of the sampling technique utilised make this data statistically non-representative. But the information provides some interesting insights into the characteristics of the MCEs investigated.

The key demographic findings were:

- Age of the entrepreneurs

The mean age of the MCE when they began their entrepreneurial activity was 36.8 years and the median age was 35 years. The age group 35-44 makes up 58% of the sample and the age group 25-34 makes up 33% of the sample. The age intervals of the entrepreneurs are represented in Appendix 4: Table 11.

This is consistent with the UK GEM report 2004, where the highest entrepreneurial activity is in the 35-44 age group (Rae, 2005). However in the GEM SA Report (2006), it is the 25-34 age group that are the majority, although the 35-44 age group follows thereafter. What is consistent between the two reports is the fact that these two



age groups, i. ranking age groups from a TEA perspective.

The specificity of the data is therefore consistent with the GEM reports if one takes into account the homogenous nature of the sample and the sampling techniques used.

- Gender of entrepreneurs

The majority of the entrepreneurs were male (75%), unfortunately all were white. As 25% of the entrepreneurs were female, it was possible to observe some differences, if any, in gender vis-à-vis the research questions - the risk is that with such a small sample, one cannot generalise with any accuracy. The gender of the entrepreneurs is represented in Appendix 4: Table 12.

- Number of years of entrepreneurship

There is a total of 154 years of entrepreneurship in the sample of entrepreneurs. Interestingly, 66.7% of the entrepreneurs have been in entrepreneurship for more than 5 years. The number of years of entrepreneurship is represented in Appendix 4: Table 13.

In terms of the GEM SA Report (2006), none of the entrepreneurs were categorised as a nascent entrepreneurs (0-3 months). One entrepreneur is a baby business owner/manager (3months-3.5 years),



while the balance of businesses, according to the GEM SA Report (2006) definition.

This is significant, as according to the GEM SA Report (2006) businesses which survive the initial 3.5 year period have great potential to develop to the next level. Businesses that survive and grow, contribute to both employment and GDP growth - which is vital to SA achieving ASGISA's objectives.

- Number of years in corporate of corporate employment

The MCEs' interviewed have a significant amount of corporate experience between them - 75% have 10 or more years of experience. This period of corporate employment is important in terms of the potential entrepreneurial skills and experience that the MCEs' bring to entrepreneurial opportunity. The number of years of corporate employment is represented in Appendix 4: Table 14.

- Education of the entrepreneurs

The entrepreneurs are all well qualified individuals with numerous degrees between them – many with more than one degree. Of special interest is the fact that 75% of the entrepreneurs have MBAs' and 50% of them are CA(SA)'s. The use of convenience and snowballing sampling techniques may have had an effect on the selection of entrepreneurs interviewed. The education of the entrepreneurs is represented in Appendix 4: Table 15.

Importantly, the educated MCEs have both experience and a unique skill set that is essential when entering into a new entrepreneurial venture. As confirmed later, most of the entrepreneurs confirmed that their education was highly relevant to their success and directly related to their self-efficacy and confidence. In some cases, further education or training was necessary after the transition.

- Entrepreneurial activity structure

The majority of entrepreneurial opportunities were startups, i.e. they were “self created” by the entrepreneur. Entrepreneurial activities could also have arisen from inheriting a business, an acquisition or from a partnership. Interestingly, 25% of the entrepreneurial activities arose out of acquisitions, where the entrepreneur bought into an existing business as their *entrée* into entrepreneurship and then entrepreneurially exploited the opportunity. The initial entrepreneurial activity / structure of the entrepreneurs’ is represented in Appendix 4: Table 16.

It should be noted that the importance of choosing the right partner at the right time was emphasised by a few of the entrepreneurs as being fundamentally important. According to the MCEs, the right partner can provide value add, experience, skill and capital – the wrong partner can be disastrous. Therefore, the right partner is essential for growth.



In some case er when making an acquisition, while in other cases as the entrepreneurial activity grew, the entrepreneur needed to take on partners. In only one instance did the entrepreneur start with partners and develop the business from scratch.

This is an important finding, as the partners play different roles at different stages of the entrepreneurial process. Per the MCEs, early partnerships tend to be where the MCE lacks certain expertise, while later partnerships tend to be for either capital requirements or specific value add that the new partner can provide.

- Types of entrepreneurial businesses

The sample of entrepreneurs produced a good selection business types, from various sectors. Interestingly, all the MCEs interviewed provided a service - the largest industry represented was financial services. The types of entrepreneurial businesses are represented in Appendix 4: Table 17.

In addition, the businesses do not only offer their services and products in SA, but a number of them also trade and operate in Africa (i.e. outside the SA borders), while a few also trade beyond the African continent. The geographic trading area covered by the entrepreneurs is represented in Appendix 4: Table 18.



- Number of employees

It is very encouraging to note that a significant number of people are employed by the entrepreneurs. A total of 1243 people are employed by 12 entrepreneurs (an average of more than 100 employees per entrepreneur), with more than half the entrepreneurs' businesses employing more than 50 people each. This is most significant from an ASGISA perspective, which is critically important to providing employment in SA. The number of employees employed by the entrepreneurs is represented in Appendix 4: Table 19.

There is therefore a good spectrum of entrepreneurs in the sample, covering many different aspects of the demographic analysis. It is difficult to tell whether this is due to the homogenous nature of convenience and snowball sampling or homophily.

In conclusion, the specificity of the data could be accurate if one takes into consideration the homogenous nature of the sample; however it would not be accurate to say that these results accurately represent the population.

5.3 Research Questions

The following section provides data that assisted in answering the research questions.



<ul style="list-style-type: none"> • “time of life – risk, failure was irrelevant as they had nothing to lose “ 	
<ul style="list-style-type: none"> • “concerns about BEE and employment equity, and therefore long-term job security” 	<ul style="list-style-type: none"> • Financial success
<ul style="list-style-type: none"> • “having fun and doing it well” 	<ul style="list-style-type: none"> • Independence and Self-realisation

Table 8: MCE critical reasons for engaging in entrepreneurship

Table 8 lists the words and opinions of the MCE in one column, and in the other column correlates those opinions to a factor or career reason that best describes that category of opinions. The factors or career reasons utilised have been borrowed from Carter *et al* (2003) - they concluded that six separate career reasons account for 68% of the variance when comparing the reasons between entrepreneurs and non-entrepreneurs.

More specifically, the entrepreneurs expressed the following sentiments about the six factors:

- Innovation

The entrepreneurs felt that they are far more innovative as entrepreneurs than they were as corporate managers.

The entrepreneurs recalled that as corporate managers, their ability to be innovative was not encouraged. If they were innovative, there was a lack of willingness from senior management to adopt anything new, as senior management preferred the *status quo*. However, as entrepreneurs they had to be innovative in order to survive and



compete effectively as part of being entrepreneurial.”

It appeared that the lack of innovativeness in corporate was more because the entrepreneur was inhibited or restricted, not because the entrepreneur was not innovative.

- Independence

The entrepreneurs felt that they are far more independent as entrepreneurs than they were as corporate managers.

In corporate, the MCEs were restricted in how they chose to use their time. There is less room for freedom, control and flexibility of one's time – as the corporation's rules and procedures dictate what is or is not permitted. As entrepreneurs, the MCEs are free to use their time as they feel necessary.

Independence for the entrepreneur was highly rated, as in most cases; they stated that they wanted the freedom in order to control their own destiny.

- Recognition

The need for recognition is far less important for the MCEs as entrepreneurs, than it was while they were in corporate.



The MCEs did not require recognition of one's family, friends and other people in the community – when in entrepreneurship. The achievement of surviving initially and then being successful is all that they require. However, the women did require some recognition of other people in their community – once they had had children. Recognition from their spouses also seemed to be quite important to the women entrepreneurs interviewed.

- Roles

The importance of roles did not change much between the MCEs as corporate manager and as an entrepreneur. In most cases, their need to follow a family tradition or to emulate others was not important. The only exception was one entrepreneur who felt that while in corporate they did emulate the example of others – specifically his dominating and autocratic father – but he felt the exact opposite in entrepreneurship.

- Financial success

Although financial success is relatively important to the MCEs while in corporate, the need for financial success as entrepreneurs is even more important.

The entrepreneurs in general, all mentioned financial success and wealth creation as one of the critical factors for their decision or reason



to make the c o earn more money
and to achieve financial security.

- Self-realisation

Self-realisation was important for the MCE while in corporate, but even more important when engaged in entrepreneurship. The need to realise success with their entrepreneurial activity was very important. This statement was very common amongst most entrepreneurs.

In comparison to Carter *et al's* (2003) research:

- Where similarities were found between entrepreneurs and non-entrepreneurs in the areas of independence, financial success, self-realisation and innovation, this research has found that the MCEs feel more strongly about those four scales as entrepreneurs - than when they were still in corporate.
- Where both entrepreneurs and non-entrepreneurs rated independence, financial success and self-realisation as more important than recognition, innovation and roles, this research found that the MCE also rated innovation more important.
- The entrepreneurs in both Carter *et al* (2003) and in this research project rated reasons concerning roles and recognition significantly lower than non-entrepreneurs. In both cases, the entrepreneurs were less likely to take the validation of others into account.



Overall, Carter *et al* the entrepreneurs to be substantially different from non-entrepreneurs. Although the researcher would consider that view to be accurate, some of the MCEs interviewed felt that they were restricted or contained by corporate although individually they are inherently entrepreneurial. Therefore, only when they followed an entrepreneurial opportunity did their true colours shine through, and yet a couple of the MCEs did consider there to be little difference between their corporate experiences and entrepreneurial experiences.

As stated by Shaver (1985), the reasons that individuals offer for getting into business are traditionally considered to be the basis of intentions. These MCEs intended to get into business – it was no accident. Further, Bird (1988) states that entrepreneurial intentions, entrepreneurs' states of mind that direct attention, experience and action towards a business concept, set the form and direction of organisations at their inception. The researcher concurs with this statement.

Therefore, the researcher concludes that the MCEs fundamentally do not change. Their circumstances – corporate to entrepreneurship – do change. However, a comparison with non-entrepreneurs' who do not become entrepreneurs might reveal different answers. Clearly though, the MCEs while in corporate had intent, they wanted to become entrepreneurs and therefore made the transition – it was no accident.



The PESTLE factors (Political, Technological, Legal and Environment) had a large part to play in the MCE decision or reason to be an entrepreneur. The biggest factor in the opinion of the entrepreneurs was economic (microeconomic and macroeconomic).

Specific economic factors mentioned by the entrepreneurs include:

- *“The upturn in the housing market”.*
- *“The industry locally and internationally was changing”.*
- *“Corporate governance regulations and guidelines locally and internationally”.*
- *“Exchange control”.*

Political, social-cultural and technological factors were thereafter considered important factors. The specific factors mentioned by the entrepreneurs covering these three areas include:

- *“Corporate world is becoming too political”.*
- *“BEE issues including the ‘pale male’ syndrome”.*
- *“SA likes entrepreneurs, i.e. SA is entrepreneur friendly”.*
- *“Post-apartheid, bottom of the pyramid and corporate social investment”.*
- *“Skills shortage”.*
- *“Technologically more dynamic and nimble – not stuck in a monolith’s past”.*

Finally, legal and environment (natural) were rated the least important factors.



The entrepreneurs with their reason for career choice was: internal (I always wanted to be my own boss) versus external (I identified a market need). The responses showed that overall there was little difference between internal or external reasons. However, men entrepreneurs interviewed rated internal reasons higher than external reasons, while women entrepreneurs interviewed rated external reasons higher than internal reasons.

Gatewood *et al* (1995) observed that nascent entrepreneurial women offered internal reasons, while nascent entrepreneurial men offered external reasons for their career choice. This differs from the researcher's results which are the exact opposite. The difference seems to arise where the MCEs either desperately want their freedom in order to control his or her destiny, or has a unique market offering. Nothing significant should be read into the gender differences, as the sample of women entrepreneurs interviewed was too small. The overall observation is more important, that is, both reasons have equal weighting.

The researcher therefore concludes that one should not consider the opposing results to that of the literature review to be of too much relevance, as what is of relevance is the fact that entrepreneurs generally have one or the other reason for their career choice, and in some instances they have both reasons. Gender appears somewhat irrelevant when being an entrepreneur.



The entrepreneurs interviewed rated autonomy or independence, task interest, wealth or income and desire to stay in the community. Overall, autonomy or independence was rated the highest followed by task interest (by a significant margin). Men entrepreneurs interviewed rated autonomy the highest, while women entrepreneurs interviewed rated task interest the highest. Women rate both wealth or income and desire to stay in the community higher than men. Although the desire to stay in the community is not highly rated by either men or women, two of the women who have since had children did say that their desire to stay in the community has increased in importance significantly – this would have altered the women’s results.

Once again, these results differ to the results from Carter (1997), where nascent men entrepreneurs rated wealth higher than nascent women entrepreneurs. These results could be different due to the fact that the entrepreneurs interviewed are not “nascent” entrepreneurs and that if the women are changing the importance of the factor “desire to stay in the community” this could alter the final results. Other than the “desire to stay in the community” by women entrepreneurs - once they’ve had children – there seems to be little difference in ‘gender’ reasons to be entrepreneurial. Again, nothing significant should be read into the gender differences, as the sample of women entrepreneurs interviewed was too small.

The researcher would therefore tend to agree that women experience more complexity in making career choice because of their need to balance



employment, childcare) – fulfilling multiple roles requires women to consider time and space constraints (Gilbert, 1997). However the woman MCEs interviewed partially differed from and partially agreed to prior research on gender in entrepreneurship (e.g. Brush, 1992; Carter, 1997; Fischer *et al*, 1993) as the researcher's results show that women rate wealth or income higher than men (partial difference), but that women rate task interest higher than men (partial agreement).

5.3.2 **Question 2** – Do human motivations influence who pursues entrepreneurial opportunities?

As stated by Shane *et al* (2003), human motivations are influenced by who pursues entrepreneurial opportunities, in addition to external factors. Opportunities identified and pursued by entrepreneurs have different economic value and thus influence entrepreneurial behaviour differently (Shane *et al*, 2003).

Most of the MCEs interviewed (8/12) stated that they identified their entrepreneurial opportunity because they were in the industry and knew the market. They had the benefit of industry knowledge and market experience, and could judge with some confidence whether an opportunity would work or not. Most of the entrepreneurs had identified a strategic gap within the industry they knew so well. A few entrepreneurs specifically stated that if their corporate had encouraged them to develop new ventures, they would



have stayed with t some intrepeneurs.

Clearly then, intrepeneurship is a separate topic that should be investigated for purposes of economic growth.

The balance of the entrepreneurs (4/12) identified their entrepreneurial opportunities by either a passion (flying and aeroplanes), an opportune acquisition in a market with little competition, by offering the market something different to what the market was offering and finally by networking extensively with a broad range of people.

The entrepreneurs were asked to state how they had identified their entrepreneurial opportunity:

MCEs entrepreneurial identification	Applicable constructs / reason
<ul style="list-style-type: none"> • <i>“I knew the industry / market well – it is an old mature industry but I had identified a niche market and could become a specialist”</i> • <i>“I was working in this industry and observed foreign operators operating in our market and realised I could provide a better service from SA”</i> • <i>“I had the benefit of ‘line of sight’, as the corporate employer had held 30% of entity, and therefore I had the time to understand the company / opportunity well before taking the plunge”</i> • <i>“I knew an industry particularly well (better than most) and had lots of experience in a particular area. I believe I had the benefit of ‘knowledge arbitrage’ – using my strategic knowledge of an industry”</i> • <i>“I had observed a strategic market ‘gap’ (country was changing, and old white ‘WASPs’ were less relevant). My networking and talking to many business people assisted me to identify a ‘niche’</i> 	<ul style="list-style-type: none"> • Prior industry expertise and Knowledge



<p><i>area”</i></p> <ul style="list-style-type: none"> • <i>“The idea had been ‘percolating’ for a few years while in corporate in my area of expertise, but the corporate business was not interested in investing time or money”</i> 	
<ul style="list-style-type: none"> • <i>“A close friend / business associate brought the idea to me and I felt I could exploit the opportunity”</i> • <i>“The opportunity was identified by pure accident (via my network) – not much competition and there were great margins”</i> • <i>“By networking and meeting people (understanding a broad spectrum of opportunities) – thereby allowing me to identify what interests me and what I wanted to do, where I can add value and engage in the opportunity”</i> 	<ul style="list-style-type: none"> • Network
<ul style="list-style-type: none"> • <i>“My passion for the industry and the application of my financial structuring skills produced the opportunity. It was in a big industry (market) and there was a ‘gap’ ”</i> 	<ul style="list-style-type: none"> • Passion and Skill
<ul style="list-style-type: none"> • <i>“I could do something different to what the market was offering. My skills base and extensive experience gave me a broad range of value propositions in the consulting environment”</i> 	<ul style="list-style-type: none"> • Skills and Experience

Table 9: MCEs identification of entrepreneurial opportunity

Table 9 shows that most MCEs identify their entrepreneurial activity from their prior corporate experience. In addition, one’s network (social investment) directly assists in the identification of entrepreneurial opportunities.

As entrepreneurs are people, they make different decisions when confronted with similar opportunities, thus an entrepreneur’s interpretation of an opportunity differs by individual, which is what Shane calls “vision” (Shane *et al*, 2003). Following the process of interviewing the various entrepreneurs and assimilating the information garnered there from, the researcher would concur with Shane’s statement. The researcher would therefore concur with Shane’s statement.

When enquiring what the entrepreneurs’ “vision” was, after having identified an opportunity, their comments were as follows:

MCEs entrepreneurial identification	Applicable constructs
<ul style="list-style-type: none"> • <i>“Initially, to survive and then to build a successful business – failure was not an option”</i> 	<ul style="list-style-type: none"> • Survival (initially)
<ul style="list-style-type: none"> • <i>“To create a unique company (in his industry) – different to anything else out there”</i> 	<ul style="list-style-type: none"> • Unique company
<ul style="list-style-type: none"> • <i>“Always seeing enormous potential, by using new techniques and thinking – changing the way value is added for the benefit of the customer”</i> 	<ul style="list-style-type: none"> • New techniques and thinking
<ul style="list-style-type: none"> • <i>“To create an investment vehicle – to take a principle and advisory role”</i> 	<ul style="list-style-type: none"> • Investment vehicle
<ul style="list-style-type: none"> • <i>“To service hard currency markets from low cost country, using web development”</i> 	<ul style="list-style-type: none"> • Hard currency
<ul style="list-style-type: none"> • <i>“To change the traditional view of the business from a “cost centre” to a “profit centre”</i> • <i>“Wanted to change the rules of the game (pioneer changes), (1) without changing world class standards, and, (2) changing the way business is done – without prejudice and / or judgment”</i> • <i>“To change the world - make meaning and leave a legacy”</i> • <i>“To change the way the world works – to fundamentally change the way business is done – by identifying businesses (products and services) that don’t currently exist – that will change the way things are done”</i> 	<ul style="list-style-type: none"> • Change – rules, traditional view • Change - the world, the way business is done
<ul style="list-style-type: none"> • <i>“3S’s – building a scaleable, sustainable and saleable”</i> 	<ul style="list-style-type: none"> • Planning exit
<ul style="list-style-type: none"> • <i>“To be a successful woman in a man’s world. To stop disintermediation in her industry and to create an annuity income business”</i> 	<ul style="list-style-type: none"> • Stop disintermediation

Table 10: MCEs “vision” of entrepreneurial opportunity



Table 10 shows that next. No one MCE has the exact same vision as any other MCE, although there are some strong similarities. A few of the visions could be grouped into mini typologies.

Shane was correct – the “visions” were all quite different. As Locke (2000) states, opportunities are aspects of the environment viewed from a certain perspective – opportunities for making profit – otherwise called vision. These entrepreneurs all have different visions for making a profit depending on their abilities and motivation.

Next, the entrepreneurs were asked to rate the various motivational concepts, as identified by prior research, that effect entrepreneurship. Although all the motivational concepts affect entrepreneurship, the MCE interviewed did not rate them all to the same extent. Locus of control, self efficacy, independence and drive were rated the as the most significant motivational concepts by both men and women. Although the need for achievement was also considered significant by both men and women, women rated it higher than men. Men rated risk taking much higher than women, whereas women rated tolerance for ambiguity, goal setting and egoistic passion higher than men. Once again the relevance of the sample size and the split of men versus women would have a direct effect on the ratings.

Although the literature reviewed did not distinguish these motivational concepts on a gender level, overall the results concurred with prior research. The major variances from prior research related to the following factors:



- Egoistic passion - interviewed all spoke of a passion for their business success, but they did not feel strongly at all about the “egoistic” element. This response is probably not surprising considering this was a loaded question. Success and doing whatever is necessary to succeed was paramount to most MCEs, but yet they did not rate this category highly.
- Goal setting (men) - the literature reviewed stated that in terms of goal setting - quantitative goals that the entrepreneur had for each outcome were significantly related to their corresponding outcomes, both concurrently and longitudinally - (Tracy, Locke and Renard, 1998). Interestingly, the men did not agree with this factor, whereas the females did agree with this motivational factor. Perhaps the men viewed goal setting as writing goals down and then doing a review as to whether those goals were achieved or not. Nevertheless, it would be surprising if the men did not have goals that they wanted to achieve. From the interviews, it did appear that all the entrepreneurs did have goals, yet the men did not rate this category highly. Therefore, the researcher concluded that the men have long-term unwritten goals, whereas the women had more short-term specific goals so as to track progress.
- Risk taking (women) - the females did not rate this motivational category highly. In all cases the females entered into entrepreneurial activities that stood a good chance of success.



Next, the entrepreneurs they would describe the entrepreneurial journey as a dynamic process that is episodic. Shane *et al* (2003) argues that entrepreneurship is a dynamic process that is episodic, where entrepreneurial action is not long lasting and therefore motivation is a requirement at various stages along the process.

Of the MCEs, 75% considered the entrepreneurial journey to be a dynamic process that is episodic, whereas 25% (all men) considered the entrepreneurial process to be a continuously dynamic process. The MCE that felt the entrepreneurial process is a continuous process justified their decision by the fact that, initially the 'need to survive' requires continuous entrepreneurial interventions and that their business requires continuous entrepreneurial input in order to grow.

These MCEs made the following statements:

- *"They needed to be very hands-on initially".*
- *"Controlling the income statement (sales and therefore margins > overheads) and managing the balance sheet (growing the net asset value and managing / sweating the assets optimally) are an essential part of managing the business on a daily basis".*
- *"Continuously facing challenges – must apply skills and knowledge all the time".*
- *"Always seeking simplicity for running the business more smoothly and efficiently".*



The statements and who considered the entrepreneurial journey to be a dynamic process that is episodic are as follows:

- *“A passion to fix things and make things work”.*
- *“Jumping ‘s-curves’ – growth and beating the competitor”.*
- *“Periodically trimming the business (pruning and reshaping) in order to get ahead”.*
- *“Restructuring or tightening up for the next burst of growth”.*

The researcher concludes that the entrepreneurial journey is dynamic, but depending on the maturity / life stage of the business or type of business - the journey could be either ‘episodic’ or ‘continuous’. In addition, ‘continuous’ seems to eventually progress to an ‘episodic’ journey. A few of the entrepreneurs had ‘exited’ from their initial entrepreneurial venture and entered into further entrepreneurial ventures, in some cases they had entered into number of new ventures. These entrepreneurs could be deemed serial entrepreneurs. Serial entrepreneurs by nature had therefore tended to become more ‘episodic’.

5.3.3 **Question 3 – Do career capital and aspiration values have any effect on the success of becoming an entrepreneur?**

The entrepreneurs were then asked how much career capital investment they had done. Career capital consists of human capital (investment in education,



knowledge, skills and individual's position in a network of relationships and the resources embedded therein). All the MCEs, without exception, had done a lot of human capital investment of different sorts. All except 1 entrepreneur (1 male) considered that they had social capital in various different forms.

Becker (1964) stated that human capital investment can enhance cognitive abilities and can result in more productive activities, and thus enables job performance and advancement. The results of this research project confirm that all the MCEs agree that their human capital investment did indeed assist them with corporate careers and entrepreneurial activities.

The kind of benefits as a result of human capital investment, were expressed as follows:

- *“Get to do things quicker – facilitating decision making”.*
- *“A lot of business is gut feel – it is tough to trust your instincts with human capital investment”.*
- *“Speed with which you can conceptualise, then decide and implement”.*
- *“wisdom, integrity, people skills and reputation are investments and assets”.*

Therefore, the MCE were clearly stating that education helped them to become better entrepreneurs.



Terjesen (2005) states that social capital is a key to career success, but mostly at upper levels of management. Nahapiet and Ghoshal (1998) state that social capital is an individual's position in a network of relationships – drawing trust, reciprocity, information, and cooperation in these associations. Terjesen (2005) also mentions mentoring, professional or occupational industry networks and in-company training networks or training.

The MCEs all spoke of the social capital to include:

- “Industry networks”.
- “Mentors”.
- “Business networks”.
- “Friends and family”.
- “Political networks”.
- “In-company training and networks”.

Davidson and Honig (2003) states that entrepreneurship literature indicates that entrepreneurs possessing human and social capital specific to the type of venture undertaken are more likely to be successful. The results of this research project confirm that to be the case, as all the entrepreneurs unanimously stated as much. As indicated in Table 9, the majority of entrepreneurs tended to enter into industries where they had prior experience and knowledge, that is, where they already possessed human capital and social capital.



Next, the entrepreneurs' career capital was either embodied or embedded. The MCEs were unanimous in their view that their individual career capital was embedded. None of the entrepreneurs considered their career capital to be embodied. This was illustrated in the entrepreneurs' abilities to enter into entrepreneurship and to be able to utilise their career capital (both human capital and social capital) in their entrepreneurial activity. Therefore, people who do not have corporate experience will have more difficulty in building networks. MCEs therefore have an advantage.

Careers evolve from sequences of work experiences over time – that are built from an accumulation of information, knowledge, skills, experience and networks (Bird, 1994). Careers competencies also vary in degree of transferability between organisations and within organisations (Sullivan *et al*, 1998). Embedded career capital (human and social capital) is highly transferable, mobile and value-generating, and transferable to other organisations or entrepreneurial activities (Terjesen, 2005). Embodied career capital (human and social capital) is anchored and possesses little value to other organisations or entrepreneurial activities.

This research project therefore supports the literature reviewed, in that the entrepreneurs need embedded career capital in order to succeed in their entrepreneurial activities. Therefore, embedded career capital is far more valuable to a MCE than embodied career capital. Embedded career capital



provides the MCE with a set of tools, when engaging with a new entrepreneurial venture.

The entrepreneurs were then asked to consider whether they had considered the difference between their aspiration values (“AV”) and market offering values (“MOV”). In 10 out of 12 cases, the MCEs considered their AV to exceed their MOV before starting their entrepreneurial activity. The 2 exceptions (both men) considered their AV to equal their MOV. Their reasons were that they were very happy in corporate and considered that they were well remunerated for the job they performed.

According to Lee and Venkataraman (2006), an individual’s perception of their MOV is an important decision, as the entrepreneurial dilemma arises when an individual’s AV differs from their MOV. They go on to state this disequilibrium has a tangible effect on an individual’s likelihood of seeking an entrepreneurial opportunity.

Therefore the researcher concludes that the research results clearly indicate that where $AV > MOV$, the likelihood of an individual entering into an entrepreneurial activity is enhanced. This is consistent with the findings of Lee and Venkataraman (2006).



5.3.4 **Question 4** – Developed entrepreneurial skills which are useful in entrepreneurship?

The entrepreneurs were asked to consider the underlying reasons for their transition. All the entrepreneurs considered their corporate experience to be the ideal launch pad into entrepreneurship. Dissatisfaction and need for change were also significant reasons for their transitions, in both cases the women were unanimous in their reasons. Overall, career plateau was not a significant reason, although the women thought it was. Boredom was not a significant factor and nor was the “push” factor, although 2 entrepreneurs were pushed and a further 2 confessed that it was both “push” and “pull” factor. However, it should be noted that the MCEs might now have all been entirely honest in their recollection of how or why they left corporate.

The results of the research are consistent with the literature reviewed, whereby both Holmes and Cartwright (1994) and Mallon and Cohen (2001) state that by mid career most people have gained considerable life experiences and may be at the peak of their potential, but are dissatisfied and need change. Gib Dyer, (1994) noted the rich contribution of management skills and experience gained in corporate organisations as a “launching pad” for subsequent entrepreneurship. Holmes and Cartwright (1994) found that career plateaus were being reached earlier and that boredom was prevalent and self employment increasing in 35+ age group. However, their study revealed that career change was most likely among individuals high in achievement value and motivation, and those with a high locus of control



were more likely to be results discussed on page 35.

Therefore the researcher concludes that this is consistent with the results of this research project where MCE are dissatisfied, need change and have created the perfect “launch” pad.

Next, the entrepreneurs were asked whether the skills and experience that they had gained from their corporate employment, was useful or not in their entrepreneurial venture. It comes as no surprise that the entrepreneurs have been exposed to most skills although not all skills were equally strong. The only areas of significant weakness were human resources (men) and finance (women).

Some of the MCEs attended further training courses where they felt they were lacking the relevant skills. Three MCEs had mentors, and a further two wished they had had a mentor, but instead had to learn from the “school of hard knocks”.

Rae (2005) suggests that most mid-career people already possess many of the skills in different degrees and can therefore identify and develop opportunities by using their experience, skills and networks. This is consistent with the research project results, where the MCEs had gained most of the skills necessary in order to create and build business ventures.



However, the research seems clear that the corporate world does not actually provide all the skills required in order to enter the entrepreneurial environment, whereas the MCE believes that it has provided all the necessary skills (at the time of leaving). Therefore, it appears that the corporate experience may make a MCE over confident in the entrepreneurial context.

5.4 Model of the Findings

The key findings in this research were brought together and represented in a model, as illustrated in Figure 6. The key areas of the model are:

- Changing career
 - Career reasons directly affect whether an MCE will engage in an entrepreneurial activity, which reasons form the basis of the MCE intentions.
 - The PESTLE factors significantly influence the MCE environment and career choice, as well as how they identify and engage in the entrepreneurial opportunity.
 - The reason to be entrepreneurial must exist – either internal or external or both.
- Motivation
 - Before transition - human motivations directly influence who pursues entrepreneurial opportunities and who does not.
 - Post transition – human motivations directly influence who will persist and survive to be a successful entrepreneur

- Career Development
 - Career capital, both human capital and social capital, are both essential to the success of the entrepreneurial venture.
 - MCEs tend to pursue entrepreneurial activities when the AV > MOV.
- Entrepreneurialism
 - The MCEs considerable experience and skills, gained from corporate, provide the entrepreneur with some of the tools required - in order to be successful as an entrepreneur.

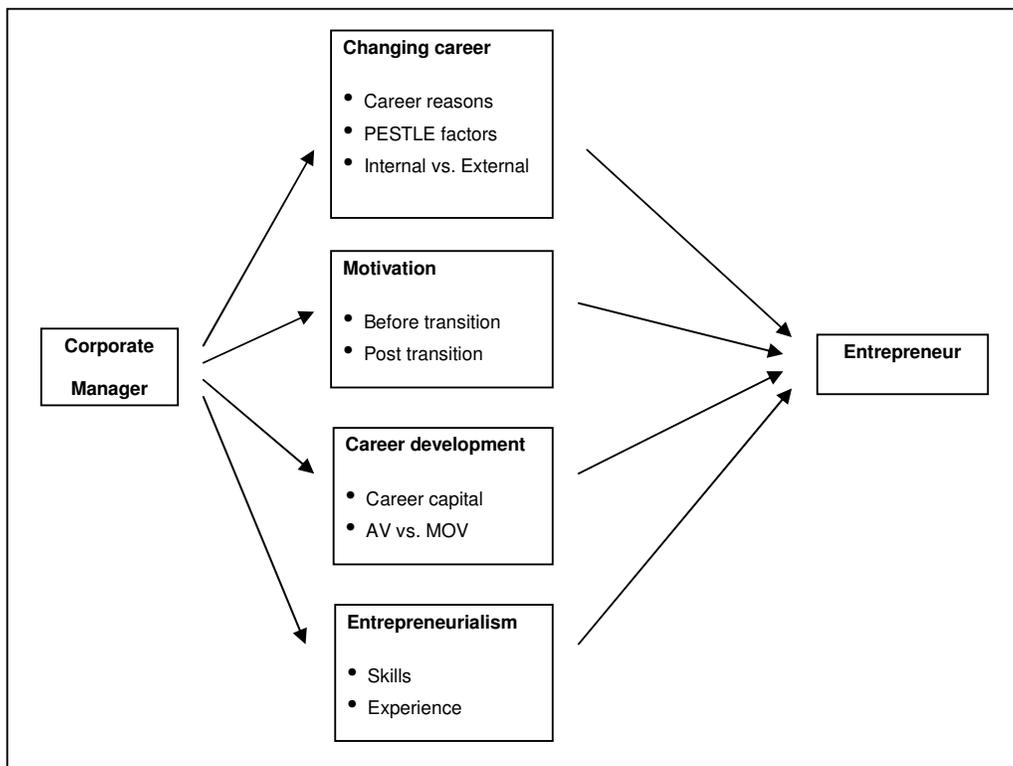


Figure 6: Research model – transition from corporate manager to entrepreneur



The research model from the academic model (Figure 5) in terms of the grouping of the constructs. The literature review simply lays out the various constructs, whereas the research model clusters the constructs together that influence the same underlying driver.

The research model firstly contributes the clusters (changing career, motivation, career development and entrepreneurialism) as key drivers in the transition from corporate manager to entrepreneur, and confirms the prior academic research of the underlying constructs. Secondly, the research model also confirms that the years of corporate experience are vital. Corporate experience is the driving force behind the clusters, as it gives the MCE knowledge, experience, networks and confidence.

5.5 Summary

The discussion of the results demonstrates that there are many different factors that influence transition, such as career reasons, motivation, knowledge, skills, abilities, career capital, the opportunities themselves, environmental factors and cognitive factors. As stated by Locke (2000), the integration of all these factors results in an action. This action is the potential transition from corporate manager into entrepreneurship.

However, it is the years of corporate experience that provide the knowledge, experience, networks and confidence. These factors provide the much needed impetus to overcome inertia and to make the transition.



6 CONCLUSION

6.1 Conclusion

6.1.1 The need

The MCEs transition from corporate manager to entrepreneur is a daunting and challenging task. As a result, although there are many corporate managers who romantically dream about transitioning to become successful entrepreneurs, many do not do so. SA nevertheless requires more entrepreneurship to meet the objectives of ASGISA. As per the GEM Report SA (2006), SA is falling behind the rest of the world on the development of entrepreneurs – a situation that is essential to rectify.

6.1.2 The research approach

Various research questions were put forward by the researcher to explore and understand why and how mid-career corporate managers leave corporate organisations to start their own companies in SA and to determine what perceived factors made them successful. Twelve entrepreneurs were interviewed via a semi-structured questionnaire. The entrepreneurs provided data on matters such as demographics, career choices and reasons, PESTLE factors, motivational concepts, career capital, aspirational values vs. market offering values, and accumulated skills and experience.



6.1.3 The model

The model proposed (Figure 6) graphically represents the key findings. The journey of an MCE from corporate manager to entrepreneur is not for the faint-hearted, as there are a number of factors that have a direct impact on the resultant outcome. No single item or combination of items appear more important than any the other. In other words, all the items listed in the model individually and collectively determine whether an entrepreneurial opportunity will fail or succeed. The external environment is a further variable that must be considered – not to mention good fortune and great timing.

Further, the years of corporate experience provide resources – knowledge, experience, networks and confidence – which are essential when an individual is trying to make the transition from corporate manager to entrepreneur. It is therefore imperative that increasing numbers of MCEs are encouraged to make the transition. ASGISA's economic growth objectives are directly dependent on increased entrepreneurship in SA. Therefore, it is necessary for the government to create incentives for MCEs to make the transition and for already successful entrepreneurs to mentor those trying to make the transition.

MCEs should provide mentorship to all emerging entrepreneurs at all levels. Mentorship of this nature will assist in developing further entrepreneurial activity in SA. SA must become an entrepreneurial economy in order to achieve the 6% economic growth rate as mandated to ASGISA.

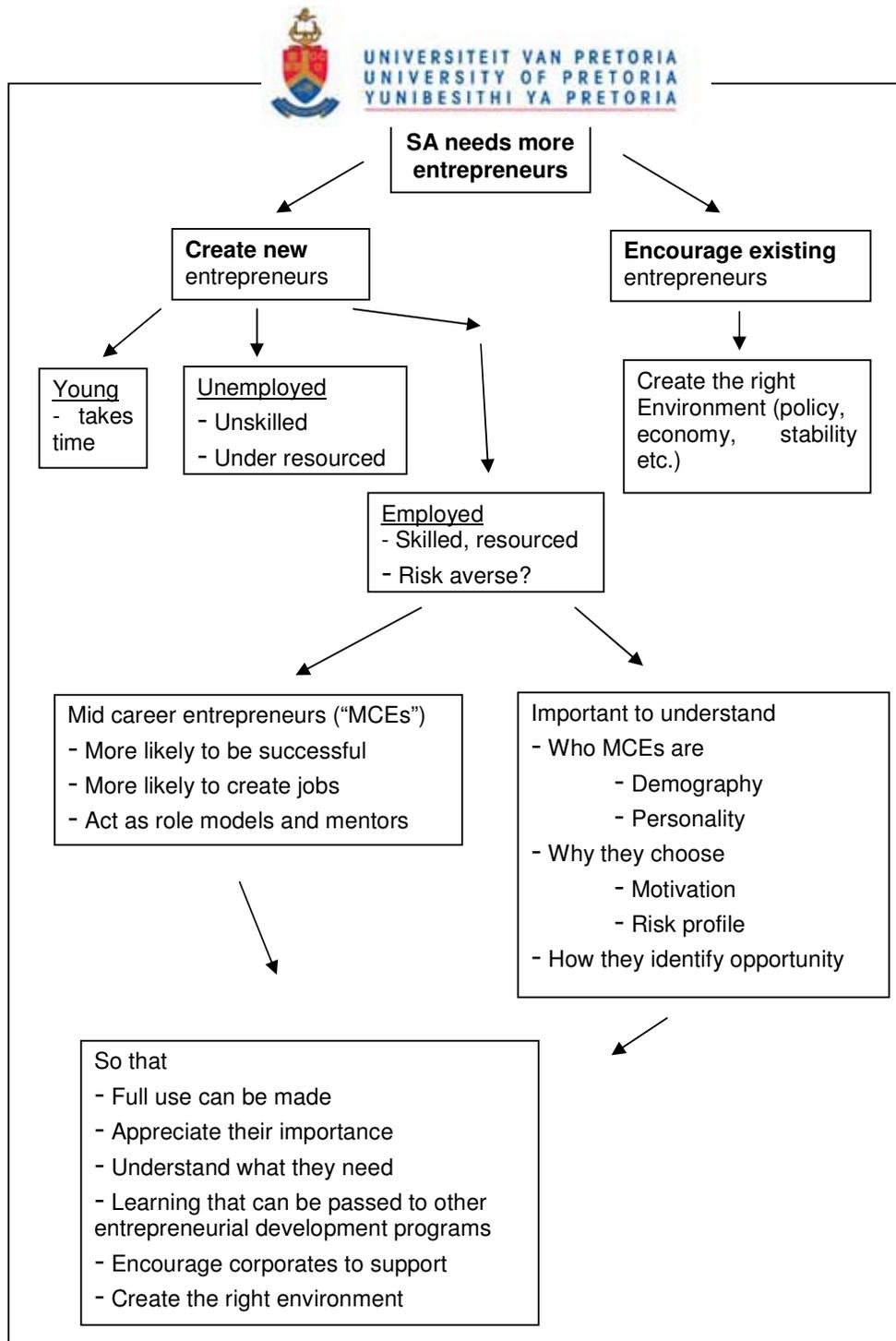


Figure 7: Summary of research project

Figure 7 is a self explanatory and powerful graphic summary of the research project. The SA economy needs MCEs to assist ASGISA achieve the economic growth objectives. SA needs more entrepreneurs. Successful

entrepreneurs breed  **UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA** ers, which ultimately create a much needed entrepreneurial economy.

6.2 Areas of Further Research

6.2.1 Gender

Although women were included in the sample of entrepreneurs interviewed, this research was not able to make any generalisations as to gender – as the number of women in the sample was too small. Further research looking into the gender variable would be most relevant. Women are equally capable of making a substantial difference in entrepreneurial activities. Therefore, their contribution to SA achieving the 6% economic growth level should be investigated further.

6.2.2 Corporate Managers

As a comparison study, corporate managers who have considered entrepreneurship but have decided not to take the plunge should be compared to the results of this study. The study should interview both corporate managers who have considered entrepreneurship but have not taken the plunge, and MCEs who have become entrepreneurs. The same set of in-depth questions should be posed to both categories. The results will provide very interesting learnings.

6.2.3 Race

Unfortunately the sample in this research project only included white South Africans. A research report that sampled a more diverse selection of people from our “rainbow” nation would be more relevant to SA. However, a distinction must be made between “BEE transactions” and “Black entrepreneurs”. The researcher is not convinced that “BEE transactions” are entrepreneurial by nature.

6.2.4 Intrapreneurship

Intrapreneurship is a topic that requires further investigation. A number of entrepreneurs stated that if their corporate had encouraged the MCE to develop new ventures, the probability is that they would have stayed with the corporate. This is important, as corporate organisations have access to resources and capital that entrepreneurs take years to accumulate – which could be effectively used to create a venture that provides economic growth and employment.

6.2.5 Quantitative research project

The results of this qualitative research project could be transitioned for testing utilising a quantitative methodology, on a larger sample, testing each aspect of the model represented in Figure 6.



6.3 Final Words

The decision to be an entrepreneur can be viewed as a career choice (Eisenhauser, 1995). The researcher concurs with Lee and Venkataraman (2006), who they state that entrepreneurship is a search process for alternative or new opportunities instead of alternative employment.

The researcher undertook this research project topic to better understand why and how mid-career managers are able to make the transition from corporate manager to entrepreneur, and also to understand what the factors are that the entrepreneur perceived made the transition successful. The researcher is of the opinion that this research project has adequately addressed this topic. Further research is advised, so as to test the model derived, as this topic is dynamic and fraught with many variables – some not yet identified.

The findings suggest that it is a special kind of person who can engage and successfully make the transition from corporate manager to entrepreneur. Although there is little substantial difference corporate manager and entrepreneur, not everyone can be an entrepreneur – let alone a successful entrepreneur. All the elements (Figure 6) covered in this research, are part of a puzzle that provides insight into the various factors that assist an MCE achieve their objective i.e. to survive and ultimately be successful. The transition does not happen by accident: it takes intention, motivation, hard work and lots of luck, not to mention the skills and experience already gained as a corporate manager.



Personally, this research reflects the researcher's commitment to make the transition to entrepreneurship. The researcher identified with the MCEs, the literature review, the findings and the discussion.

Although there is still a lot of research that can be done in the future, the researcher believes that the findings in this research project have helped glean answers to the research questions.



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8 APPENDICES

8.1 The GEM Conceptual Model

Appendix 1

The GEM conceptual model is obtained from Von Broemsen, Wood and Herrington (2005). The following discussion is taken from the GEM South African Report (2006).

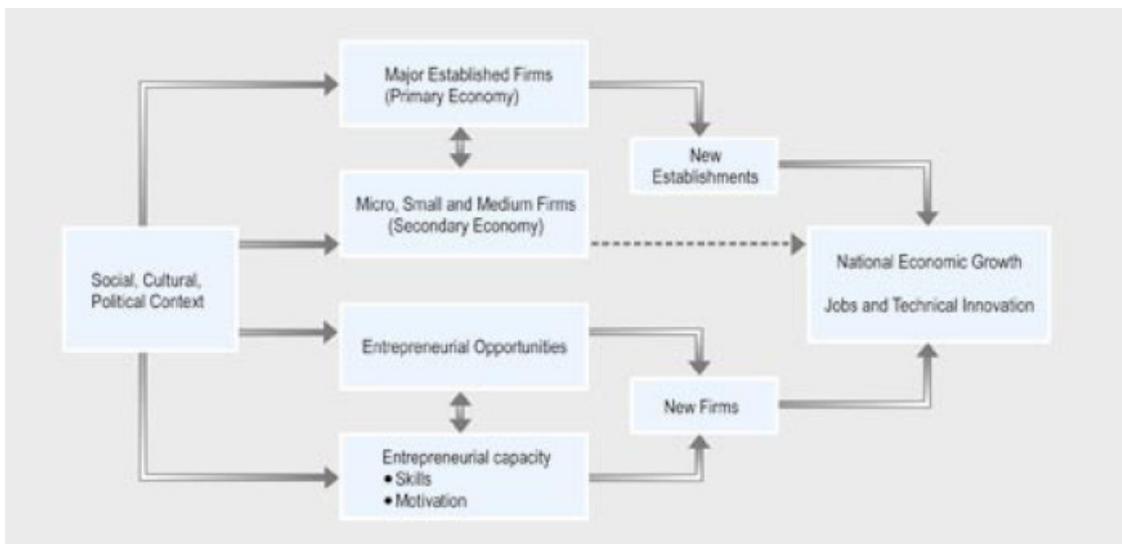


Figure 8: The GEM conceptual model.

“**General business conditions** affect the ability of large corporations to compete effectively and to start new or ancillary businesses. When conditions are such that businesses are able to compete effectively and new or ancillary businesses are started, this in turn creates jobs. These conditions are determined by the openness of the economy in terms of trade, the level of government intervention in the market, the efficiency of financial markets, the sophistication of physical infrastructure, the availability of management skills,



the flexibility of labour laws of the country are applied impartially and consistently. The interplay of these conditions is very specific to each country and creates a unique environment in which to do business.

The decision by individuals whether or not to respond to an opportunity and start a business is influenced by an additional set of factors, referred to as **entrepreneurial framework conditions**. These conditions refer to the following nine factors: access to finance; government policies; government programmes; education and training; transfer of research and development; the commercial, legal and financial infrastructure; the openness of the domestic market; access to physical infrastructure; and the extent to which cultural and social norms support the choice of starting a business as a career option.

The primary measure of entrepreneurship that GEM uses is the **Total Early-Stage Entrepreneurial Activity (TEA) index**. The TEA index measures the percentage of individuals between the ages of 18 and 64 that are involved in starting a new business. Individuals may start the business on their own account. They may also start the business in collaboration with or on behalf of an existing business. They do need to own the business, either partly or wholly, and to manage it, either on their own or with others. The creation of a new business is a process, which GEM sees as a two-phase process. The first phase is the start-up phase, a three-month period during which (one or more) individuals identify the products or services that the business will trade



in, across resource place the necessary infrastructure, which would include staff. When the business is in this phase of development, it is referred to as a **start-up firm**.

The next phase, a period of 4 – 42 months, is when this new business begins to trade and compete with other firms in the market place. When the business is in this phase of development, it is referred to as a **new firm**. The definition of a new firm is a business that has paid salaries or wages for longer than three months. Once a business has established itself and is more than 42 months old, it is referred to as an **established firm**.

The TEA index, the primary measure used to compare the rate of entrepreneurship both amongst countries as well as annual variations within a specific country, measures how many new businesses are started in a given year. The key question in the survey that is used to establish the TEA rate is, ‘Are you, alone or with others, expecting to start a new business. Including any type of self-employment, within the next three years?’

The TEA rate therefore includes start-up business and new firms, but does not include established firms. In other words, it measures early-stage entrepreneurial activity only.

The TEA rate captures individual entrepreneurship, but does not capture another equally important source – the launch of a new business venture by



the owner-manager prompted the need to redefine TEA as 'Total Early-Stage Activity', rather than Total Entrepreneurial Activity. Therefore, whenever TEA appears in this report, it refers to 'Total Early-Stage Entrepreneurial Activity'.

'New firms' describes a continuum of businesses, with a street trader in an informal settlement on the one end of the continuum and a business such as a small, structured finance firm on the other. They differ fundamentally, not least in terms of the turnover and the quality of employment generated.

The tool that GEM has identified to distinguish between businesses that generate quality employment for the owner and potentially for others, and businesses that are little more than a survival strategy, is to ask interviewees about their motivation for starting a business. If the individual is starting the business because he/she has no other way of earning a living, then this business is referred to as one motivated by necessity. If, on the other hand, the individual is starting a business in response to an opportunity (whether an opportunity in the market place, or an opportunity to lead to a different lifestyle or to earn more money), this business is referred to as one motivated by opportunity. The report therefore refers to both **necessity entrepreneurship and opportunity entrepreneurship**" (pg 7-8).



8.2 Mid-Career Entrepreneurs

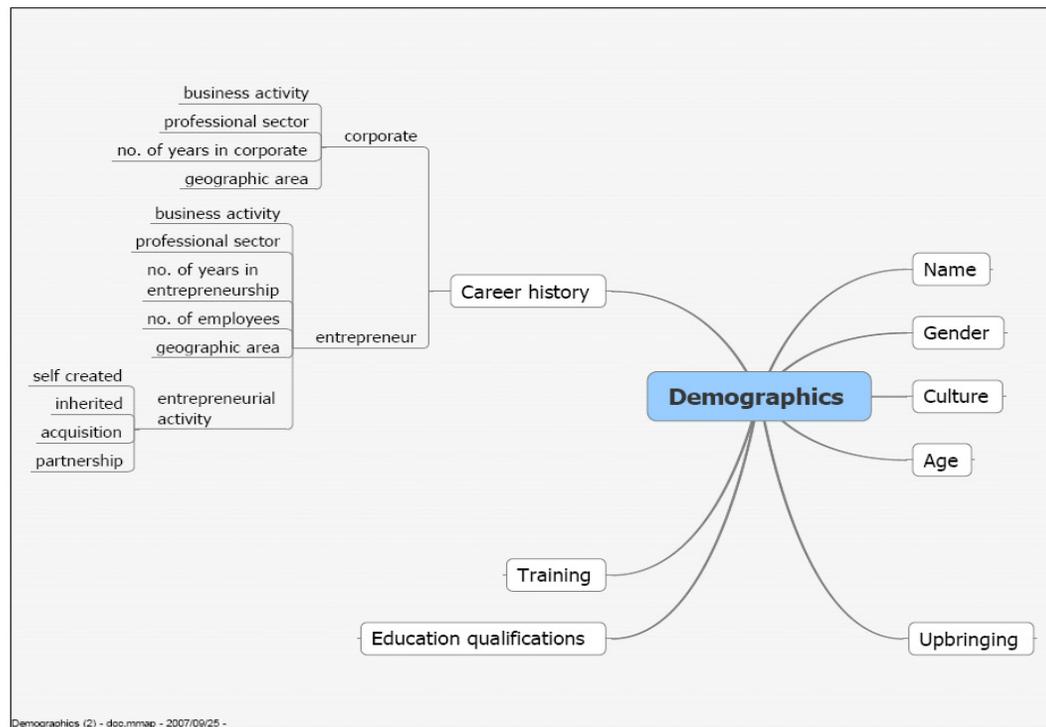
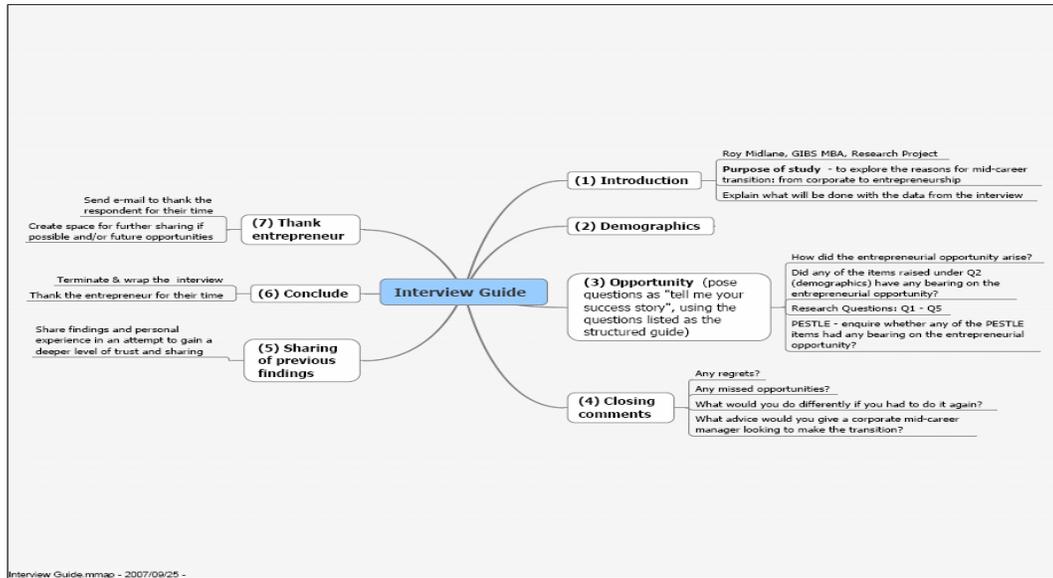
Appendix 2

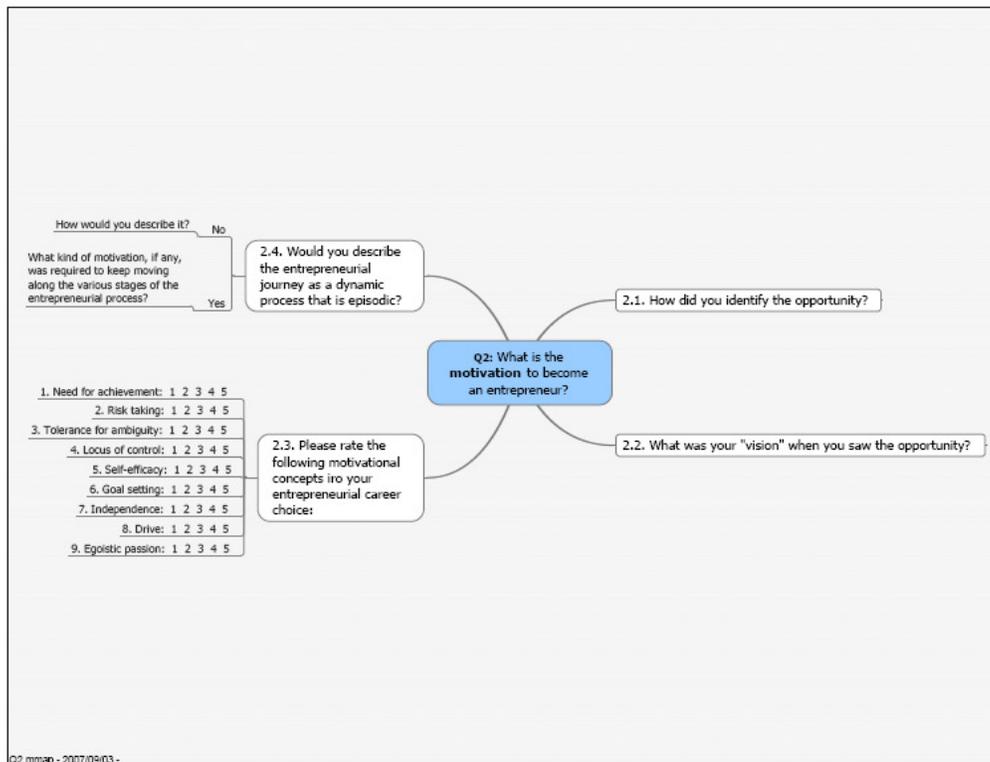
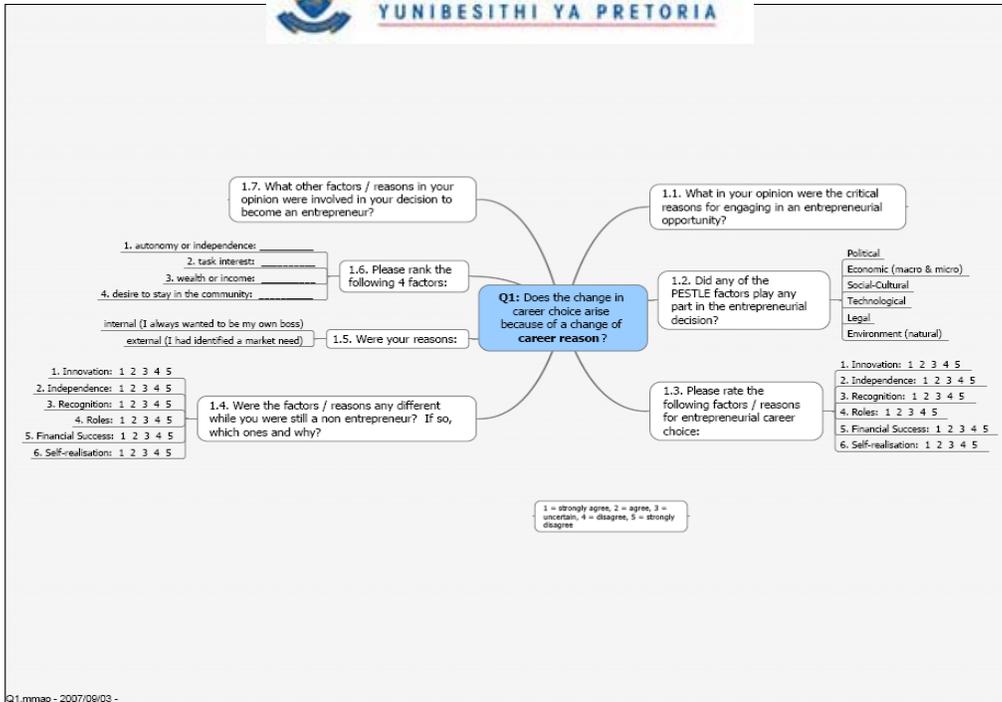
<i>Name of Entrepreneur</i>	<i>Designation</i>
Dave Avnit	CEO – Norse Air Leasing
Nadja Avnit	CEO – Norse Air Charter
Gary da Sousa	CEO – Excel Group
Rowan Gordon	CEO – Summer Mobile
Jan Bicker-Caarten	CEO – West Central Capital
Kevin Potter	CEO – Sandbox
Mark Kaplan	CEO – Emkay Solutions
Rodger Williams	CEO – African Encounters
Kate Elpick	CEO – Keanda Consulting
Anne Pratt	CEO – Memela Pratt
John Storey	CEO – Cobalt Capital
Joel Amoils	CEO – Grains for Africa

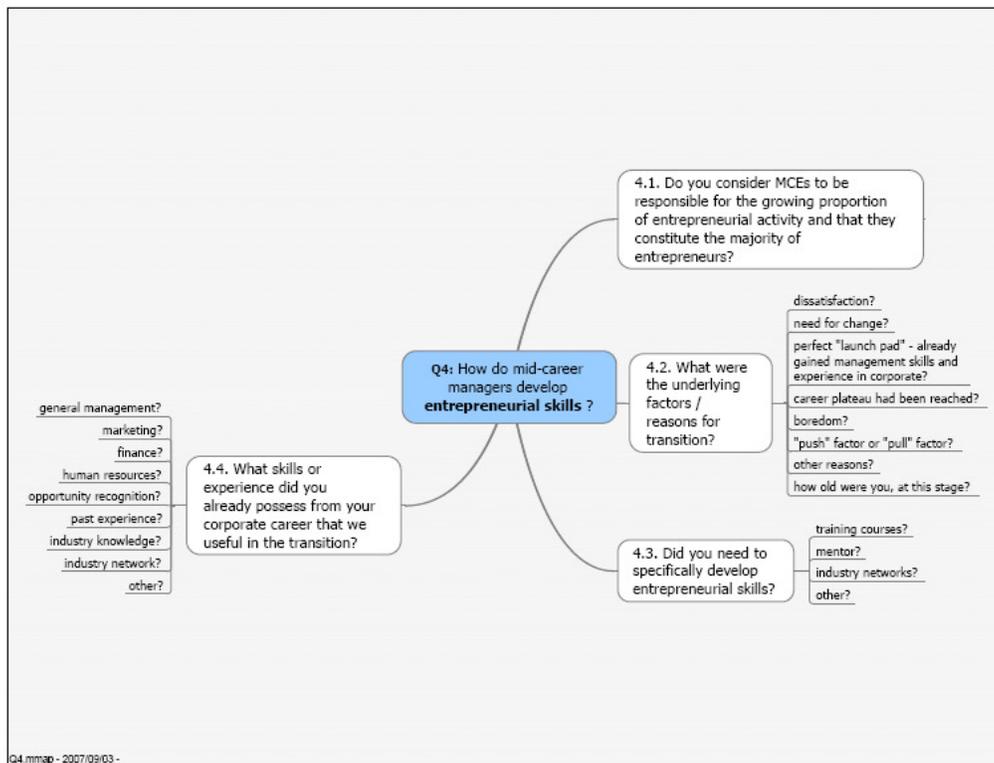
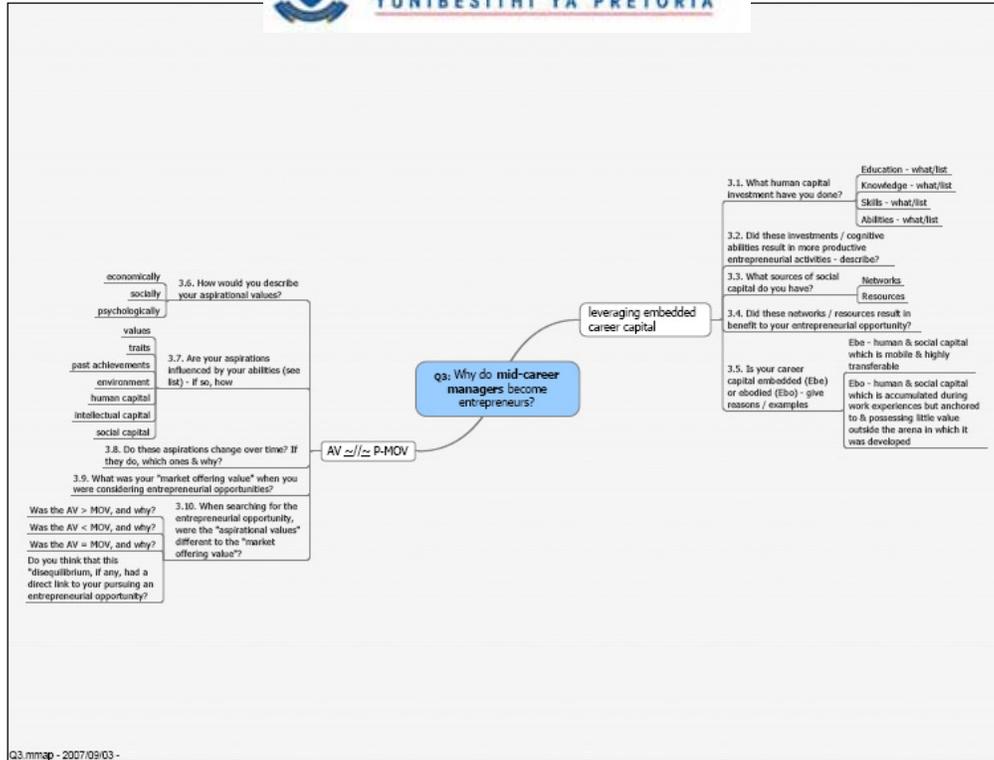


8.3 Interview Guide

Appendix 3







8.4 Demographic Tables

Appendix 4

The frequencies obtained from adding up the raw data were then used to calculate the percentages as seen in the tables. The tables were ranked by the frequency column. Percentages were rounded up.

Table 11: Age of the entrepreneurs at inception

Age Intervals	Frequency	Percent
35 to 44	7	58%
25 to 34	4	33%
45 to 54	1	8%
18 to 24	0	0%

Table 12: Gender of the entrepreneurs

Gender	Frequency	Percent
Male	9	75%
Female	3	25%

Table 13: Number of years of entrepreneurship

Year intervals	Frequency	Percent
0 to 5	4	33%
6 to 10	8	67%

Table 14: Number of years of corporate employment

Year intervals	Frequency	Percent
6 to 10	3	25%
11 to 15	7	59%
16 to 20	1	8%
21 to 25	1	8%



Table 15: Educatio

Business Type	Frequency	Percent
CA(SA)	3	25%
CA(SA) & MBA	3	25%
BA Hons & MBA	2	17%
BCom & MBA	2	17%
Eng & MBA	1	8%
IMM & MBA	1	8%

Table 16: Entrepreneurial activity

Entrepreneurial activity structure	Frequency	Percent
Self created	8	67%
Acquisition	3	25%
Partnership	1	8%
Inherited	0	0%

Table 17: Type of entrepreneurial businesses

Business Type	Frequency	Percent
Financial Services	4	33%
Aviation	2	17%
IT	2	17%
Commodity Trading	1	8%
Tour Operator	1	8%
Executive Search	1	8%
Consulting	1	8%

Table 18: Geographic area covered by the entrepreneurs

Geographic area	Frequency	Percent
South Africa	7	58%
Africa & beyond	4	33%
Africa	1	8%

Table 19: Number of employees employed by entrepreneur

Number of employees	Frequency	Percent
0 to 50	6	50%
50 to 100	2	17%
101 to 250	2	17%
251 to 500	2	17%