

## **“UNCHAINING FACTORS IN THE ENTREPRENEURIAL CAREER DECISION”**

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### **ABSTRACT**

This research's objective is to know and describe the predisposition factors, the unchaining factors and the maintenance factors in the development of the Entrepreneurial Career of a group of entrepreneurial professionals. The research was based in Dyer's Entrepreneurial Career developed in 1994, the career planning concepts of Schein and contributions from other researchers. The sample used was made of forty four Business Administration, Systems Engineering and Industrial Engineering graduates from three universities from the city of Cali, Colombia, who actually manage their own company or work for family business. The research used the "In-depth interview technique", carried out by psychologists, in order to investigate aspects like family environment, educational development, juvenile experiences, managerial development stages and many other psycho-social aspects related to the entrepreneurial process. From the results you can determine certain specific factors that supplement Dyer's pattern, especially it was determined that there are situational variables, deeply defined by family formative experiences and work experiences, that frame the whole model. In the same way, we could detect that formal education in Entrepreneurial Spirit, is more a complementary tool and a stimulant of previous situations than a fundamental variable of the entrepreneurial process.

### **INTRODUCTION**

A person's transformation process into a manager, has been a matter of study in which many researchers have worked through the years, giving birth to a body of knowledge on: Motivations (McClelland, 1962, Schein, 1978), Characteristics (Hornaday 1971), Processes (Shapero 1980, Rostand 1985, Timmons 1999 Gibbs 1987, Vesper, 1980), Entrepreneurial Career (Schein, 1990), educational models, factors and many other aspects associated to that human transformation that permits the outcome of a new entrepreneur and of a new company.

The great majority of all those theories has been conceived in developed countries and many of them have not been validated in the Latin American environment. This investigation was oriented to validate and supplement Dyer's Entrepreneurial Career model, using a sample of 44 professionals, entrepreneurs, Business Administration, Systems Engineering and Industrial Engineering graduates, from three Cali city

universities.

### **ANTECEDENTS AND METHODOLOGY**

During 1999 and 2001 and with the support of the Corona Foundation, the Center of Development of the Entrepreneurial Spirit from the Icesi University, carried out a longitudinal research of graduate students in Business Administration, Systems Engineering and Industrial Engineering, from three main universities of the city of Cali. The purpose was: to determine the percentage of those graduate students who have decided to enter new entrepreneurial activities, to characterize those organizations, to identify the motivational factors, to value the role played by the educational system and to determine the factors and facts that influenced their decision.

The results of the first two phases of this study were reported in Varela, Jiménez (2001<sup>a</sup>, 2001b). The third phase of this research that implied in-depth interviews to 49 graduates, is the objective of this work. First of all, a theoretical study was made on the topic of Entrepreneurial Career, based on Dyer's model (1994), which was supplemented with diverse theories, that permitted to establish a series of categories to organize the information given in the interviews and to identify some fundamental factors in the beginning, during the establishment and during the strengthening of the entrepreneurial career.

### **DYER'S ENTREPRENEURIAL CAREER MODEL**

W.G. DYER (1994) using Schein's concepts (1978, 1990) developed an Entrepreneurial Career model that is summarized in Figure # 1

Figure # 1 Entrepreneurial Career Model. Dyers (1994) about here

The model outlines 4 components: **Career Selection**, which explains the reasons for a person to decide to create a company, **Career Socialization**, that shows the personal experiences pushing the individual to assume the creation and managing of a company; **Career Guidance**, that describes the existing different development alternatives for those who opt to become an entrepreneur, and **Career Development**, that shows the different entrepreneur roles and his/her challenges, goals and conflicts arising through out their life.

The results of the analysis made to the interviews, based on the development of the present model, are shown bellow.

### **RESULTS ANALYSIS BY CATEGORIES**

Here is the method used to structure the results from the 44 interviews, which allows to consolidate the model outlined by Dyer (1994) in each one of its components. A new component that analyses the influence of the situational factors, outlined by Shapero, 1980, will also be presented like a contribution to the model.

#### **Career Selection**

Career Selection is defined as "the individual, social and economic factors influencing and guiding a person to look for his/her independence as an entrepreneur" (Varela,2000). Among those elements related to Career Selection, there are three identifiable basic factors: the individual, the social and the economical factor, which will be analysed at once.

**Individual Factors:** When Dyer's model speaks of the individual factors, it emphasises on the relationship between a person's attitude, his/her motivations and its cognitive style, factors guiding

or pushing for a career selection. Among case studies, there are some comments like:

*“Since I was a little kid I’ve been restless and also a mediocre student, and have little social relationships”*

*“I was assembling and disassembling things all the time, I was curious about knowing how things functioned”*

*“I always wanted to be an inventor. Now I design and improve my own company machinery”*

Table 1. In-depth interview –Individual Factors. About here
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Some of these variables may seem contradictory, however, it is necessary to keep in mind that each human being interprets every situation in a different way. Therefore, the value assigned to each act will depend on each individual's previous experience.

Social Factors: For Dyer, these factors were related to the family, economy and social environment conditions, same as the cultural and geographical differences and those of social support, to be the unchaining entrepreneurial actions ready to break up all those negative conditions, people sometimes go through. The results are:

*"Since I am a kid, I have seen a business family, not only for my father but also for my uncles and the different type of business we were in"*

*"My family has always motivated me. All the economic restraints we had, that pushed me to work harder and harder and to give more to my family”*

Table 2. In-depth interview -Social Factors about here
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Economic factors, make reference to the financial reasons leading to the career decision, such as the economic crises that turned into a learning process. These crises were caused by administration errors, lack of knowledge and control of the environment and of the competition, or just by organizational restructuring processes. Here are some of the comments found:

*"We always had economic problems in the childhood. That’s how we got a living, doing whatever was at hand"*

*" Actually, violence forced us to get out from our land and start again someplace else”*

Table 3. In-depth interview – Economical Factors about here
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### **Career Socialization**

Another important component of the Entrepreneurial Career, is the career socialization, defined as “the diverse experiences that prepare the person for his/her performance like manager” (Varela, 2000). These results grouped themselves in childhood, work, education, personal networks and the entrepreneurial experiences.

Childhood Experiences, are all those situations lived in early years specially related to the family and that family support offer or offered to the career socialization process. Here are some statements in relation to the childhood experiences:

*“I developed the ability to sell all kind of stuff and make money. I designed, made and sold kits and the money I made I used to give it to my mother”*

*“My father left home and then everybody else was forced to work to support the family”.*

Table 4. In-depth interview – Childhood experiences. About here
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**Work Experience.** Many times these work experiences permitted us to find models or to assume influencing roles on the entrepreneurial career, as can be seen from the next statements:

*“I started working as a handyman in my uncle’s company, then I started to help organizing products little by little, and finally I got to the salesman position, I was doing very well”*

*“I was always ready to help in everything. I always wanted to learn how to do different things, I was always trying to bring new ideas in my job, things like home delivering products”*

Table 5. In-depth interview – Work Experiences. About here
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**Education.** Results show that formal or non-formal educational processes offer the necessary tools, to access the technical knowledge needed for an entrepreneurial career. It is possible to identify a relationship between the needs and the search for alternative solutions in the continuing education. Next, some comments from the interviewees:

*“ I didn’t really like to study. I finished my high school because I thought it was important. It wasn’t only until my company started to grow that I thought about seriously studying a career. It happened many years later”.*

*“Formal education taught me to save time, money, and processes; I used to apply everything I learned”*

Table 6. In-depth interview – Education. About here
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**Personal networks** like childhood relationships, university relationships and the labor ones, show contrasting results, since, while in some cases one could say that they have not been very significant, being replaced by a great influence of the family relationships, in others, they have been the success key of their organization.

*“ I learned about values and work performance value, through my uncle’s company manager. That gave me leads to my own company ethics”*

Table 7. In-depth interview -Personal Networks About here

The entrepreneurial experiences, where differences were found among the interviewees as a function of the type of work every one had. In family businesses the communication between generations it is very important, and also the progressive linkage of the organization itself with the family philosophy. When managing your own business you can see the efforts made to make better every day and you can see the search for support from friends or couples. We found some comments like these:

*"Somebody told me a business was for sale. My working partner and I became business partners and bought it. We paid off all the business debts and it was growing little by little. It expanded out and it had a horizontal growth"*

*" All others businesses were created for our families, so they could have their own Business too. We put all the principal"*

*" After I finished making myself up, we started to generate what is called "franchises". This has given us some difficulties, but it is a new business projection"*

Table 8. In-depth interview -Business Experience. About here

### **Career Guidance**

Career guidance is defined as "the different roles and specific ways in which a person develops his/her own career" (Varela, 2000). Although not all the interviewees are clear as to what is their main motivation to determine their job linking, one can observe that it is more influenced by life circumstances, although some have it clear from the very beginning that they want to have their own business. In the interviews it is possible to identify: the importance of social support in the moment of the creation of companies; the difficulties encountered in the administration and in the generation of change alternatives, and the innovation, investigation, and the development of the organization and diversification.

The career guidance is one of the stages in which the process of the person's identification like a business owner, is fundamental. The elaborated structure allows to identify the moments the business owner goes through, from the time the company is born. The managerial behavior as a consolidation of his/her manager role, having into account that he/she must carry out different parallel processes, that he/she must correct his/her first management errors, and to initiate his/her own ideas about starting a vertical or horizontal company development, which will, somehow, consolidate his/her management skills.

Table 9. In-depth interview -Identity Development about here

### **Career Development**

After selecting a career and being a little clearer respect to the career's identity, three clever moments are identifiable in its development through out the years. According to Dyer, these three stages are: the starting point, the middle way and the end of the career. Results are as follows:

*“I thought it was going to be a conflict to work together with my husband, and it was difficult at times”*

Table 10 – In-depth interview – career development about here

The personal dilemmas bring the highest managerial career related information, especially with the conformation of the life’s plan. The main managerial dilemmas arise from crisis due to robbery problems, people relationships, the closing down of the company or economic crisis.

Each one of the interviewees defines success as a function of their own priorities, some mainly identified with satisfaction from personal success (learning, creation of own company, etc), others identified with managerial success from their professional background, from . goals achieved (organization’s own growth). As to family success, the overcoming of crisis and work family achievement, are mainly mentioned.

Table 11 – In-depth interview -Dilemmas about here

*“The fears from working as a couple were overcome and the couple’s relationship was strengthened thanks to the much love we had for each other”*

*“I always dreamed of having my own business running. Now that I am 32, I have it made, I made it through; one is the company, all of us are the company”*

Table 12 – In-depth interview – Success about here

### **Situational Factors**

Situational factors are all those significant events that marks people’s specific landmarks. This can be considered a breaking out factor, mainly because it determines life changes due to personal or family economic crisis (parents separation, moving out of the city, all sort of experiences, couple’s own growth, etc); these situational factors may, in the same way, include aspects related to opportunities. Few of the interviewees who had made it clear, as to what their career was going to be, understand the importance of all the aforementioned factors, only understanding the influence on their own career development when they speak retrospectively of them.

One of the statements greatly supporting this factor is:

*“The main reason was the family crisis, then the displacement from our own land due to the violence, next my parents’ separation and the economic necessities that were generated”*

Table 13 – In-depth interview -Situational Factors About here

## **CONCLUSIONS**

The results allow us to conclude that family and childhood experiences have been one of the fundamental aspects in order to make the decision of becoming business owners. These experiences have favored the development of skills and managerial attitudes, being the emotional crises by couple and family factors, something of a great importance.

During the career socialization it is possible to identify some biasing factors like childhood experiences, where incipient business creation behaviors or economic activities are modeled. Work projection related to the life plan, something sometimes not well defined, and the work background which brings models to be followed, are in many cases, the bases to start a business career.

The formal education helps to get a theoretical and methodological support in order to improve the business behavior, and to develop a humanistic vision in the process of creating new companies and to keeping them on the going.

Among the most influential elements in the Business Management career process, we find the emotional landmarks, the personal dilemmas and the personal success and that of the business. The interviewees are very aware of the economic crises and the ways to come out of them, looking at it not only from the company's point of view, but from the country's own domestic influential conditions.

The opposing results inside the analysis of the interviews show an emotional alternative, generated by family problems inside the process of the managerial career, which is in some cases, a reason for personal and business endurance in some cases, but a factor of personal lack of equilibrium and business bankrupt.

One of the contributions of the investigation is therefore the relevance given to the situational factors as promoters of the managerial process. It would then be important to deepen in them, to design methodologies or strategies able to develop skills, ready to confront their effect towards the development of a successful managerial career.

Keeping in mind some of the queries that Dyer proposes in his article " Toward a Theory of Entrepreneurial Careers" 1994, like a foundation to strengthen a theory of managerial career, we can write down that the obtained results starting from the in-depth interviews, allow us to suggest that we cannot determine a certain sequence of experiences of socialization of the managerial career, but rather that these experiences together with the variables mentioned in the investigation, are presented in a recurrent way, not in a sequential way, allowing to accumulate formation experiences that may not necessarily have a managerial meaning, just as the interviewees mentioned it at a certain time in life, like it is, for example, the childhood or the adolescence.

However, these same cumulative experiences along the life cycle, can be interpreted in a very different manner, when situational factors arise, which unchain the decision of starting up with a new company.

From all research results we can present an enhanced Business Career model, having Dyer's 1994 model as an example. It is suggested to do the model development analysis, in a cyclical way, which allows to value the influence of the situational factors in the different process stages, either as development promoters or as factors inducing the person to restart the cycle, according to the new outlined conditions.

Table 14 Research Contribution to the Business Career Model Dyer 1994. about here
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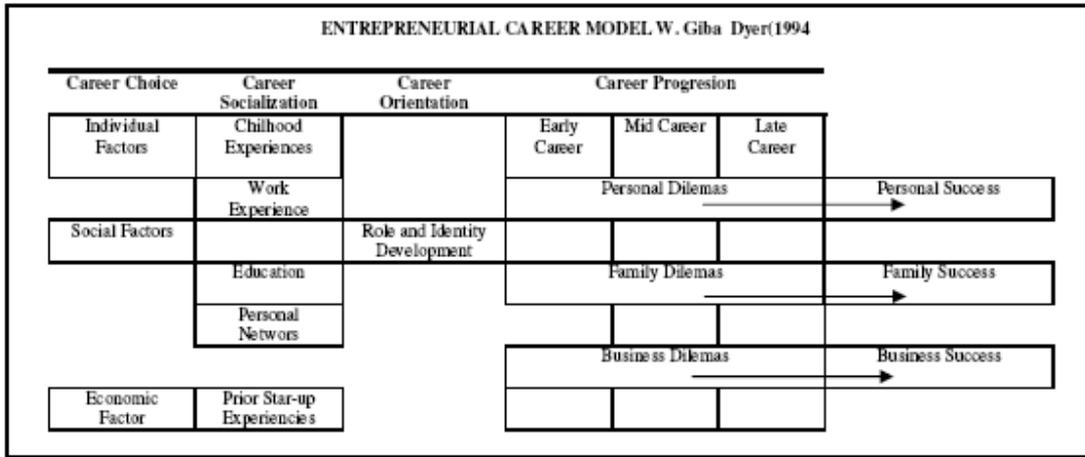
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**TABLES AND FIGURES**

**Figure # 1 Entrepreneurial Career Model. Dyers (1994)**



**Table 4. In-depth interview –Individual Factors.**

Behavior	Cognitive Style	Motivation
Impulsiveness Rebelliousness Taste for business Work and discipline seriousness Organization Tranquillity Ability Good relations with people Pesimistic to study Analysis Creativity Cooperation	To believe in things allows you to meet goals The emotional factor is fundamental in success To learn the most from what you doing	Study Work Research Interest for learning something according to your likes and independent from your career vision. They chose a career by reference not for knowing it Coincidence between the career chosen and the original thoughts.

**Table 5. In-depth interview -Social Factors**

Cultural Characteristics	Family and Networks support	Society
Clear methodologies are used to confront work and study To share with the family The influence of each region and family idiosyncrasy The handling of stereotypes according to sex	Principles and family values foundation Business learning models The influence of brothers and family ancestors in the present performance	The influence of the country's or region own political situation In some cases, intra family relationships strengthens the social and business structures

**Table 6. In-depth interview – Economical Factors**

Economic crisis	Growing economy	Business and employment opportunities
Mistaken investments Bad administration of the business Liquidations Crash of companies generated lay-offs Influence of the domestic crisis	Family earnings Access to loans thanks to work engagement Diversification of services	Social bonds Random offers Better job positions in the organization Detection of market needs

**Table 4. In-depth interview – Childhood experiences.**

Recreational Activities	Formative Activities	Economic Activities	Emotional Landmarks
Group recreation and team games Activities to do business in school Parents support for own business High competition games	Home activities participation Family or friend business involvement during the vacation period Teachers request to do oral presentations To stand out in school and in business Foreign academic exchange	Sales inside the school Collaboration in the family business Vacation job Group activities To teach others	Relative or friend death Conflict in selecting a career Accidents of beloved ones Parents separation Personal or family disease Affective difficulties

**Table 5. In-depth interview – Work Experiences.**

First job	Work Projection	Economic Satisfaction	Job Satisfaction
Apprentice in an organization Sales Professional practice Other jobs (waiter, watchman, etc) Factory University monitor	Professional career development Company growth To have your own business To live abroad To change job area or job Work group coordination Entrepreneurial career International Expansion	Objective achievement through saving culture Good quality of life Business plans Investments	Entrepreneurial Career Satisfaction in the present job New challenges inside the company Company organization

**Table 6. In-depth interview – Education.**

Non-formal education	Formal Education	Professional updating
Home learning Work for different companies and sectors Formal education parallel courses (Systems, English)	More open to changes Basic education was fundamental Good academic performance Importance of friends Solid bases to have criteria when needed It was fundamental to go from empiric to theoretical Development of interaction skills Family influence Good companies for professional apprenticeship	Specializations bring better horizons Great expectations from Icesi careers and offers Personal and professional growth Based on needs and goals Constant search Participation in congresses (not too frequent)

**Table 7. In-depth interview -Personal Networks**

Childhood relationships	University relationships	Work relationships
Neighborhood friends School friends Parent's friends	University Directives' links Friends that will become a support Work partners	Force union to work as a team Good relationship with the bosses Importance of the work linkage

**Table 8. In-depth interview - Business Experience.**

Employee	Family business	Own business
High responsibility level High learning level The establishment of high goals	Progressive company linkage The establishment of family and working agreements Management family models follow up Establishment of limited partnerships	Importancia del crecimiento horizontal Establecimiento de franquicias Inicio de la empresa solo, con amigos o en pareja

**Table 9. In-depth interview -Identity Development**

Creation of a company	Management outcome	A consolidated company owner
Line family follow up Different kinds of services and products Starting at home Economic family support and bank loans Association with friends	Looking for opportunities(facing of difficult situations) Family and friends ideas that will enhance the Business scope First errors in the making of the company Professional career fulfillment in the companies he/she works for. Research and Development of products. Franchises	Initiation of different kind of companies Salary is not assigned but sales percentages Midterm Growth expectations (2 to 3 years) Expansion to other cities and horizontal growth

**Table 10 – In-depth interview – career development**

Career starting point	Career middle way	End of the career
In search for survival Entertainment and exploration with high expectations New experiences. The middle man was no longer needed	Academic strengthening (marketing plan)	Hope for more own personal time and for the family environment.

**Table 11 – In-depth interview -Dilemmas**

Personal Dilemmas	Family Dilemmas	Company Dilemmas
What, where and when to study. To be an employee or self-employed. High demanding standards Outsiders comments on the type of labor contracts Emotional and economic crisis due to family death	To work with very close relatives (husband)  Life goals evaluation	Robbery from one of the working partners or workers. Difficulties with one of the working partners due to unbalanced working loads among them Beginning of the own company Closing down of the family company

**Table 12 – In-depth interview – Success**

Personal success	Family success	Business success
Better company position Personal achievement From being an employee to be the owner Meeting of expectations Application of acquired knowledge Professional achievement	Couple's better understanding Family work Crisis surmounting	To make your own company Evaluation of the first productive stage (33 years) Continuous learning and strength Organizational growth.

**Table 13 – In-depth interview - Situational Factors**

Personal	Family	Company
Lack of professional advice Drug addition and gambling crisis High responsibility and the need to have self-esteem (self-sufficiency)	Generational differences Accidents and diseases Limited economic resources	Robberies at the geographic area Closing down of companies Difficulties in intra-personal relationships Learning process inside the company Job opportunities in formal education.

**Table 14 Research Contribution to the Business Career Model Dyer 1994**

Career Choice		Career Socialization		Career Orientation	Career Progression			Situational Factors
		Early Childhood Experiences			Early Career	Mid Career	Late Career	
Individual Factors Behavior Characteristic Cognitive Style Motivation		Recreational Activities Formative Activities Financial Activities Important emotional Experiences						
Social Factors Characteristic Family Relationship Networks		Work Experience First Job Professional Career Financial Satisfaction Laboral Satisfaction		Role and Identity Development	Personal Dilemas			Personal Success
		Education Formal Education Informal Education Educational and Professional Update			Family Dilemas			Family Success
Economic Factor Economic Crisis Grow Up Economy Employ Opportunities and business		Personal Networks Childhood Relationship College Relationship Laboral Relationship			Business Dilemas			Business Success
		Prior Start-up Experiences						
		Employer Family Business Owner Business						

Dyer Model 1994
  Research Contribution