



TURUN KAUPPAKORKEAKOULU
Turku School of Economics

TSE Entre

Seminar 4.2.2010

*Entrepreneurship as a
Work Prospect for Unemployed*

Tallinn University of Technology

Entrepreneurship, Work and Well-being in the Life Course Perspective

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Agenda

- Brief presentation of Turku School of Economics & TSE Entre at the University of Turku
- Presentation & discussion on the topic
 - Waged work / Profession and Entrepreneurship
 - Entrepreneurship as a situationally and contextually embedded career choice
 - Different meanings assigned for unemployment as the trigger for entrepreneurial career



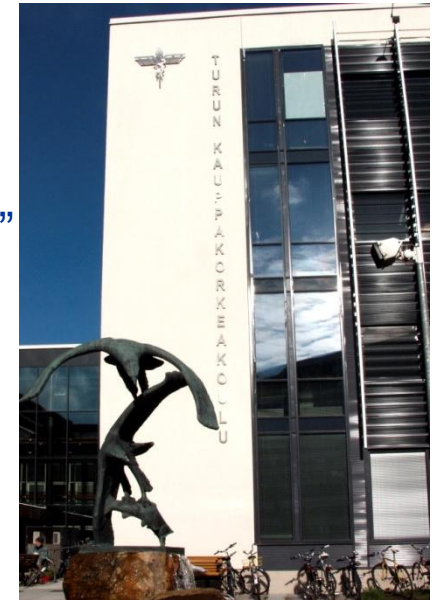
Turku School of Economics (TSE)

- Established in 1950 on the initiative of the business community
- Became State-owned (public) University 1977
- Consortium with the University of Turku since 2008
- Merger between the University of Turku & Turku School of Economics on 1.1.2010
 - Faculty of Humanities
 - Faculty of Mathematics and Natural Sciences
 - Faculty of Medicine
 - Faculty of Law
 - Faculty of Social Sciences
 - Faculty of Education
 - Turku School of Economics
- New university law came to effect also on 1.1.2010



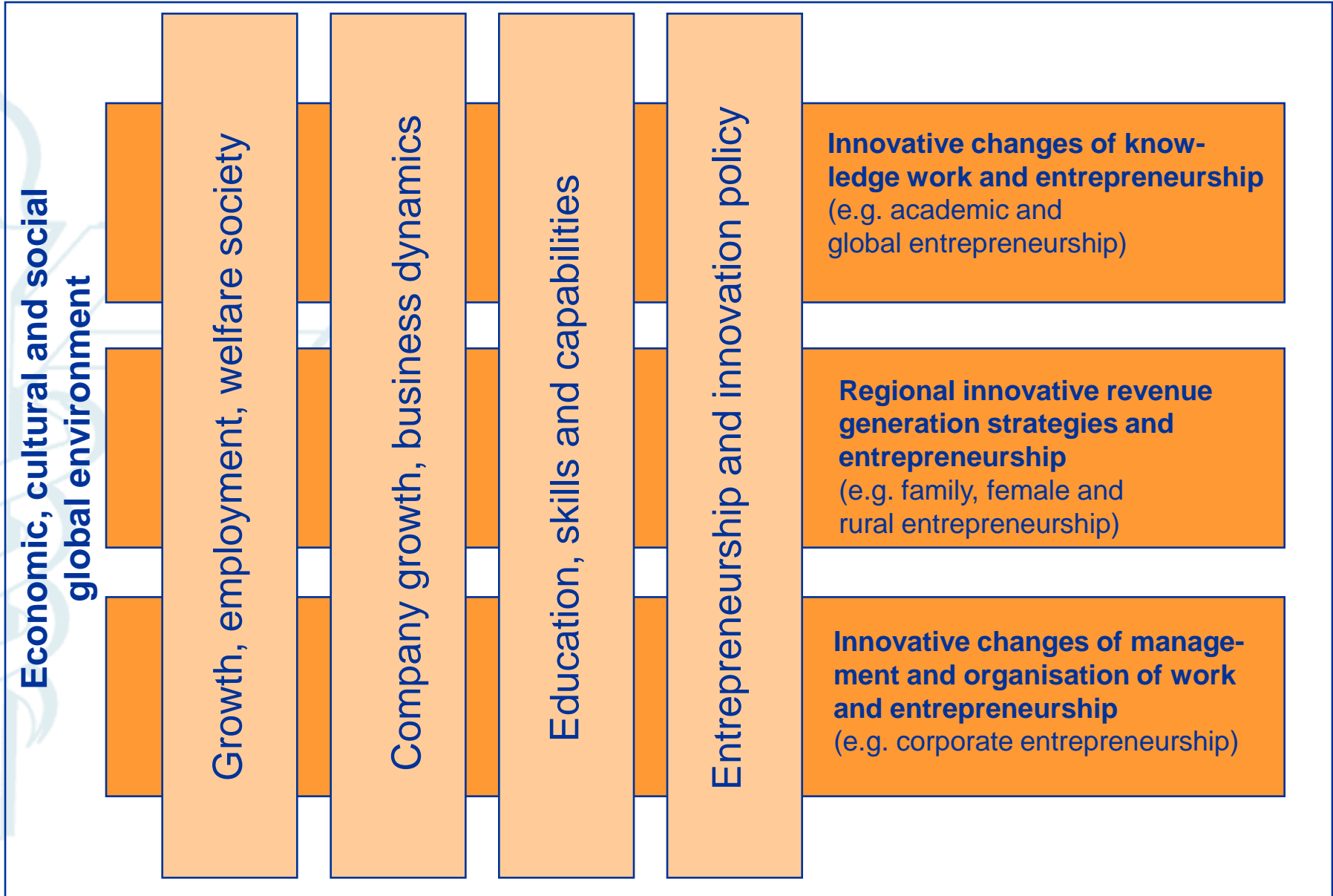
TSE Entre

- Motto / vision:
 - *"TSE Entre - Leading Entrepreneurship Research"*
- Focal areas of research:
 - Growth entrepreneurship
 - Entrepreneurship in the context of work
 - Enterprise education
 - Family businesses
 - Corporate entrepreneurship
 - Entrepreneurship and innovation policy
- We focus on the role of entrepreneurship and dynamics in the society and analyse economic, institutional and organisational changes in the society as well as individual transitions from waged work to entrepreneurship
- Our high-quality academic research provides a solid ground for the 'third task' of the university (namely societal influence/impact)





Innovative Work and Economy in the Entrepreneurial Society





TSE Entre team

- Director, Professor Jarna Heinonen
- Researcher Satu Aaltonen
- Researcher, PhD Student Elisa Akola
- Researcher, PhD Student Jaana Hildén
- Research Director, Adjunct Professor Ulla Hytti
- Senior Researcher, Dr. Teemu Kautonen (Academy Researcher August 2009 – July 2010)
- Researcher, PhD Student Arto Kuuluvainen
- Researcher, PhD Student Katri Luomala (currently on maternity leave)
- Senior Researcher, Dr. Katja Pellinen (currently on maternity leave)
- Researcher, PhD Student Tommi Pukkinen
- Researcher Kalle Pulkkanen
- Senior Researcher, Dr. Pekka Stenholm
- Project Assistant Kristiina Baarman



- Presentation is based more or less on following projects:
 - *Entrepreneurship, Work and Well-being in the Life Course Perspective* (Academy of Finland, 2008-2011)
 - “*From waged work into entrepreneurship*” research project cluster (Ministry of Employment and of the Economy):
 - Between entrepreneurship and waged work: analysis on certain professions (2006-2007)
 - From waged work into entrepreneurship. Routes into entrepreneurship in social & health care and commercial and technical professions (2005-2006)
 - (Entrepreneurship as a part of a career among young and aging population (2007-2008))



Background thoughts

- Entrepreneurship is not usually considered as "normal" work
- A unique shift/transition (sometimes seen as taken by highly unique persons)
- Transition into entrepreneurship is explained by individuals' motivation to become entrepreneurs
- Limited focus on contextualising the transition into general or personal employment & labour market conditions
- Lack of comparative studies between transitions between waged work and waged work and entrepreneurship
- Limited focus on transitions from entrepreneurship to waged work



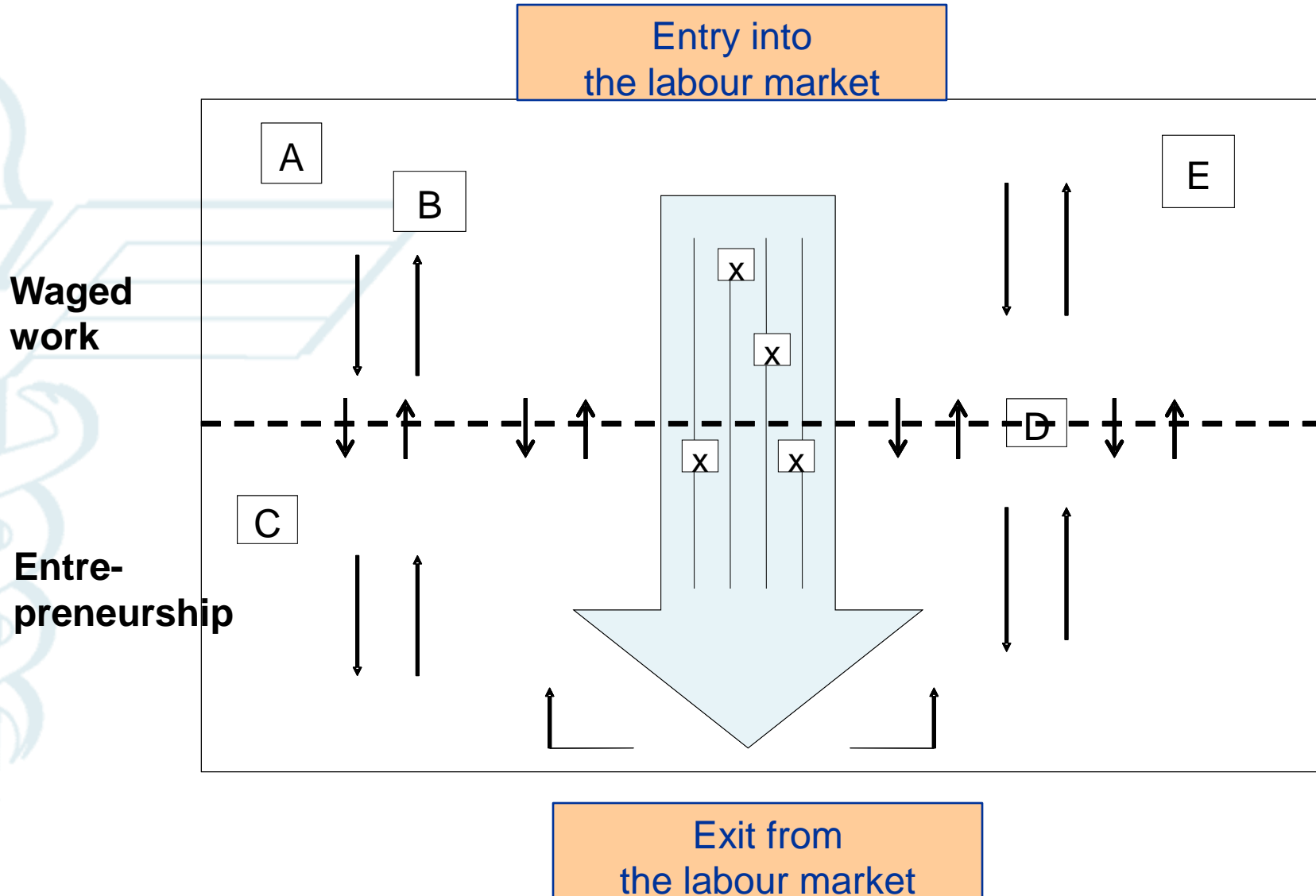
Entrepreneurship as a "normal" work?

I am conducting a life-story interview with Timothy, a business graduate. Timothy is keen narrating an honest account of his life as an entrepreneur. A long way into the interview he asks me:

- Timothy: *More questions?*
- Ulla: *I don't know if I have any [more left]...*
- Timothy: *What would you like to hear?*
- Ulla: *What would I want to hear? I have heard [a lot]...*
- Timothy: *Is this so uninteresting? You know, it is so difficult because **this is just like... life. Same kind of job as yours.** In a way. C'mon, ask something!*



Dynamics in entrepreneurship and operating models in the labour market





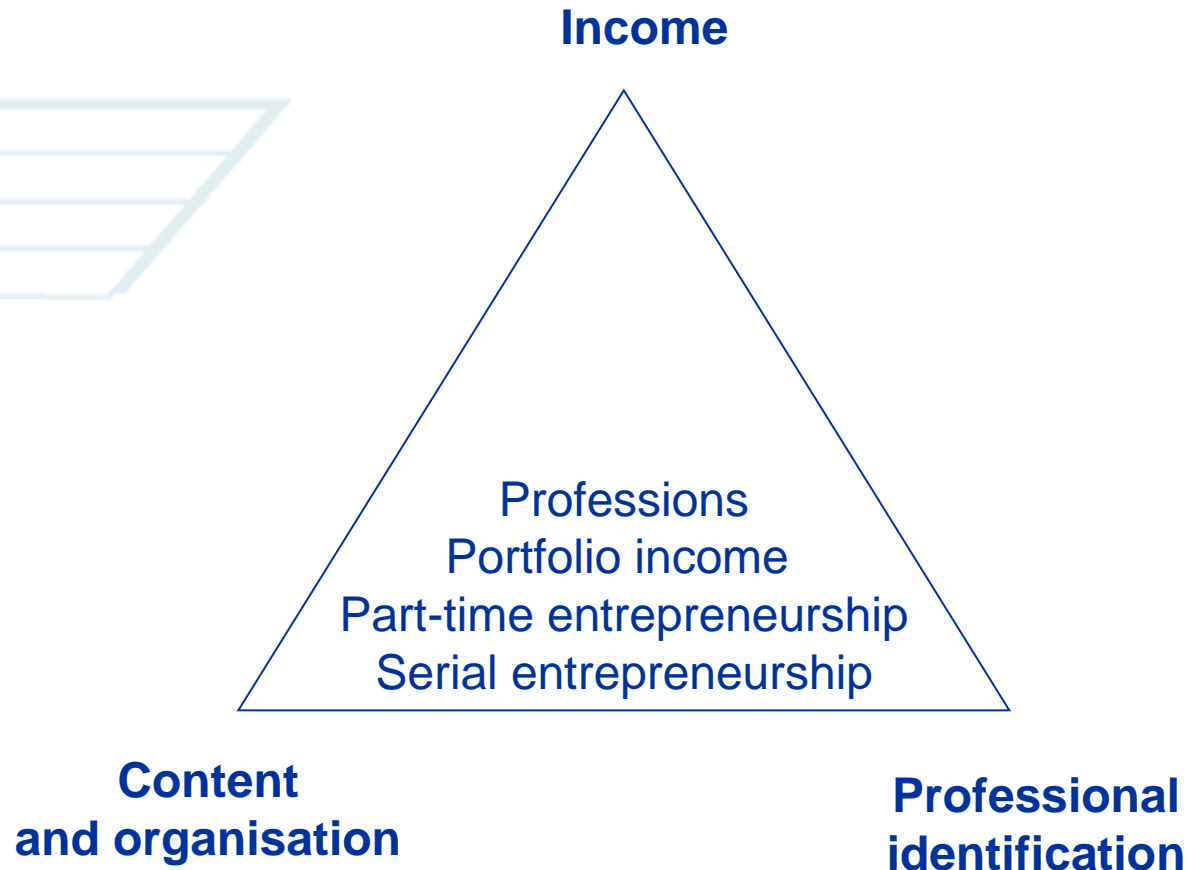
Study and dataset

- Between entrepreneurship and waged work: analysis on certain professions (2006-2007)
- Surveys on selected professions
 - Translators and interpreters (N=325)
 - Artists (N=425)
 - Freelance journalists (N=220)



Analysing the "borderline activity"

Professions: artists, freelance journalists and translators/interpreters





Income

- Role of entrepreneurial activity in generating income varies
 - Main form of income, extra income
 - Variation in all age groups, in all phases of career and in different professional groups
- Parallel and consecutive forms of waged work and entrepreneurship
 - To ensure sufficient total income
 - Part-time entrepreneurship typical in either ends of the career (young & ageing) and in the beginning of entrepreneurial career combined with studies
- Profession does not guarantee financial success or stable income as an entrepreneur (or otherwise)
 - Level of income is assessed satisfactory or poor
- Meaning of entrepreneurship in securing an income
 - Self-employment, no growth objectives



Content and organisation of work

- Only a small part of professions organise their activity in a "business like"
 - Only 1/4 has a legal business form
 - Seldom separate business facilities (1/5), over half of the artists
 - Solo operation, other owners or employees 1/10
 - Freelance journalists have more business like operations
- Activity includes entrepreneurial features
 - Independence
 - Responsibility over work methods, income generation and expenses
 - Work is time-consuming
 - Innovation is important (artists and freelance-journalists)
 - Competition within the profession
 - Demand/supply are important (not artists)
 - Also non-entrepreneurial features: low economic risks



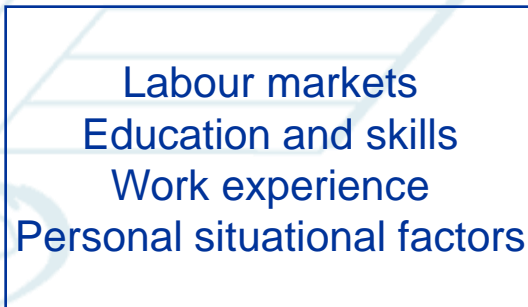
Professional identification

- Majority identifies as a member of their profession
- Some identify also as an entrepreneur
 - Own experience: 1/10 artists, 1/3 freelance-journalists and translators and interpreters
 - External, partly alien definition: authorities, clients
- Content of work expresses professional identity and know-how
 - Creating new things or generating content is part of the profession
- Organising the activity and work practices are part of entrepreneurship
 - Commercialisation, sales, practical issues are entrepreneurial



Dynamics at the career

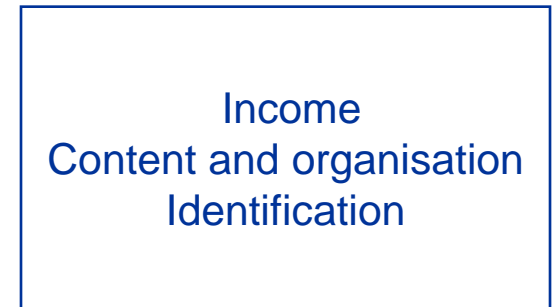
Push and pull factors



Motivation
Satisfaction
Abilities



Entrepreneurship



Continuing as an entrepreneur



Meaning of profession (1/2)

- Protects from unemployment
 - In the marginal labour markets it makes sense to organise professional knowledge in entrepreneurship
- Protects from being forced into waged work
 - Since waged work often comprises of short and varied periods and partly not connected to one's education, it makes sense to organise professional knowledge in entrepreneurship
- Profession also facilitates entrepreneurship as a part of one's career
 - Seizing a lucrative opportunity
 - A natural step in the career
 - Fullfilment of dreams and aspirations
 - Experimenting with entrepreneurship
 - Entrepreneurship as a continuously available flexible alternative / means into employment



Meaning of profession (2/2)

- Offers a flexible transition into entrepreneurship
 - Activity is based on skills and knowledge based on education
 - Does not require a systematic preparation into entrepreneurship
 - In different phases: during studies, with some experience or later in the career with more experience
- Does not automatically guarantee skills as an entrepreneur
 - Little entrepreneurship education or training
 - Waged work does not have many features that support entrepreneurship
 - Previous contacts with entrepreneurship are scarce
- Does not fully protect from necessity-based entrepreneurship
 - A small part would prefer to work fully in waged work if the labour markets were not so narrow (freelance-journalists, translators and interpreters)

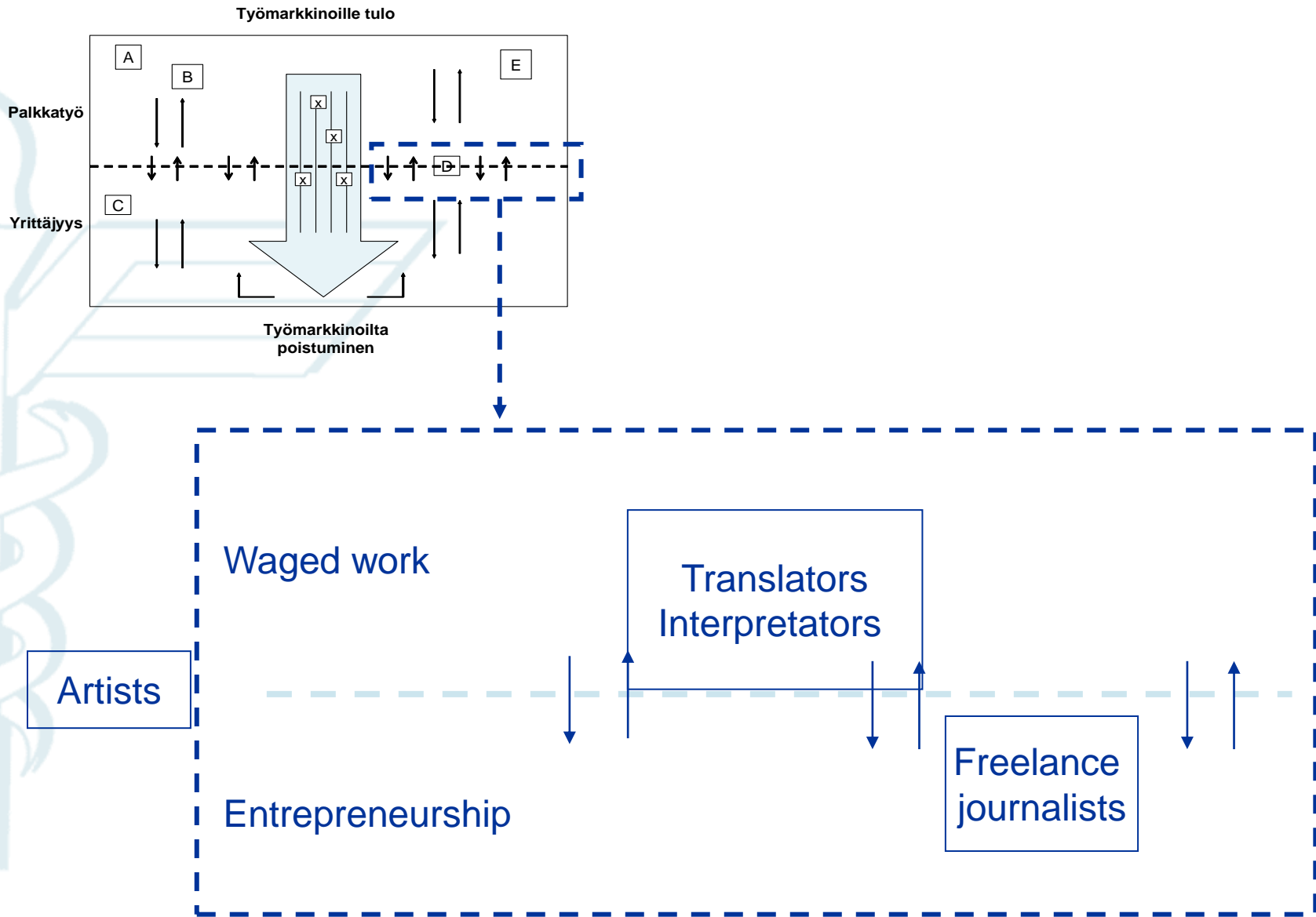


Meaning of entrepreneurship for the profession

- Facilitates a more versatile work, especially for parttime entrepreneurs
 - Extra income
 - Variation to waged work
 - Acquiring and maintaining knowledge and skills
 - A step into full-time entrepreneurship
 - Extending working career at both ends (young & ageing population)
- Entrepreneurship enables and constrains
 - Eship creates a framework for operating in one's own profession freely (freelance-journalists, translators and interpreters)
 - Eship constrains creativity and limits focusing on professional content (artists)



Professions in the borderline between waged work and entrepreneurship





Examples of operating on the borderline

1. Entrepreneurship as a flexible way of work (e.g. translators and interpreters)
 - Activity not organised in a 'business like'
 - Activity does not include many entrepreneurial features
 - Individuals do not identify as entrepreneurs
 - Activity is small-scale and stable income
 - Commitment to entrepreneurship is temporary
2. Entrepreneurship as a lucrative opportunity (e.g. freelance-journalists)
 - Activity organised more in a business like
 - Content of work includes entrepreneurial features
 - Individuals identify also as entrepreneurs
 - Activity is wider
 - Commitment into entrepreneurship is more stable
3. Entrepreneurship as a pre-requisite for and part of activity (e.g. artists)
 - Activity organised partly business-like (e.g. facilities)
 - Activity contains partly entrepreneurial features (e.g. innovativeness, commercialisation, selling)
 - Individuals do not identify as entrepreneurs
 - Activity is small-scale
 - Commitment into entrepreneurship is contradictory



Study and dataset

- From waged work into entrepreneurship.
Routes into entrepreneurship in commercial and technical professions (2005-2006)
- National surveys to individuals with a business or technical M.Sc. degree
 - N = 300 entrepreneurs
 - N = 1.100 employees
- Here: Academic entrepreneur is an individual with a HEI degree that operates as an entrepreneur



Becoming an entrepreneur – all academic entrepreneurs

- **Transition to entrepreneurship from a public sector waged work position**
 - Every third becoming an entrepreneur, public sector an important employer for individuals with an academic degree
- **Only few become entrepreneurs from unemployment**
 - However, unemployment doubles the probability
- **Men become entrepreneurs more often than women**
 - Difference is small than for entrepreneurs in general
- **Important differences between the type of education**
 - Most common for individuals with a degree in agriculture and forestry, social and health care, least common for individuals with a degree in education and natural sciences
- **Individuals with an academic degree set up almost exclusive services firms**
 - about 80 %, in addition 10% in commerce and accommodation



Becoming an entrepreneur – M.Sc. with a technical or business degree (1/2)

- **A profile for entrepreneur and several different routes into entrepreneurship**
 - Based on personal factors, work history and circumstances
- **Typical profile**
 - Male who becomes an entrepreneur at the age of 36–45
 - A wide educational background (more than 1 degree)
 - Has entrepreneurs in close networks (role models)
- **Four different routes into entrepreneurship (personal factors)**
 - Young men inspired by several role models
 - Older individuals with a business degree and strong educational background
 - Younger women with a strong educational background
 - Men with a single degree and without any role models

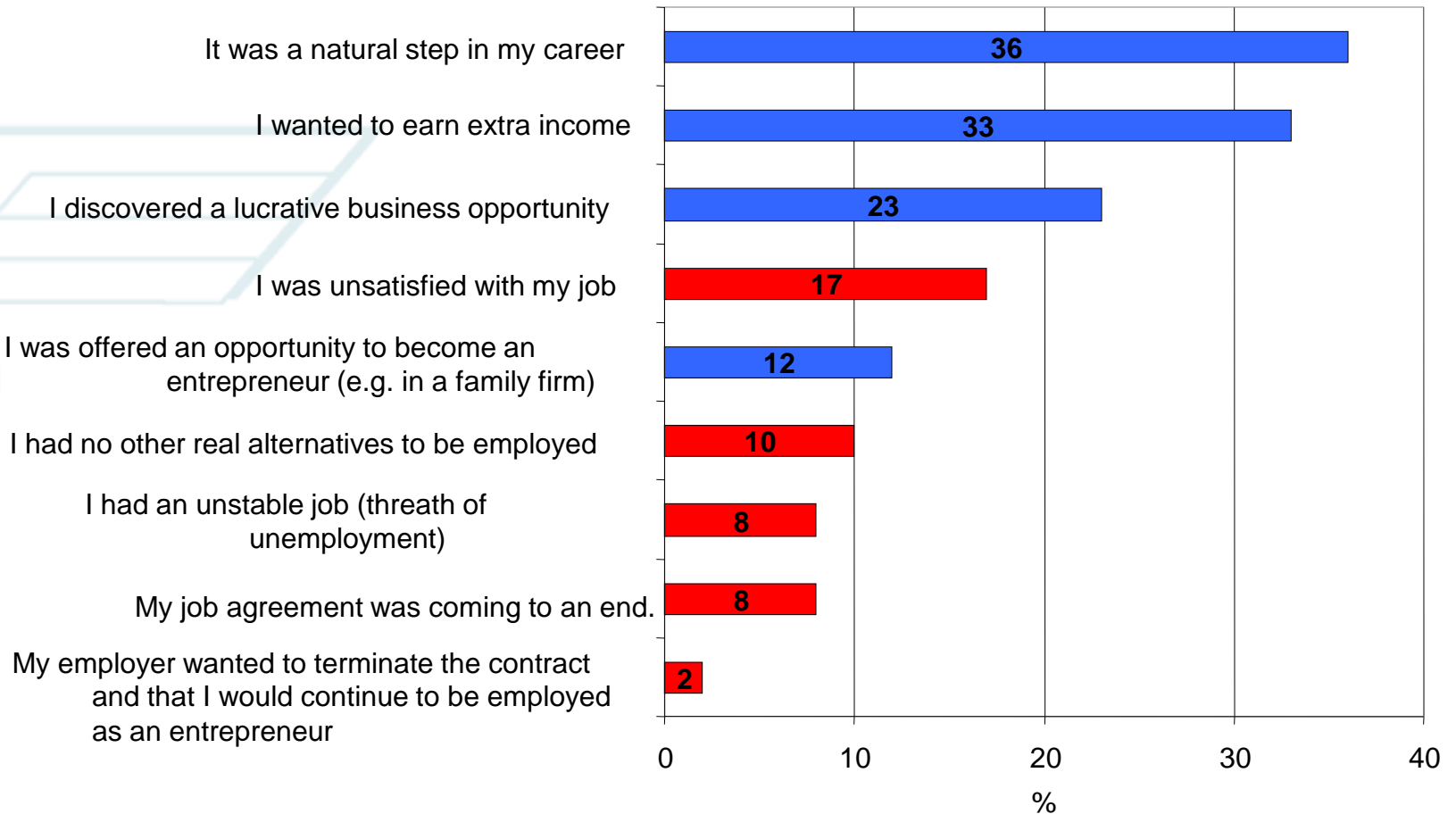


Becoming an entrepreneur – M.Sc. with a technical or business degree (2/2)

- **The waged work profile for a typical entrepreneur**
 - High quality career: stable working relations, not many fixed or part-time jobs
 - Work experience in service industries and sales and marketing tasks
 - Previous work responds well to their education
 - Background includes management experience and strong commitment to waged work
 - Level of income in waged work lower than average
 - Experience from working in small firms
- **Five different routes into entrepreneurship (based on work history)**
 - Short and narrow experience in service industry
 - A quick transition from fragmented waged work into entrepreneurship
 - Transition from a long waged work career into entrepreneurship through unemployment
 - Transition from a large organisation in mid-career
 - Transition from the top into entrepreneurship
- **Four different routes (based on circumstances)**
 - A lucrative opportunity, new content for work and career, unemployment and a flexible model fitting with the family situation



Motives for becoming an entrepreneur





Experiences as entrepreneurs

- Entrepreneurs are happy with their career
 - Opportunity to influence one's work: what, how and when to work
 - Work is rewarding (content and finance)
 - Improvement in quality of life
 - Occasional drawbacks: loneliness, commitment and insecurity of income
- Commitment to entrepreneurship also in the future
 - Transitions planned to retirement



Stories of entrepreneurs: ... (Hytti, 2003)

- Based on two articles
 - Hytti, U. (2005) New meanings for entrepreneurs: from risk-taking heroes to safe-seeking professionals. *Journal of Organizational Change Management*, Vol. 18, No. 6, 594-611.
 - Reprinted in: *Small Business & Entrepreneurship*, Five Volume Set, Ed. by Blackburn & Brush, Sage Publications, 2008.
 - Hytti, U. (2010) Contextualizing entrepreneurship in the boundaryless career, *Gender in Management: An International Journal*, Vol. 25, No. 1, 64-81.



Methodology

- Narrative analysis of life-story interviews with Finnish entrepreneurs
- Narrative identity
 - Identity is the product of, and realised in, narrative accounts of individuals' past, present and future
- How the participants make sense their transition into self-employment/entrepreneurship?



Marge: a journalist "becoming" an entrepreneur

- Education from a known 'socialist' university in the 1970s
- Betrayal of the working life: Professional work history and dissatisfaction with it
 - Commitment to work rewarded with fixed-term jobs and lay-offs, breach of the psychological contract
 - Gloomy future as a female in her 40s, no expectation of a permanent job
- New found security as an entrepreneur
 - Stable professional identity
 - Reliable and trustworthy employer (=herself)
 - Reasonable working conditions (pay vs. time)
 - However, not identifying with the 'Entrepreneurs'



- Marge's story is informative of the changes in the organisational arena
 - Increasing perceived job and employer insecurity
- As a result of the organisational and societal changes
 - Is entrepreneurship becoming a less risky choice if mirrored against the alternative: Wage-work in the private or public sector?
 - Divide between waged work and entrepreneurship becomes blurred?
- Entrepreneurship as a social activity constrained by time and place
 - Early 1990s in Finland: severe recession



Marge, Diane and Rosemary

- Three women entering into self-employment/entrepreneurship from unemployment/after a dismissal
- What is the role and meaning assigned to these experiences from the entrepreneurship perspective?
- Are they merely the push factors that drive the individual into self-employment and entrepreneurship, or could they be assigned multiple meanings and roles?
- How is the transition connected to the career history and understanding of the individuals?



Diane

- Diane identifies as a strong professional in sales and marketing
 - Versatile jobs with six year intervals, search of her place and new challenges
- She labels the dismissal & unemployment as a 'sabbatical' ("to-be-in-between-jobs")
- Diane's story confirms to the "new" boundaryless career discourse
 - She accepts the responsibility for her decisions & moves
 - The transition into entrepreneurship is paralled with her previous career transitions



Rosemary

- Rosemary works in a Finnish textile firm in the 1980s, which closes down the factory and transfers the production to China
 - Rosemary depicts this from a managerial rather than an employee position
- Rosemary finds herself at a crossroads with many alternatives to consider
 - Redundancy is depicted merely as a trigger into entrepreneurship



Table 1 Summary of the main elements in the three stories analyzed

	Marge	Diane	Rosemary
Work history	Hard at work in fixed-term jobs Unpleasant organizational frameworks Limited opportunities for permanent employment	Frequent voluntary changes of jobs to find new challenges and inspiring work	Relocation of production abroad Availability of other employment opportunities
Main theme	Security & stability	Independence, search of her place	Interesting work
Elements of work-based insecurity in the story	Job insecurity Employer insecurity Employment insecurity Income insecurity	Job insecurity Employer insecurity (Employment insecurity)	Job insecurity Employer insecurity
Meaning of unemployment for entrepreneurship	Betrayal/violation	Sabbatical	Trigger
Gendered interpretation of the story	Women in their forties no longer find permanent jobs, except if working for themselves	Men as primary bread-winners support their wives experimenting with entrepreneurship	Women need to be strong/'difficult' in order to make it as entrepreneurs.



- Boundaryless career talk and discourse are applied in crafting the entrepreneurial career and the sense-making of the transition
- The individual's personal career history and the regional and national employment settings are applied in making sense of the different meanings ascribed to unemployment
- Aspects of work-related insecurity are connected to interpretation of the role of unemployment in one's career
 - Dismissal and unemployment are assigned multiple meanings and roles
 - Betrayal
 - Sabbatical
 - Trigger



- Need to analyse entrepreneurship as a process embedded in the historical, social and contextual environments in which the decision is taken
- By categorizing entrepreneurship as a career phase and analyzing the decision in the light of the personal career history and/or career ambitions helpful in terms of theory development within entrepreneurship research



Conclusions & After thought

- For some (or even many?), becoming an entrepreneur is a necessity in order to exercise one's profession in the first place or with a certain way acceptable for the individual
 - Interest in entrepreneurship per se may be limited/contradictory
- The context (time and place) crucial for understanding the transitions into entrepreneurship
 - Entry motives informative of the working life?
- Need for more research that parallels career transitions
 - waged work => waged work
 - waged work => entrepreneurship,
 - entrepreneurship => waged work
 - entrepreneurship => entrepreneurship



Future steps in the project:

Entrepreneurship, Work and Well-being in the Life Course Perspective (2008-2011)

- A large-scale survey to individuals with an academic degree on selected professions/vocations
- Type/Content of work vs. Different aspects of well-being (job, life and other satisfaction)
 - Not just comparisons between waged-workers and entrepreneurs
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