Journal of Business Research 68 (2015) 639–653

Contents lists available at ScienceDirect

Journal of Business Research

Disentangling the effect of prior entrepreneurial exposure on entrepreneurial intention

Florian B. Zapkau [a,*], Christian Schwens [a], Holger Steinmetz [b], Rüdiger Kabst [b]

[a] University of Düsseldorf, Faculty of Business Administration and Economics, Universitätsstr. 1, 40225 Düsseldorf, Germany
[b] University of Paderborn, Faculty of Business Administration and Economics, Warburger Str. 100, 33098 Paderborn, Germany

ARTICLE INFO

Article history:
Received 4 April 2013
Received in revised form 13 August 2014
Accepted 21 August 2014
Available online 13 September 2014

Keywords:
Prior entrepreneurial exposure
Role models
Work experience
Entrepreneurial intention
Theory of planned behavior

ABSTRACT

The present paper disentangles the effect of prior entrepreneurial exposure on entrepreneurial intention in terms of different types of exposure and their perceived quality. Drawing on the theory of planned behavior, the paper analyzes whether attitude, subjective norm, and perceived behavioral control mediate the influence of entrepreneurial role models and work experience in small or newly founded firms on entrepreneurial intention. Testing our hypotheses on data from 374 individuals, the study provides differentiated support for our theoretical predictions. The results contribute to resolving previously inconclusive findings by offering a differentiated understanding of how different types and the perceived quality of prior entrepreneurial exposure influence individuals' entrepreneurial intention.

1. Introduction

Entrepreneurial intention represents the commitment of individuals to start a new business (Krueger & Carsrud, 1993). Several scholars emphasize the importance of entrepreneurial intentions as a first step towards entrepreneurial behavior (i.e., starting a business) (Bird, 1988; Krueger & Carsrud, 1993). In fact, prior research suggests that intentions are the single best predictor for planned behaviors, such as starting a business (Bagozzi, Baumgartner, & Yi, 1989; Kim & Hunter, 1993). Analyzing entrepreneurial intentions is of particular importance as new firms facilitate the transfer from innovations to marketable products and services, mitigate inefficiencies within an economy, and create new jobs (Zhao, Seibert, & Hills, 2005).

Prior entrepreneurial exposure encompasses an individual's personal history related to entrepreneurship such as entrepreneurial parents or prior work experience in a small or newly founded firm (Krueger, 1993; Peterman & Kennedy, 2003). Previous research investigating the direct impact of prior entrepreneurial exposure on entrepreneurial intention displays inconclusive findings (Chlosta, Patzelt, Klein, & Dormann, 2012; Shook, Priem, & McGee, 2003). Some authors find entrepreneurial parents to stimulate children's entrepreneurial intention (e.g., Crant, 1996; Matthews & Moser, 1995), while others do not support this view (e.g., Gird & Bagraim, 2008; Kolvereid & Isaksen, 2006; Tkachev & Kolvereid, 1999). Research on the influence of work experience in small or newly founded firms is comparatively scarce but nonetheless displays rather ambiguous findings as well (e.g., Autio, Keeley, Klofsten, Parker, & Hay, 2001; Kautonen, Luoto, & Tornikoski, 2010; Matthews & Moser, 1995).

The reasons for these inconclusive findings can be twofold: First, prior entrepreneurship literature does not sufficiently account for the fact that starting a business is intentional (Bird, 1988; Krueger & Carsrud, 1993). In this regard, models with direct predictors inadequately reflect that the influence of exogenous variables (such as prior entrepreneurial exposure) on entrepreneurial intention occurs through attitudinal variables (such as attitude, subjective norm, and perceived behavioral control in the case of Ajzen's (1991) theory of planned behavior). Second, differentiated views accounting for different types of prior entrepreneurial exposure are limited. Most studies analyze the effects of parental role models and neglect to account for other types of prior entrepreneurial exposure such as work experience in small or newly founded firms (Matthews & Moser, 1996). This approach is problematic as both types of exposure may provide individuals with different learning experiences (Chlosta et al., 2012; Fairlie & Robb, 2007). Moreover, extant studies also largely neglect to account for the qualitative dimension of prior entrepreneurial exposure (Carr & Sequeira, 2007; Kim, Aldrich, & Keister, 2006). Hence, inconclusive results may stem from the fact that exposure perceived as positive may differently affect individuals' entrepreneurial intention compared to exposure perceived as negative (Krueger, 1993; van Auken, Fry, & Stephens, 2006).

The aim of the present paper is twofold: First, we develop an intention-based framework and investigate the impact of prior entrepreneurial exposure on entrepreneurial intention mediated by attitude, subjective norm, and perceived behavioral control. In this regard, we link prior entrepreneurial exposure (i.e., (1) observation of self-employed

* Corresponding author. Tel.: +49 2118102994; fax: +49 211 8114579.
E-mail addresses: florian.zapkau@hhu.de (F.B. Zapkau), christian.schwens@hhu.de (C. Schwens), holger.steinmetz@upb.de (H. Steinmetz), kabst@upb.de (R. Kabst).

http://dx.doi.org/10.1016/j.jbusres.2014.08.007
0148-2963/

parents and (2) prior work experience in a small or newly founded firm) with the three attitudinal variables proposed by Ajzen's (1991) theory of planned behavior (TPB) (i.e., attitude, subjective norm, and perceived behavioral control) to explain entrepreneurial intention. Second, we separately account for the perceived quality of prior entrepreneurial exposure as a determinant of entrepreneurial intention.

We seek to contribute to extant literature by providing a more differentiated understanding of the relation between prior entrepreneurial exposure and entrepreneurial intention. In this regard, our first contribution is on the link between different types of prior entrepreneurial exposure and the three attitudinal variables of the TPB (i.e., attitude, subjective norm, and perceived behavioral control) explaining entrepreneurial intention. We demonstrate how observational exposure (by means of entrepreneurial role models) and direct exposure (by means of work experience in small or newly founded firms) affect entrepreneurial intention differently. As a second contribution, we account for the perceived quality of prior entrepreneurial exposure. By this means, we demonstrate how prior entrepreneurial exposure perceived as positive differently affects entrepreneurial intention compared to exposure perceived as negative. In sum, disentangling prior entrepreneurial exposure (in terms of type and perceived quality) and linking it with the TPB offers a more detailed understanding of the formation of entrepreneurial intention and contributes to resolving heterogeneous prior findings regarding the prior entrepreneurial exposure and entrepreneurial intention relation.

The next section presents the background literature. We then develop hypotheses, which we test on a dataset consisting of students and professionals. The paper closes with a discussion of our findings and by pointing out implications and limitations.

2. Background Literature

The majority of earlier literature employs direct effect models to investigate how prior entrepreneurial exposure affects entrepreneurial intention. However, such studies display inconclusive results (Chlosta et al., 2012; Shook et al., 2003). Studying the impact of role models, some studies suggest that children with entrepreneurial parents display higher levels of entrepreneurial intention (e.g., Crant, 1996; Matthews & Moser, 1995). However, other studies do not support this view (e.g., Gird & Bagraim, 2008; Kolvereid & Isaksen, 2006; Tkachev & Kolvereid, 1999). Studies analyzing the effect of prior work experience in small or newly founded firms display ambiguous results as well. Some studies (e.g., Kautonen et al., 2010; Matthews & Moser, 1995) find no significant effect of such exposure on individuals' entrepreneurial intention, whereas other studies report a positive effect (e.g., Autio et al., 2001; Mueller, 2006).

However, these ambiguous results are not surprising, as prior meta-analyses suggest that exogenous influences such as prior entrepreneurial exposure are only weak direct predictors for behaviors such as starting a business (e.g., Sheppard, Hartwick, & Warshaw, 1988). In contrast, intentions are the best predictor for planned behaviors (Bagozzi et al., 1989; Kim & Hunter, 1993). However, intentions derive from attitudinal variables, which are influenced by exogenous factors such as prior entrepreneurial exposure (Krueger, Reilly, & Carsrud, 2000). That is, prior entrepreneurial exposure indirectly influences entrepreneurial intention mediated through attitudinal variables (rather than having a direct impact).

The TPB (Ajzen, 1991) is one of the predominant theoretical frameworks to analyze the formation of intentions in various fields (Armitage & Conner, 2001). The TPB claims that three conceptually distinct attitudinal variables determine intention: attitude towards the behavior, subjective norm, and perceived behavioral control in regard to the behavior. Attitudes refer to the degree to which an individual evaluates a specific behavior as favorable or unfavorable (Ajzen, 1988). Subjective norm mirrors individuals' perceived social pressure by attachment figures to perform or not to perform a specific behavior (Ajzen, 1988). Perceived behavioral control contains perceptions of the ability to successfully execute and control the focal behavior (Ajzen, 1991, 2002). In general, the more favorable the attitude and subjective norm in regard to the behavior and the greater the perceived behavioral control over the behavior, the stronger the individual's intention to perform the focal behavior (Armitage & Conner, 2001).

In addition to Ajzen's (1991) TPB, other empirical researches on individuals' entrepreneurial intention ground on Shapero's "model of the entrepreneurial event" (SEE) (Shapero & Sokol, 1982). The SEE specifically aims at explaining entrepreneurial intentions, which derive from individuals' perceived desirability as well as perceived feasibility of starting a business. Additionally, the SEE includes a third predictor labeled propensity to act, which reflects individuals' willingness to act on one's decisions (Krueger et al., 2000; Shapero & Sokol, 1982).

Both the TPB and the SEE find broad acceptance in the present study's research domain (Schlaegel & Koenig, 2014) and are complementary theoretical approaches to explain individuals' entrepreneurial intention. To this end, the TPB and the SEE share a considerable conceptual overlap (Krueger, 2009; Krueger & Carsrud, 1993). In particular, both models use a predictor representing the "willingness" (attitude in the TPB, perceived desirability in the SEE) stemming from individuals' outcome expectations resulting from the behavior (i.e., starting a business) as well as a predictor representing individuals' perceived "capability" to successfully perform the focal behavior (perceived behavioral control in the TPB, perceived feasibility in the SEE) (van Gelderen et al., 2008).

However, both models also display differences, which have to be taken into consideration when deciding upon which of the theories best applies to a study's goals and research design. From a conceptual stance, the TPB includes a specific predictor (subjective norm) accounting for social influences (e.g., from role models) on entrepreneurial intention, whereas the SEE integrates such influences in the perceived desirability predictor (Nabi, Holden, & Walmsley, 2006; van Gelderen et al., 2008). Moreover, Krueger et al. (2000) assert that a theory-consistent integration of the "propensity to act" component in the SEE requires a longitudinal research design as triggering events (such as spotting a business opportunity), which force individuals to act, precede individuals' desirability and feasibility perceptions. From a methodological stance, it is important to compare both models' explanatory power when deciding upon which of the theories to choose for a study. A recent meta-analysis drawing on broad empirical evidence (123 independent samples, n = 114,007 individuals) by Schlaegel and Koenig (2014) finds that the TPB explains a larger proportion of variance in entrepreneurial intention compared to the SEE (SEE: $R^2 = .21$; TPB: $R^2 = .28$). Analyzing the influence of each model's attitudinal variables on entrepreneurial intention, the meta-analysis by Schlaegel and Koenig (2014) finds that all attitudinal variables (attitude, subjective norm, perceived behavioral control) of the TPB positively influence entrepreneurial intention. In contrast, results for SEE's attitudinal variables are mixed. While perceived desirability and perceived feasibility positively impact individuals' entrepreneurial intention, propensity to act has no significant influence. Finally, the TPB also displays high explanatory power in other research fields than entrepreneurship (Ajzen, 1991; Armitage & Conner, 2001; Sutton, 1998) while comparatively fewer studies employ the SEE in multivariate empirical studies in entrepreneurship research (Guerrero, Rialp, & Urbano, 2008; Solesvik, Westhead, Kolvereid, & Matlay, 2012).

Acknowledging the important contributions made by studies drawing on the SEE to explain entrepreneurial intentions and considering the two frameworks as complementary (rather than contradictory), the present study draws on TPB rationale as the above conceptual and methodological issues are particularly pertinent for the present study's goals and research design.

In an effort to overcome previously inconclusive findings from direct effect models, some authors employ intention-based frameworks assuming indirect influences of exogenous factors on entrepreneurial intention. For example, Krueger (1993) tests the effect of breadth of prior entrepreneurial exposure (an aggregated sum score consisting of several types of prior exposure) on entrepreneurial intention mediated by perceived desirability and perceived feasibility of starting a business. While