



Military veterans marching towards entrepreneurship: An exploratory mixed methods study



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ABSTRACT

This study evaluates the effects of a community-based entrepreneurship training program on the entrepreneurial passion (EP) and networking frequency of military veterans. Pre-test and post-test surveys were completed by military veterans who received scholarships to attend a 10-week structured course. These veterans also participated in business mentoring sessions with local business entrepreneurs for an additional nine months. The results demonstrate that the program significantly improved the veterans' entrepreneurial passion scores, as well as raised the level of networking behavior. These findings provide additional validation for the EP survey instrument and contribute to the understanding of integrating military veterans into a civilian-based entrepreneurship ecosystem that provides access to business resources and in turn increases entrepreneurial passion.

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1. Introduction

As the United States scales back on military presence abroad and military spending decreases, the number of military personnel returning to civilian life will increase dramatically. We can expect transitioning service members to be exploring new paths to economic opportunities. Among these paths is the road to entrepreneurship. Military experience is credited for providing individuals with training to lead others and to deal with crisis situations (Waldman Associates & REDA International, 2004). These skills are widely recognized as necessary ingredients for successful entrepreneurs. Military service proved valuable to a number of successful entrepreneurs, including Sam Walton, founder of Wal-Mart, Malcolm Forbes, founder of Forbes Magazine, and Fred Smith, founder of FedEx. Although conventional wisdom suggests that military personnel are “natural” candidates for starting business ventures, empirical research on this population is limited.

The pool of data on the topic of veteran entrepreneurship is primarily focused on whether prior military experience increases the likelihood of choosing self-employment. The few studies published on the topic suggest that military service does have a positive impact on self-employment (Hope, Oh, & Macklin, 2011; Moutray, 2007), and veterans have a higher rate of

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self-employment than non-veterans (Fairlie, 2004). A 2007 U.S. Census Bureau report identified military veterans as majority owners in over 2.4 million businesses, which accounts for nine percent of all businesses nationwide. These veteran-owned businesses account for the employment of nearly 5.8 million people and generate approximately \$1.22 trillion in revenue (U.S. Census Bureau, 2007).

Since veterans are at least 45% more likely than those with no active-duty military experience to be self-employed (Hope et al., 2011), and since our country is in the midst of a large transition of military personnel returning to civilian life, the research question in our study is whether a community entrepreneurial education program, integrated with civilians and veterans, fuels entrepreneurial passion and increases the amount of consultations veterans have with their networks about their business venture.

Drucker (1985) argued that entrepreneurship is not mysterious and that it has nothing to do with genes. Rather, he maintained that entrepreneurship is a discipline and, like any discipline, it could be learned. This idea that entrepreneurship is a learned skill (Henry, Hill, & Leitch, 2005; Mitra & Matlay, 2004; Zimmerer & Scarborough, 1998) suggests that education can fuel the passion for creating and implementing new business ideas (Kuratko & Hodgetts, 2004). Nearly every university accredited business school in the world now teaches some type of course on entrepreneurship (Katz, 2003). Prior research has found that entrepreneurship education does improve entrepreneurial attitudes. For example, Harris, Gibson, Taylor, and Mick (2008) found that completing a Small Business Institute course positively impacted entrepreneurial attitudes with respect to innovation, achievement, personal control and self-esteem. Findings on the impact of entrepreneurial self-efficacy (ESE), however, have been mixed. Cox, Mueller, and Moss's (2002) study found an entrepreneurship course had a negative impact on ESE scores among students, arguing that the findings could suggest education of entrepreneurship sheds a more realistic light on the demands involved in launching and sustaining a business. Karlsson and Moberg's (2013) pre-test/post-test study, however, found that entrepreneurial education had a significant positive effect on student ESE scores. The lack of consistent results suggests the debate, with respect to whether entrepreneurial education works, will continue and further research is needed.

Nascent entrepreneurs pursuing a new venture opportunity must overcome numerous obstacles as they navigate a complex and, at times, very frustrating process. Passion is one of the key drivers that helps propel entrepreneurial activity forward (Cardon, Gregoire, Stevens, & Patel, 2013). In addition to having entrepreneurial passion (EP) during the entry formation stage, individuals pursuing a new venture must leverage networks to garner information, seek resources, as well as offer reassurance (Birley, 1985; Elfring & Hulsink, 2007). Though an entrepreneurial education program will seek to build many skills, this study adds to the literature by examining the effect of entrepreneurial education on building passion and increasing networking activity among the important subpopulation of veterans. The program, "VetStart," was created by faculty from a large Midwestern University and delivered via a community-based program. Our study addresses two research questions:

1. Will a community-based, structured entrepreneurship education program improve military veterans' EP scores?
2. Will a community-based entrepreneurship education program impact military veterans' frequency of consultation with their networks?

The paper begins with a literature review on entrepreneurial education. Next we outline the theoretical foundations for this study's hypotheses. This is followed by a description of the research methodology, including an overview of the entrepreneurial education program called "VetStart." Subsequently, we provide an analysis of the results followed by discussion and implications.

2. Literature review

Today there are more entrepreneurship courses, conferences and symposiums than ever before (Hills, Hultman, Kraus, & Schulte, 2010). Education studies in general, however, continue to report that the effects and methodology of entrepreneurship education are still somewhat "poorly understood," and there is a need for a more systematic way for data to be collected and analyzed (Dainow, 1986; Dana, 1987; Gibb, 1987; Gorman, Hanlon, & King, 1997; Graevenitz, Harhoff, & Weber, 2010; Kent, Sexton, & Vesper, 1982). While some studies provide intriguing results about entrepreneurship programs, few employ pre-post design or longitudinal measurements from the core competencies of the courses' learning outcomes data. There are a few exceptions, such as studies by Karlsson and Moberg (2013), Oosterbeek, Praag, and Ijsselstein (2010), Peterman and Kennedy (2003), and Souitaris, Zerbini, and Al-Laham (2007) that have utilized pre-test/post-test and control group design. The Peterman and Kennedy (2003) study found that exposure to enterprise education did affect entrepreneurial intentions of the participants, as did the Souitaris et al. (2007) semester-long entrepreneurship program that had positive results on entrepreneurial intentions.

Researchers at George Washington University conducted a study collecting primary and secondary data on entrepreneurship training formats in an effort to determine which was the most effective. The training programs were segmented into four categories: venture accelerators, government (includes academia), for profit and nonprofit. Conclusions drawn from this study demonstrated that accelerator programs provide the largest amount of funding and more frequently engage in evaluation metrics versus the other types of programs. The scholars concluded that metrics are "wildly underutilized throughout

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