

An Exploratory Study of the Process by which Recent Graduate Entrepreneurs (RGEs) Become Self-Employed



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ABSTRACT

Entrepreneurship is recognised as a lot more than a business or economic activity. It has become a social ethos, forming what is known as the 'entrepreneurial society'. However, there is a need to develop effective entrepreneurial programmes that provide entrepreneurs with a supportive environment through the educational system, which may facilitate a Recent Graduate Entrepreneur (RGE) in starting a business soon after graduation. The RGE is defined as an entrepreneur who becomes self-employed within a short time of leaving university, and without having an intervening period of professional employment. The RGE has unique contextual and behavioural characteristics that have not been comprehensively examined in previous research. A phenomenological methodology was chosen for this research whereby the essence of the phenomenon of RGE start-up was sought through five in-depth interviews with recent graduates. Phenomenological research aims to understand human

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experience rather than to statistically generalise and in this research is based on a small sample size. Semi-structured in-depth interviews were conducted with five co-researchers: two females and three males. Interviews were also conducted with Faculty Deans and the CEOs of enterprise agencies to understand the context of the RGE. This research found that if an RGE was highly motivated, and focused, then the RGE had the ability to become successfully self-employed. In concert with the RGE's entrepreneurial ability, a supportive environment was key to success, as the RGE was vulnerable to external factors. This research also found that, for the RGEs, experience was not a prerequisite for success, which is contrary to current literature on the topic. This research has implications for public policy, for the educational system and for graduates who aspire to self-employment.

INTRODUCTION

Entrepreneurship is now recognised as a lot more than a business or economic activity. It is an impulse that permeates all of society. It has become a social ethos, forming what is known as the 'entrepreneurial society' (Florida, 2001). Flores and Gray (2000) defined the 'entrepreneurial society' as a new economy characterised by perpetual change, which transforms people's working lives to embody entrepreneurial characteristics, such as innovativeness, risk-taking, and independence.

Ireland's dependency on foreign direct investment (FDI) has left the country vulnerable to a global economic slowdown, with a resultant increase in unemployment levels (Goodbody Economic Consultants, 2002). Thus, fostering an 'entrepreneurial society' is important as it keeps society, the economy, industry, the public service, and business flexible and self-renewing (Scase, 2000). However, a significant gap exists in Ireland between those individuals aspiring to self-employment and those who actually become self-employed. Closing this gap requires a strengthening of the 'entrepreneurial society' at a deep cultural level (Fitzsimmons et al., 2001; European Observatory, 2001; Goodbody Economic Consultants, 2002).

Fitzsimmons et al. (2001) noted that the most entrepreneurially active age group in Ireland was the 18 to 34 year age category.

However, Garavan et al. (1997) pointed out that there was still a great need to develop effective entrepreneurial programmes that provide potential entrepreneurs with the supportive environment they require in the education system. Parsons and Walsh's (1999) UK research found that only 1 per cent of graduates moved into self-employment soon after graduation.

LITERATURE REVIEW

Defining the entrepreneur

The term entrepreneur encompasses a broad category of individuals (Cunningham and Lischeron, 1991). Historically, entrepreneurship was the function served by the businessperson in the economy (Bull and Willard, 1995). In addition to Knightian uncertainty and Schumpeterian innovation, some researchers have found entrepreneurship as a function of the interaction between the need for achievement, risk-taking propensity, preference for innovation, and the need to maintain personal control (Carland and Carland, 1997; De Noble et al., 1999). Equally entrepreneurship is also a function of individuals who see abnormality (Penrose, 1959) and seek out opportunities (Kirzner, 1979). Additionally, Chell et al. (1991) through their book *The Entrepreneurial Personality: Concepts, Cases and Categories* sought to categorise the different types of entrepreneur.

Previous empirical research has examined the graduate entrepreneur who became self-employed soon after graduation, however the researchers did not control for experience. Various characteristics were identified that set the graduate entrepreneur apart from the entrepreneur in general. These included: developing entrepreneurial aspirations within a higher education institute (Brown, 1990; Fleming, 1993; Fleming, 1996); and the graduates' expectations of what starting a business entails and their resultant motivation to start the business (Brenner et al., 1991; Tackey and Perryman, 1999; McLarty, 2000). The graduate entrepreneur is also more dependent on family background for financial and emotional support (Scott and Twomey, 1988; Parsons and Walsh, 1999), as a way of networking, and for the provision of business advice (Tackey and Perryman, 1999; McLarty, 2000).

Research also identified that graduates were disproportionately disadvantaged in starting a business, especially when seeking external advice, support and financial backing due to their limited practical experience (Garavan et al., 1997; Parsons and Walsh, 1999; McLarty, 2000). A graduate needs to be highly motivated in order to overcome the unique barriers they face in becoming self-employed soon after graduation (Garavan et al., 1997; Tackey and Perryman, 1999; McLarty, 2000) and Parsons and Walsh (1999) note that perhaps this is a reason why so few graduates choose self-employment as a career option.

In addition, graduates acquire a specific set of skills during their time at university (Tackey and Perryman, 1999). Timmons et al. (1985) proposed that entrepreneurial skills and behaviours could generally be nurtured, developed and acquired. Different researchers such as Timmons et al. (1985), Brown (1990) and Fleming (1993) have argued that business experience, management skills and wisdom could be acquired through a nurturing environment.

An entrepreneur's practical experience is highlighted by knowledgeable practitioners, such as venture capitalists (Reuber and Fischer, 1999) and people engaged in business (Jo and Lee, 1996), as being important to the success of a new venture. However, Reuber and Fischer (1994 and 1999) and Jo and Lee (1996) found that there was no direct relationship between a founder's experience and the success of the venture. Experience can be categorised into education and work experience (Jo and Lee, 1996). Graduates possess education experience and learn certain skills through this process (Garavan et al., 1997; Parsons and Walsh, 1999; Tackey and Perryman, 1999; Woodhull, 1999; McLarty, 2000). Work experience can be subdivided into management and industrial experience, also termed practical experience. However, lack of practical experience has not been comprehensively examined in the literature (Reuber and Fischer, 1999).

A comprehensive categorisation of the entrepreneur must encompass the context from which they have come to set up a business (Chell et al., 1991). For the RGE, education is a major factor of their environment. Many researchers have confirmed from their empirical studies that education plays a major role in the development of the RGE through awareness, support and as a path into self-employ-

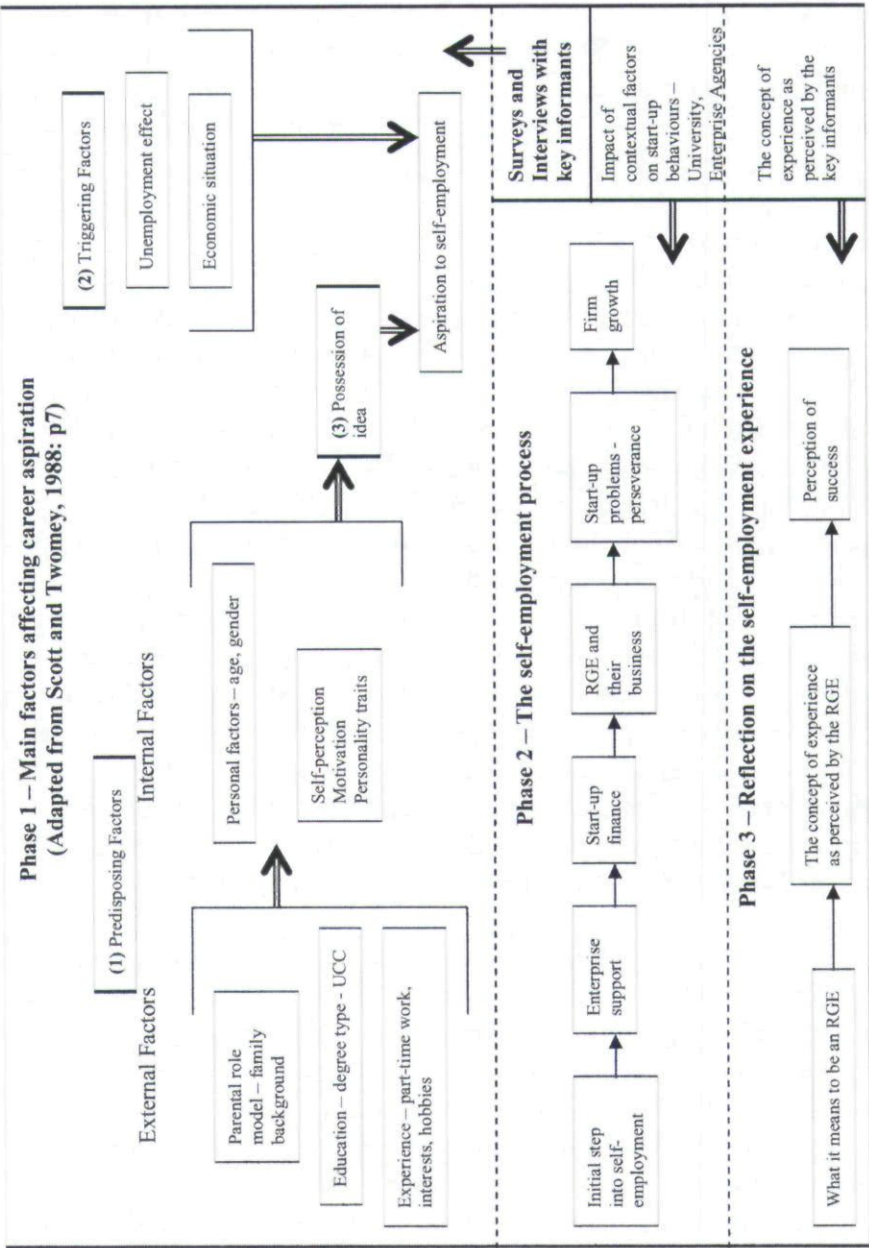
ment (Fleming, 1996; Tackey and Perryman, 1999). Furthermore, Brown (1990) observed that 90 per cent of graduates surveyed in the UK would not have started their business soon after graduation if it were not for the British Enterprise Programme. According to certain authors (Drucker, 1985; Flores and Gray, 2000) to foster an 'entrepreneurial society' the most fundamental of changes have to be made within the education system.

The start-up process

According to Reynolds (1997) the process of start-up is a complex interaction among personal, life course, and contextual factors that do not fit into a linear model. However, through empirical studies, patterns of motivation for graduates to enter self-employment have emerged (Brown, 1990; Fleming, 1996; Parsons and Walsh, 1999; McLarty, 2000). Scott and Twomey (1988) depicted the intricate relationship of external factors, predisposing factors and triggering factors on the self-employment decision through a model (see Figure 1 Phase 1 of the conceptual framework).

Research has focused on understanding this start-up process: key factors in start-up events (Gibb and Ritchie, 1982); the sequence of start-up events (Vesper, 1980); the impact of start-up events on success of the new venture (Timmons, 1985); and external factors that influence new venture formation (Harrison and Hart, 1983). The concept of the incubation organisation developed by Cooper (1981) has interesting implications for the context within which the entrepreneur decides to start a business and the impact this context has on the start-up process.

Bull and Willard (1995) believed that motivation and personality traits of the entrepreneur, and the entrepreneurial skill and training acquired, must be taken into consideration if a comprehensive model of entrepreneurship was to be formed. They also propounded that the structure of the external environment must be an important aspect of any complete model of entrepreneurship. Previous research examined different aspects of the start-up process in isolation. However, there is also a need to understand this complex process in a holistic manner through an in-depth micro-level investigation of the new business and its founders (Shabir and Gregorio, 1996).



OBJECTIVES AND RESEARCH QUESTIONS

The RGE has unique contextual and behavioural characteristics but has not been comprehensively examined in previous research. Based on the literature review it is evident that there is a significant gap in the literature as regards the RGE without post-graduation experience. The main question guiding this research was: how does the RGE become self-employed? This research also asked whether the reason for the low percentage of RGEs entering self-employment soon after graduation was directly related to the obstacle of having to overcome the lack of experience? These questions addressed the need to examine the start-up models and concepts identified in previous entrepreneurship research from the perspective of the RGE (Figure 1, Conceptual Framework).

METHODOLOGY

A phenomenological methodology was chosen for this research whereby the essence of the phenomenon of starting a business for the Recent Graduate Entrepreneur (RGE) was examined (Seidman, 1991). The major data for this study was based on semi-structured in-depth interviews with five RGEs: two females and three males. Interviews were also conducted with five Faculty Deans and eight CEOs of enterprise support agencies in order to understand the context of the RGE. The code 'FRGE' was used to denote the female RGEs and 'MRGE' for the male RGEs. Phenomenological research aims to understand human experience rather than to statistically generalise, and it is therefore based on a small sample size. The co-researchers were purposively sampled by fulfilling all of the criteria necessary to be a recent graduate entrepreneur.

Criteria of RGE for this research

The co-researcher must have received his or her primary degree from University College Cork (UCC) within the period of 1990-2002. The criteria were developed based on five UK Department for Education and Employment reports in 1999 (Parsons and Walsh, 1999). From these reports the graduate entrepreneur was defined in the narrower sense, i.e. people who started a business, even if they were technically employees of that business. In addition, it included those graduates who considered themselves to be self-employed i.e.

those with more than one customer or client, such as freelancers. It also excluded graduates who were self-employed because it suited their employers' tax arrangements and 'intrapreneurs'.

Work experience is defined as a full-time professional job, where the graduate has worked at a regular activity performed in exchange for payment in a career or occupation and this is their primary source of income. Full-time work is defined by the Organisation for Economic Co-operation and Development (OECD) as 30 or more hours per week (OECD, 1997). A graduate without post-graduation work experience means that they have not worked at a full time professional job from the time they received their primary degree to when they became self-employed. The definition of post-graduation work experience is narrow because many graduates obtain part-time work experience. However, this is not considered under the heading of managerial experience and industrial experience as discussed in the literature review.

DATA COLLECTION

A list of potential co-researchers was compiled via a survey in the UCC alumni magazine, *The Graduate Review*, with a circulation of 40,000 graduates. In parallel a survey was sent by e-mail to all 600 academics within UCC, requesting information on recent graduate entrepreneurs. A screening questionnaire was administered to the 39 identified graduate entrepreneurs over the telephone in order to ensure fit with the RGE criteria for this research. Criterion sampling was utilised to select the sample for this research (Miles and Huberman, 1994). Five people fulfilled the criteria and all were willing to participate in the research. In addition, exploratory telephone interviews were conducted with eight enterprise support agencies in the Cork region and five Faculty Deans at UCC.

The semi-structured in-depth interviews with the RGEs were conducted in person and consisted of three phases each lasting around twenty minutes. This three-phase interview format was recommended by Kvale (1996). The three phases were as follows: the co-researcher's background experiences and what led them to the self-employment decision; their start-up behaviours; and a reflection on what the start-up experience meant to them now. Miles and Huberman (1994) note that one method to check the validity of the

research is getting feedback from respondents. Once the individual cases were written up by the author they were sent to the respondents to check for accuracy.

DATA ANALYSIS

In-depth phenomenological interviewing applied to a sample of participants who all experience similar structural and social conditions gives enormous power to the stories of relatively few participants (Seidman, 1991). With these criteria for research quality in mind, a model of data analysis for this research was adopted from a number of writers (Seidman, 1991; Moustakas, 1994; Kvale, 1996).

The transcript from each interview was read in full, in order to get a sense of the perspectives of the co-researcher. Categories specific to the research questions were formulated and specific statements that referred to these categories were selected. The theme that dominated each significant statement was expressed as simply as possible and was called a 'natural meaning unit' (Moustakas, 1994). Each 'natural meaning unit' was examined and coded. Issues and themes discussed in the interviews were reviewed and a code-system developed. This facilitated the process of identifying relevant information from the interviews (Holm and Kildevang, 1996). Further analysis was conducted on the 'natural meaning units' and examined the underlying dynamics of the experience, the themes, and the qualities that accounted for 'how' self-employment was experienced by the co-researchers.

RESULTS

Profile of Co-Researchers (Table 10.1)

Four of the businesses developed were in the services sector and one was in the manufacturing sector; primary degrees were awarded across five different faculties and four of the co-researchers had post-graduate degrees (Table 10.1). The length of time in business varied from one to nine years. All co-researchers came from middle class backgrounds and did part-time work during their time in college. Three of them started their business in a discipline similar to that of their part-time work. Two of the co-researchers' parents were self-employed.

Table 10.1: Profile of the Co-Researchers

Case Code	FRGE1	FRGE2	MRGE1	MRGE2	MRGE3
Gender	Female	Female	Male	Male	Male
Age	28-33	28-33	28-33	28-33	22-27
Business	French school	Manufacturer of fishing flies	Food consultancy	Multi-media	Web design & software development
No. years business open	7 years	9 years	5 years	2 years	1 year
Degree	Law & French	Commerce	Food Business	Arts	Computer Science
No. years from primary degree to business opening	3 years	3 years	1 year	4 years	3 rd year college
Post-graduate degree	MBS in Entrepreneurship	MSc in Competition & strategy	MBS in Agri-business	Diploma in Film production	None
Part-time work	French grinds	Family business	Family business	Theatre	Computer technician

Personal characteristics of the RGE – Phase 1 (Table 10.2)

The results gathered from the respondents are displayed in the tables below. A 'tick' represents each co-researcher that experi-

enced certain 'natural meaning units'. For example, Table 10.2 shows freedom as a motivation for self-employment and this was experienced by a total of four of the co-researchers. All co-researchers expressed 'following their interests' as a motivation for becoming self-employed. For example, FRGE2 was motivated by developing ideas while MRGE2 was interested in the media industry. All co-researchers were very focused, as expressed by MRGE3: 'I really was never interested in anything else. Basically computers were for me.' This approach to their future had repercussions on their career aspirations.

FRGE1, MRGE1, MRGE2 and MRGE3 possessed a negative opinion of a conventional career, mainly due to the low salaries being offered. Financial considerations acted as a motivation for three of these co-researchers to become self-employed. For FRGE1, FRGE2, MRGE2 and MRGE3 freedom, although expressed in different ways, powered their motivation to become self-employed. Freedom took a range of forms such as: the freedom to develop interests; the freedom of time; and the freedom from constraints of conventional employment. FRGE1 explained that with self-employment: 'you have got freedom to just do what you want and I just love that'.

Four of the co-researchers displayed strong aspirations toward self-employment for a long time before becoming self-employed. MRGE2 noted that 'I always wanted to work for myself,' and FRGE1 stated that 'I wanted to run a business since I was about ten.'

The entrepreneurs knew what they wanted to do and they were also very aware of what they were good at, and displayed a strong self-perception. FRGE2 stated: 'I am a very creative person,' while MRGE3 stated: 'I knew I could sell my ideas and make them work.' All co-researchers perceived little risk associated with becoming self-employed. FRGE2 explained: 'If you go straight from university into self-employment and you weren't interested in making money in the first year then you have little to lose.'

For the female entrepreneurs they found their youth to be an advantage in becoming self-employed. For example, FRGE2's age benefited her in selling her product: 'People spotted we were young and fresh and kind of pathetic in some way, so they felt they could trust us and our product'. However, some of the co-researchers'

ages hindered their ability to attain support. MRGE2 felt he did not need support as he operated in an industry with an environment that supported young and enthusiastic individuals. MRGE3 acknowledged his need for support but was unable to acquire it. He felt his business struggled due to a lack of support:

Table 10.2: Personal Characteristics of the RGE

'Natural Meaning Units'	FRG E1	FRG E2	MRG E1	MRG E2	MRG E3
Motivation:					
Follow interests	✓	✓	✓	✓	✓
Freedom	✓	✓		✓	✓
Financial rewards	✓		✓	✓	
Triggering Factors:					
No career prospects			✓	✓	✓
Negative perception of conventional career	✓		✓	✓	✓
General entrepreneurial characteristics:					
Long-term aspirations to self-employment	✓	✓		✓	✓
Strong self-perception	✓	✓	✓	✓	✓
Internal locus of control	✓		✓	✓	✓
Low propensity to risk	✓	✓	✓	✓	✓
Personal characteristics:					
Age had no impact on receiving support	✓	✓	✓		
Age had impact on receiving support					✓
Formed partnership		✓	✓	✓	✓
Some form of industry experience	✓			✓	✓

We had a meeting with the County Enterprise Board and basically they told us that they couldn't help us because we were too young and we had not yet graduated. So that wasn't very helpful. As far as I could see there wasn't really any support out there for us.

(MRGE3)

Some form of support was expressed by all RGEs as an important factor in becoming self-employed at a young age. This resulted in FRGE2, MRGE1, MRGE2 and MRGE3 forming a partnership with like-minded acquaintances:

There were three of us, all partners, which provided a support base. I was not out totally on my own and that is invaluable for starting a business when you are 23.

(MRGE1)

Three co-researchers acquired experience through hobbies, part-time work while in college, and for MRGE3 an internship as part of his degree.

Background of the RGE – Phase 1 (Table 10.3)

Various external factors influenced the RGEs in becoming self-employed. For example FRGE2 and MRGE1 had self-employed parents and this greatly influenced their awareness of career alternatives. MRGE2 did not have self-employed parents but recalled a childhood memory that influenced him:

My mother is a teacher and before she went back to teaching she set up her own classroom and advertised tutorials. I remember seeing that and thinking I never have to be worried about getting a job because there was always something I could do.

(MRGE2)

Conversely, MRGE3 when reflecting back on his family life felt that his father's discontentment for his job translated into his own disenchantment with conventional careers. Furthermore, FRGE2's father felt it was advantageous for a female to be independent. This led him to encourage her to become self-employed.

FRGE1's family fostered independence by not giving her pocket money when she was growing up:

The only way I got money was if I worked. My house isn't a place where you get paid to vacuum. So I had to find some proper work. So that is what led me to teaching kids. I was 10 and teaching kids French and Art in my playroom.

(FRGE1)

Three of the co-researchers found their degree useful in becoming self-employed (Table 10.3). It gave them the theoretical background to what they were doing and FRGE1 noted: 'My degree gave me the language to communicate in the business world and it opened my eyes.' However, with regard to the practical running of the business all three co-researchers found their subjects irrelevant. FRGE2 noted:

With the day-to-day running of the business you never feel that you are ever relating to something you have studied. These are problems you wouldn't have come up against before, and certainly not in the classroom.

(FRGE2)

This experience of education was consistent with the results found from the interviews with the Faculty Deans. They perceived that they could teach the theory but not entrepreneurial qualities such as the drive to succeed. They also felt that the education system's structure did not inherently facilitate entrepreneurship, as it was geared toward conventional employment. However, UCC did provide an environment for FRGE2, MRGE1 and MRGE3 to network with like-minded individuals and form partnerships. MRGE1 also developed contacts in the food industry through a practical fourth year project that won him a National Student Enterprise Award.

FRGE1, FRGE2 and MRGE1 expressed that the view that the University fostered confidence in them through developing their skills and especially through awarding their achievements:

I always say to myself: 'I did really well in college and I have come from that academic background and that gives me confidence in my business especially when I was starting out.'

(MRGE1)

Three of the co-researchers (FRGE1, FRGE2 and MRGE1) received some form of support from UCC, although on an informal basis through advice from lecturers. MRGE1 found this advice to be cautious. FRGE1, FRGE2 and MRGE3 became self-employed whilst still in college. MRGE3 was the only co-researcher to seek formal support from UCC and had the most difficulty in securing support:

A defining moment for me was when I called up Campus Companies in UCC (an enterprise support initiative). I remember I rang them from a payphone and got through to the secretary. I put in the money and I was put on hold. I waited 5 minutes, ran out of money and hung up. I later found out that they closed that year because people weren't using the service. There were grants available but no one was utilising the service. And I don't blame the students for not making use of it because I had never heard of them until I went looking for them. There should be some type of entrepreneurship module available to all students telling you exactly where to go to get support and how to approach it. But there is nothing like that. So I would say the University was not a big help at all.

(MRGE3)

The CEO of one of the enterprise agencies interviewed for this research was involved in this entrepreneurial initiative, which was terminated, because as he stated: 'No one even applied for the programme.'

The general attitude among the Faculty Deans was the importance of practical experience when becoming self-employed. Although certain aspects of experience were perceived to be teachable, the curricula, time and resource constraints mitigated against this. The general consensus was that entrepreneurship was dependent on the individual and certain innate characteristics. As one Dean commented: 'If people want to become self-employed no one can tell them how to do it. They are just going to do it.'

Table 10.3: Background of the RGE

'Natural Meaning Units'	FRG E1	FRG E2	MRG E1	MRG E2	MRG E3
Family environment:					
Family fostered entrepreneurship	✓	✓	✓	✓	✓
Supportive family environment		✓	✓	✓	✓
Education environment:					
Degree helpful in self-employment	✓	✓	✓		
UCC fostered confidence in themselves	✓	✓	✓		
Started business whilst still in UCC	✓	✓			✓
Found partners in UCC		✓	✓		✓
Acquired support from UCC	✓	✓	✓		
Education system needs to educate for self-employment	✓	✓	✓	✓	✓

The self-employment process – Phase 2 (Table 10.4)

All of the co-researchers initially developed business plans, which took between six and twelve months to complete before they entered self-employment full-time. The main priority of four co-researchers was to keep their start-up capital and personal investment to a minimum. This was not a factor for MRGE3 as he had acquired a partner for financial support. FRGE2, MRGE1 and MRGE3 kept overheads as low as possible and FRGE1 persisted in acquiring grant aid.

Three co-researchers (FRGE1, FRGE2 and MRGE1) secured support from their local enterprise board. MRGE3 was unable to attain support and MRGE2 felt he did not need the support for his business.

Five out of the eight key enterprise agency informants perceived experience to be crucial for a graduate becoming self-employed. One CEO pointed out that 'the university is a very sheltered place, so graduates have a lack of exposure to the real world'. The three enterprise CEOs that advocated the possibility of a graduate going straight into self-employment from university felt that it would come down to a dynamic individual with a great idea. As one CEO commented: 'It is the individual that must be able to carry the business through and breakdown the obstacles.' However, the CEOs of the local enterprise agencies recognised the need to foster a spirit of entrepreneurship, especially within the education system, as the enterprise agencies were constrained by their budgets.

Table 10.4: The Self-Employment Process

'Natural Meaning Units'	FRG E1	FRG E2	MRG E1	MRG E2	MRG E3
Developed business plan	✓	✓	✓	✓	✓
Minimised start-up capital	✓	✓	✓		✓
Networked to acquire clients			✓	✓	✓
Enterprise Support:					
Received support from enterprise boards	✓	✓	✓		
No support received					✓
No support needed				✓	
Grants fully funded business start-up	✓				
Start-up problems:					
Partnership problems				✓	✓
Labour problems	✓		✓	✓	✓
Acquiring resources		✓		✓	✓
Focussed on business growth		✓	✓	✓	

Enterprise support was highly valued by those RGEs who received it. FRGE1, FRGE2 and MRGE1 received support through the development of their business plans to local enterprise board requirements. In particular, FRGE1 was able to fully finance her business through grants.

Start-up problems centred on: issues of delegation (FRGE2, MRGE1 and MRGE3); acquiring motivated staff for little money (MRGE2); and reprimanding staff (FRGE1). The age of the RGE also had implications for staff relations, as MRGE1 and MRGE3 experienced difficulties when hiring people of a similar age as themselves.

Reflection on the self-employment experience – Phase 3 (Table 10.5)

The co-researchers expressed varying degrees of success. FRGE1 possessed a great sense of achievement mainly stemming from an increase in sales:

This business is life changing. It is different. If you set up on your own, it is just amazing, it is fulfilling and I would never ever take back one minute of it. I would never work for anybody.

(FRGE1)

For MRGE2 and MRGE3 learning from their experiences represented an achievement for them. However, they felt that they had not yet achieved business success. A key success factor purported by all of the RGEs was their ability to optimise their circumstances and utilise the immediate environment for assistance. Interestingly, all the co-researchers perceived that only entrepreneurship theory could be learned in the classroom. However, on reflection, all of the co-researchers identified that entrepreneurship education would have assisted them in becoming self-employed. In particular, this was strongly emphasised by MRGE3. For the co-researchers entrepreneurial education meant bringing practical elements into the curriculum, creating awareness and signposting the information and support available.

Table 10.5: Reflection on the Self-Employment Experience

'Natural Meaning Units'	FRG E1	FRG E2	MRG E1	MRG E2	MRG E3
Perceived success:					
Sense of achievement	✓	✓	✓		
Business success not yet achieved				✓	✓
Success through customer loyalty	✓	✓	✓		
Impact of education on self-employment:					
Learn facts in classroom not practical	✓	✓	✓	✓	✓
Needed signposting of support		✓	✓	✓	✓
Certain entrepreneurial qualities innate	✓	✓	✓	✓	✓

DISCUSSION AND CONCLUSIONS

Understanding self-employment for the RGE

According to Chell et al. (1991), entrepreneurs should be categorised by their contextual and behavioural characteristics. For the RGE their unique contextual and behavioural characteristics encompass their lack of professional experience, their young age, and their recent departure from the education system. These points of differentiation impacted on the RGE self-employment process in terms of employee, work and financial issues. Similar to previous research (Tackey and Perryman, 1999; Parsons and Walsh, 1999; McLarty, 2000), the RGE was highly motivated and persevered in order to overcome barriers to self-employment. An important aspect of the RGE was the context within which the motivation and fragile aspiration to self-employment developed. An environment that supported the self-employment decision for the RGE was an intricate relationship of many factors, such as their background characteristics, their family environment, the education system and the availability of support.

Each RGE in this research displayed varying degrees of general entrepreneurial characteristics. For all co-researchers their family environment, to some extent, developed entrepreneurial characteristics within them. The main motivation that led them to the eventual decision to become self-employed was their universal passion, and dedication, to a particular domain of expertise. This extreme focus resulted in a perceived lack of career opportunities in their sectors (MRGE1, MRGE2 and MRGE3), and the desire for freedom to pursue their goals (FRGE1, FRGE2, MRGE2 and MRGE3). The motivation to follow their passion had far reaching implications for the future of the RGEs' businesses. Motivation affected their growth orientation, the structure of their business, customer relationships, as well as their eventual satisfaction with being self-employed. It was found that the development of the RGEs' passions occurred within their family and education environment, as they were able to explore their interests.

In contrast to previous research by McLarty (2000), the RGEs in this research displayed realistic expectations with regard to the earning potential of self-employment. This resulted in their ability to work hard for an initial low return, especially during the initial start-up phase. Actualising their aspirations to become self-employed and following their interests resulted in a sense of achievement and satisfaction, especially with regard to acquiring customers.

The skills and characteristics presented by the co-researchers, such as drive to succeed, creativity and intelligence were consistent with the skills purported by Timmons et al. (1985) as not being learnable. Since the other skills needed to become self-employed were identified as being learnable, the RGE is vulnerable to their surrounding environment to provide these skills.

The role of experience in relation to RGE start-ups

This research concurs with Reuber and Fischer (1999) and Jo and Lee (1996) that there is no direct link between a founder's experience and the performance of a new venture. The RGEs perceived their lack of professional experience as having little impact on their self-employment process and focussed more on being able to learn quickly from the environment, acquiring experience that way, and

maximising their previous experiences. However, as Timmons et al. (1985) noted, lack of practical experience can render the entrepreneur vulnerable as external factors are influential in shaping the ability of the entrepreneur to be successful.

Consistent with Reuber and Fischer (1999) practitioners emphasised the importance of founder experience when assessing businesses for support. The discrepancy in perceptions of experience between the RGEs and the practitioners meant that the RGEs had to be particularly resourceful and persevere more than others in order to acquire support. The key informants in the RGEs' environment perceived individuals that become self-employed without experience as enigmatic individuals who '*can do it on their own*' and thus don't need their support. The difficulty in acquiring support, due to the emphasis on founder experience, results in an indirect relationship between RGEs' experience and business success.

Education and the RGE

Education was an important external factor for the RGE as there was a short interim period between leaving the education system and becoming self-employed. Three of the co-researchers became self-employed whilst still at university. All co-researchers displayed a low propensity to risk. However, in contrast to Brenner et al. (1991) they were not risk-seeking, but rather perceived low risk due to the education environment they were coming from because as recent graduates they felt they had little to risk. This points to the potential of the education system to foster entrepreneurship.

This research concurred with Timmons et al. (1985) that certain entrepreneurial skills and behaviours could be nurtured, developed and acquired. The education system impacted on the RGEs not only through creating expertise but fostering confidence and giving the RGEs credibility in the domain of their self-employment. The results of this research found that a university can be viewed as an incubation organisation, as outlined by Cooper (1981). The university can equip the RGE with skills and knowledge, industry contacts, an environment conducive to finding business partners and the geographic location of the new venture.

The key informants also perceived certain aspects of experience could be acquired without attaining professional work experience if

the correct education was provided. The key enterprise agency informants felt experience should be taught through the education system. However, the key education informants, although they acknowledged the importance of fostering an entrepreneurship culture felt they were constrained in doing so. All key informants perceived entrepreneurship education to be less relevant to their discipline and taking responsibility for this type of education beyond their capability.

Start-up support for RGEs

All the co-researchers experienced issues in acquiring support due to certain selection criteria. The main repercussion of this lack of support was the availability of little start-up capital. This had long-term effects on their business growth. The provision of financial support was not the only form of support needed. Business advice and encouragement were also important forms of support required by the RGEs.

In order to overcome the lack of support, one co-researcher (MRGE2) acquired an experienced partner. However, this did not provide the support he needed and so the partnership was dissolved. Another co-researcher (MRGE3) also believed an experienced partner would compensate for the lack of support but could not identify a suitable one. The three most successful co-researchers persevered with their businesses and ensured they acquired support from enterprise agencies.

If an 'entrepreneurial society' is to be fostered in Ireland then public policy should take the RGE's important role into account. Thus the criteria for selection of enterprises for support used by state agencies should emphasise the founder's motivation, perseverance and focus, rather than their prior experience alone.

In line with the requirements of the emerging 'entrepreneurial society' this research concludes that there is a need to shift peoples' perceptions and concepts. This entrepreneurial shift has implications for the education system and public policy. The RGE is vulnerable to the external environment, in particular during the interim period between entrepreneurial aspiration and actually becoming self-employed. This research recommends a champion of entrepreneurship for recent graduates to provide consistent advice, support and representation at a national level.

FUTURE RESEARCH

The major limitations of this research were the focus on one Irish university and the small sample size. Further research on the other third level institutes in Ireland is necessary in order to identify the number of RGEs in Ireland and to understand the RGE on a wider scale. Further in-depth research should be undertaken to explore whether RGEs are deviants of society or leaders of the 'entrepreneurial society'. Also a large-scale study is proposed to compare the following types of entrepreneurs: recent graduate entrepreneurs with no post-graduation experience; graduate entrepreneurs with experience; and non-graduate entrepreneurs. This research will enable a deeper understanding of the influence of education and experience on the entrepreneurial process.

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