

ENTREPRENEURIAL VETERANS:  
EXAMINATION AND COMPARISON

Volume II

Contract No. SBA-7220-VA-83  
Intermediate Report

Prepared for the  
U.S. Small Business Administration

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August, 1985

The preparation of this report has been financed in part through a contract from the Office of Veterans Affairs, U.S. Small Business Administration, Washington, D.C.

## EXECUTIVE SUMMARY

The purpose of the research<sup>1</sup> reported here is to determine whether military service, especially combat service, has any effect on the entrepreneurial-related motivations and behaviors of business school graduates. To achieve this end, the demographic characteristics, career experiences, work-related attitudes, and entrepreneurial-related beliefs and needs of entrepreneurs and non-entrepreneurs as developed from a mail survey of business school alumni have been compared. Veterans and non-veterans also are compared on these variables to determine if the two groups differ with respect to key characteristics and career paths. Finally, profiles are developed of entrepreneurs who are veterans of three wars: World War II, the Korean War, and the Vietnam War.

### Research Design

Following extensive exploratory research (reported under separate cover), a mail survey was conducted with a sample of the graduates of six business schools representing a mix of large and small, public and private, and predominantly white and predominantly black institutions. An eight-page questionnaire was developed in coordination with the Small Business Administration. Questionnaire items were chosen to capture key variables hypothesized to be associated with entrepreneurship; included were adaptations of motivational and task preference scales shown by other researchers to be useful in discriminating between entrepreneurs and non-entrepreneurs. A total of 5,229 questionnaires were returned and included in the analysis, representing 26.1 percent of the 20,000 questionnaires mailed.

### Profile of Sample Respondents

Most respondents are white (95.6 percent), married (69.3 percent) and male (75.8 percent). About one-fourth have some graduate level education, and about half have incomes of \$35,000 or more.

About half the respondents work in firms employing fewer than 500 workers, and they tend to concentrate in service industries. Most (80.2 percent) are satisfied with their current jobs.

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<sup>1</sup> This research was performed under contract (SBA-7220-VA-83) to the Office of Veterans Affairs, U.S. Small Business Administration.

### Business School Alumni and Their Entrepreneurial Experience

About 29.9 percent of the respondents can be classified as entrepreneurs on the basis of having owned and operated a business. Most of the entrepreneurs:

- have owned more than one business (average of 1.6 businesses owned).
- are still self-employed (70.6 percent); those who have left self-employment tend to have done so for personal reasons or because of insufficient profit.
- own corporations (54.5 percent) which are very small (84.3 percent of the entrepreneurs employ fewer than 25 workers).
- have not used Federal small business programs (91.8 percent).

The literature on entrepreneurship includes an on-going discussion of the reasons why people seek self-employment. Some contend that many entrepreneurs are "pushed" by dissatisfaction with jobs in businesses owned by others, while others argue for the positive "pull" of the attractiveness of working for oneself. In this study, many of the entrepreneurs indicated dissatisfaction with jobs held prior to going into business for themselves (16.0 percent were dissatisfied with salary, 14.9 percent with promotional opportunities, and 24.7 percent with some other aspect). On the other hand, many apparently were "pulled" by good opportunities to buy businesses (19.7 percent) or good ideas for new businesses (18.9 percent).

Comparing entrepreneurs with non-entrepreneurs is an aid in highlighting the distinctive characteristics of business school alumni who opt to work for themselves. Compared to non-entrepreneurs, entrepreneurs:

- are older (66.4 percent 35 or older versus 42.6 percent).
- are more likely to be men (89.1 percent versus 70.5 percent).
- are somewhat better educated (41.1 percent with education beyond a bachelor's degree, versus 34.8 percent).
- have higher incomes (42.9 percent with incomes of \$50,000 or more versus 18.0 percent).
- are more satisfied with their current jobs (61.4 percent very satisfied versus 38.5 percent).
- are more likely to value autonomy, income potential, and power in job choice and less likely to value security, promotional opportunities, responsibility, and location.
- are more likely to believe strongly in the availability of family support and financial resources for their businesses.
- are less likely to see Federal small business programs as useful.
- exhibit slightly higher needs for achievement, a more internal locus of control, greater propensities for risk-taking, and stronger preferences for autonomy and independence.

### The Relationship Between Military Service and Entrepreneurship

Almost one-third (31.7 percent) of the alumni surveyed are veterans. Most of the veterans served during World War II (37.5 percent) or the Vietnam War (35.8 percent); only 10.9 percent saw only peacetime service.

Veterans are more likely than non-veterans to be entrepreneurs: 41.5 percent of those who served in the military have been self-employed, compared to 24.5 percent of the non-veterans. Officers are slightly more likely to be entrepreneurs than non-commissioned or warrant officers or enlisted personnel (the proportions of each group self-employed are 44.3, 43.1, and 37.2 percent, respectively).

In examining the greater propensity of veterans to be entrepreneurs, the two groups were compared on salient characteristics. Among the findings are that compared to non-veterans, respondents who served in the armed forces:

- place more importance on autonomy in choosing jobs and less on promotional opportunities, flexibility, and location.
- are more likely to believe that family and financial support for entrepreneurial ventures would be available.

When only entrepreneurs are considered, and veteran entrepreneurs are compared with non-veteran entrepreneurs, a clearer picture of the nature of the veteran entrepreneur emerges. Compared to their non-veteran counterparts, veteran entrepreneurs are more likely to still be in business for themselves (73.6 percent versus 66.8 percent). Of those no longer in business for themselves, veterans are more likely to cite insufficient profit as the reason (30.9 percent versus 22.7 percent) and less likely to cite personal reasons (26.2 percent versus 31.8 percent). Veteran entrepreneurs are also more likely to own businesses organized as corporations (58.9 percent versus 50.9 percent).

In order to assess the influence of other characteristics on the observed relationship, four demographic variables (age, sex, marital status and education) were introduced simultaneously. In effect, the association between veteran status and entrepreneurship was tested controlling simultaneously for all four demographic variables.

On the basis of this analysis it was concluded that the observed relationship between veteran status and entrepreneurship is explained by these four variables. The characteristics which differentiate veterans from non-veterans (their greater age, higher educational levels, and greater likelihood of being male and married) explain their greater likelihood of being entrepreneurs. Age is a major explanator, particularly in its interaction with veteran status, gender, and marital status. Gender also is a significant intervening variable and is significantly associated with veteran status and age. The nature of the business school alumni population, with women more likely to be non-veterans and to be younger, single, recent graduates who have not yet reached the ages associated with entrepreneurial activities, makes this a predictable finding. Educational differences between veterans and non-veterans also are significant in explaining the observed relationship. Marital status also adds explanatory value, particularly in its interactions with other demographic relationships.

It appears, then, that while veterans are more likely than non-veterans to be entrepreneurs, this difference is due not to the effect of military service but to the demographic differences between veterans and non-veterans in the sample.

## Profiles of Veteran Entrepreneurs of Three War Cohorts

Nearly half (49.7 percent) of the World War II veterans have owned and operated a business, and 40.1 percent of the Korean War veterans can be classified as entrepreneurs. Among the Vietnam era veterans, only one in three has owned a business.

The veteran entrepreneurs of all three war cohorts are predominantly white married men with bachelor's degrees in business. Most enlisted in the service and continued their educations after leaving the military. They tend to work in firms engaged in services (financial, insurance, real estate, education, non-profit, or other services), and nearly half work in firms employing fewer than 25 people. The vast majority are satisfied with their jobs. In choosing jobs they indicate the degree of autonomy and income potential are very important and job demands relatively unimportant. Entrepreneurs of all three cohorts are undecided about the usefulness of Federal small business programs but believe that their families are supportive of their self-employment and that adequate financial resources are available. Most of the entrepreneurs of all eras were involved in the formation of a business. Those who have left self-employment most often did so because of insufficient profit or personal reasons.

When the distinctive characteristics of the three cohorts are examined, the following profiles emerge:

### World War II Veteran Entrepreneurs

- Most (74.3 percent) are between 55 and 64 years old.
- Over half (54.8 percent) have incomes of \$50,000 or more.
- About one in three has some graduate level credit.
- The majority (82.3 percent) left the service with a rank of non-commissioned officer or above.
- About 60.9 percent served in combat.
- Most (62.5 percent) are still self-employed.
- About 64.7 percent own corporations, and only 13.2 percent are in partnerships.
- Very few (6.9 percent) have used Federal small business programs.

### Korean War Veteran Entrepreneurs

- The majority (70.6 percent) are between 45 and 54 years old.
- Nearly half (48.2 percent) earn \$50,000 or more.
- Almost half (44.8 percent) have some education beyond a bachelor's degree.
- Only 30.1 percent served in combat.
- About three-fourths (77.2 percent) left the service with a rank above the enlisted level.

- Most (65.2 percent) are still employed, the majority (52.5 percent) in corporations.
- Only 8.1 percent have used Federal small business programs.

#### Vietnam War Veteran Entrepreneurs

- Most (70.6 percent) are between 35 and 44 years old.
- About 47.7 percent have incomes of \$50,000 or more.
- Over half (53.6 percent) have earned some graduate level credit.
- About one in three served in combat.
- About one-third left the service with an enlisted rank.
- Most (69.5 percent) are still in business for themselves.
- While most (56.3 percent) own corporations, 29.1 percent are involved in partnerships.
- About 9.7 percent have had experience with Federal small business assistance programs.

#### Conclusion

Entrepreneurs do differ from non-entrepreneurs: they are older, better educated, earn more, and are more satisfied with their work. While the finding that they perceive familial and financial resources as available to them as entrepreneurs is expected, what is surprising is the extent to which non-entrepreneurs also believe these facilitators would be available to them, too, if they were to go into business for themselves. While all respondents generally show the high need for achievement, internal locus of control, desire for autonomy, and propensity for risk-taking that would be expected of business school alumni, entrepreneurs tend to exhibit higher levels of these motivational factors or needs than do non-entrepreneurs.

Veterans are more likely than non-veterans to have owned and operated businesses. Among the veterans, members of the World War II cohort were most likely to be self-employed, although this may be an artifact of their greater age and therefore opportunity to go into business for themselves. The likelihood of self-employment also increases with rank at separation.

The veteran entrepreneurs of the three war cohorts are very similar. Vietnam era veteran entrepreneurs, however, tend to be better educated, although World War II veterans left the service with higher ranks. Vietnam veterans also are most likely to use a partnership as the organizational format of their business and, of all three war cohorts, they are the greatest users of Federal small business assistance programs.

In summary, it is clear that the greater propensity of veterans, at least among business school graduates, for entrepreneurship is explained by differences in the demographic characteristic of veterans and non-veterans. The fact remains, however, that veterans are more likely to enter self-employment, and the policy of targeting special programs at veterans as a group with a high potential for entrepreneurship may be appropriate.

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## Chapter 1

### INTRODUCTION

The purpose of this research<sup>1</sup> is to determine whether service in the armed forces, especially combat service, has any impact on the extent to which business school alumni enter self-employment or on the attitudes and opinions that are related to entrepreneurial tendencies. A further purpose was to develop profiles of the demographic, work-related, and military experiences of entrepreneurs and non-entrepreneurs, of veterans and non-veterans, and of entrepreneurs who served in the armed forces during World War II, the Korean War, and the Vietnam War.

#### Research Objectives

The specific research issues underlying the project include:

1. To explore the career paths of business school alumni and to determine whether entrepreneurs differ from non-entrepreneurs and whether veterans differ from non-veterans with respect to the types and sizes of firms with which they work, their satisfaction with their jobs, and the factors which they consider in job choice.
2. To assess the attitudes of business school graduates toward entrepreneurship and their experience with entrepreneurial activities.
3. To examine the attitudes of alumni toward different types of tasks and their assessments of themselves with respect to several psychological factors previously shown to be related to entrepreneurial tendencies; in addition, the extent to which entrepreneurs differ from non-entrepreneurs and veterans differ from non-veterans on these variables are to be determined.
4. To identify the demographic characteristics (age, sex, race, income level, educational level, and marital status) of business school alumni and to assess differences between entrepreneurs and non-entrepreneurs and veterans and non-veterans with respect to these characteristics.
5. To assess the relationship between military combat experience and career experiences, entrepreneurial experiences, attitudes, and task preferences.
6. To develop profiles of business school alumni entrepreneurs of three war cohorts (World War II, the Korean War, and the Vietnam War).

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<sup>1</sup> This research was performed under contract (SBA-2770-VA-83) to the Office of Veterans Affairs, U.S. Small Business Administration.

### Research Design

In order to gain a deeper understanding of issues related to the research questions, exploratory research, consisting of a series of four focus group interviews and an extensive survey of the literature, were undertaken. These findings are reported in Volume I of the research report. The major component of the project, and the focus of this report, is a survey of business school alumni.

Systematic random samples were selected from business school alumni of the College of William and Mary, Norfolk State University, Ohio State University, Texas Christian University, the University of Maryland and the University of Tennessee. These schools were selected because they represented a mix of public and private, large and small, majority and minority institutions and because of their willingness to participate. The distribution of the sample by school is roughly proportional to the size of the business alumni body for each school and is shown in Table 1-1.

Table 1-1

#### Distribution of Sample by School

| <u>School</u>               | <u>Number</u> | <u>Percent<br/>of Sample</u> |
|-----------------------------|---------------|------------------------------|
| College of William and Mary | 1,000         | 5.0%                         |
| Ohio State University       | 6,814         | 34.1                         |
| Norfolk State University    | 1,197         | 6.0                          |
| Texas Christian University  | 2,000         | 10.0                         |
| The University of Maryland  | 3,989         | 19.9                         |
| The University of Tennessee | <u>5,000</u>  | <u>25.0</u>                  |
| Total                       | 20,000        | 100.0%                       |

An eight-page questionnaire (see Appendix) was developed and approved by the U.S. Small Business Administration and the Office of Management and Budget (OMB No. 3245-0182). The questionnaire solicited information on the demographic background and work experience of respondents, their entrepreneurial and military experience, their perceptions of themselves with respect to a number of psychological variables, and their preferences between alternative work tasks.

The literature on entrepreneurship suggests that four of the major psychological traits characteristic of entrepreneurs are a high need for achievement, an internal locus of control (a belief that the outcomes in one's life are contingent on one's own actions), a propensity for taking risks, and a

need for independence or autonomy. In assessing the role of these factors in entrepreneurial tendencies, Mid-Atlantic Research, Inc., built on the work of Hull, Bosley, and Udell (1980) at the University of Oregon. The need for achievement, locus of control, and creativity/risk scales used in this study are slightly abbreviated versions of the scales developed and tested by Hull, Bosley, and Udell (and others) in their study of entrepreneurs. The items are presented as Likert scales with a range from 1 = strongly disagree to 5 = strongly agree. Most items were worded so that agreement would be the response hypothesized to be characteristic of entrepreneurs. However, to reduce response set bias, the direction on many items was reversed; scoring was appropriately adjusted on these items. The autonomy/independence scale was developed by Mid-Atlantic Research, Inc., to capture a fourth dimension of entrepreneurial dynamics. Hull, Bosley, and Udell also developed a task preference scale on which respondents indicate their preference between pairs of job-related tasks. Their research suggested that this scale was useful in discriminating between entrepreneurs and non-entrepreneurs. An abbreviated version of the task preference scale, with revisions to transform it from a combination forced-choice, Likert scale to a simpler semantic differential type scale, was included in the survey.

The survey instrument was pre-tested on a sample of 50 alumni of the School of Business Administration at the College of William and Mary. Each member of the pre-test sample was sent a portion of the questionnaire with a letter explaining the purpose of the research and requesting that they complete the questionnaire and retain it until a member of the MAR staff called to discuss it. Telephone calls were placed to respondents eliciting information about the time required to complete the questionnaire and about questions, problems, or ambiguities which arose. Only minor revisions were required following the pre-test.

The questionnaire packet included a cover letter explaining the purpose of the survey, the questionnaire, and a business reply envelope. The questionnaire was anonymous and respondents were assured of the confidentiality of their replies.

The questionnaire was mailed to 20,000 graduates of the participating schools in September of 1984. Approximately two weeks after the initial mailing, a follow-up mailing was sent to every respondent including a questionnaire, business reply envelope, and a second cover letter requesting cooperation.

Questionnaires were returned to Mid-Atlantic Research by postage pre-paid mail. A total of 5,366 responses were received, of which 5,229 were returned by the cut-off date and were sufficiently complete to be included in the study. The overall response rate was 26.8%, and the usable response rate, 26.1%.

Data were computer-tabulated by Mid-Atlantic Research. In order to address the significant research questions - do entrepreneurs differ from non-entrepreneurs, veterans from non-veterans, and veterans of the three war cohorts from one another - much of the analysis focused on comparisons of groups. Statistical tests were performed to assess the statistical significance of differences between groups. For ratio level data, two-way



analysis of variance was performed. For examination of association between categorical variables in two-way cross-tabulations, Chi-Square tests were appropriate. Multivariate analysis was appropriate for assessing the effect of other variables, especially demographic characteristics, on the relationship between entrepreneurship and veteran status. The categorical nature of the data for these variables made log-linear analysis appropriate. Log-linear models are useful in exploring the effect of complex interactions among variables in multi-way contingency tables. The process used was one of developing a fully-saturated model, in which the relationships among variables are explained by the inclusion of all variables and all possible interactions, and successively eliminating terms with relatively weak explanatory value according to statistical criteria. The result is a model which best explains the relationship of the variables within the requirements for statistical significance. Log-linear analysis was selected over more traditional Chi-Square tests because the latter are limited to testing for independence in each of the two-way cross-tabulation sub-tables in a multiway cross-tabulation. This yields confusing results when findings for sub-tables are inconsistent and does not accomplish the objective of summarizing and testing for relationships among more than two variables.

#### Definition of Sample Groupings Used for Comparison

Three major classification variables were used in this study. They were: entrepreneur status, veteran status and war cohort. A respondent was classified as an entrepreneur or non-entrepreneur based on his response to the question, "Have you ever had an ownership interest in a business which you managed and to which you made a major commitment in time and effort?" Classification with respect to veteran status was made on the basis of the question, "Did you serve on full-time, active duty status in the armed forces?" The third major classificatory variable was war cohort, used in examination of the characteristics of veteran entrepreneurs who served in three recent wars. Veterans are defined as World War II veterans if they served between 1940 and 1947, inclusive. Korean War veterans are those who served between 1950 and 1955, inclusive, while veterans who served between 1964 and 1975, inclusive, are defined as members of the Vietnam War cohort.

#### Sampling Error

All sampling processes are subject to error. Table 1-2 shows estimates of the range of error (plus or minus) possible in estimating a particular percentage given various sample sizes. These estimates of statistical error should be used in evaluating the range within which the true population proportion lies. One can be 95 percent confident that the true population percentage would fall within the range of plus or minus the specified percentage points around the percentage observed in the sample.

Table 1-2

Estimates of Probable Sampling Error  
(Percentage Points Plus or Minus)

| <u>Sample Size</u> | <u>Probable Range<br/>of Error<br/>(+/- Percentage Points)</u> |
|--------------------|--|
| 500                | 2.7 - 4.5  |
| 1000               | 1.9 - 3.2  |
| 1500               | 1.5 - 2.5  |
| 3500               | 1.0 - 1.7  |
| 5000               | 0.8 - 1.4  |

Overview

The following chapters present the findings of the survey. Chapter 2 presents a profile of the sample, focusing on their career experiences, entrepreneurship and veteran status, and demographic characteristics. Chapter 3 addresses the entrepreneurial activity of sample respondents; it provides an analysis of the experiences of respondents who have owned and operated their own businesses. In Chapter 4 entrepreneurs and non-entrepreneurs are compared with respect to their career experiences, entrepreneurial related attitudes, task preferences, and demographic characteristics. Chapter 5 focuses on the extent and nature of military activity among sample respondents and the differences between veterans and non-veterans with respect to the same variables on which entrepreneurs and non-entrepreneurs are compared. A simultaneous examination of the effects of entrepreneurship and veteran status is offered in Chapter 6 to allow an examination of the veteran entrepreneur. Chapter 7 presents profiles of veteran entrepreneurs for the three war cohorts under consideration, World War II, the Korean War, and the Vietnam War.

## Chapter 2

### PROFILE OF SAMPLE RESPONDENTS

This chapter presents background information about the 5,229 respondents in the sample, including their career experiences, entrepreneurial and veteran status, and demographic characteristics. This material is intended to provide the reader with information on the overall composition of the sample and thereby to set the stage for the examination and comparison of different groups which follow. The data for these findings are presented in Tables 2-1 through 2-14 at the end of the chapter.

#### Demographic Characteristics

The majority of respondents are male (75.8 percent), married (69.3 percent) and white (95.6 percent). Over half are between the ages of 25 and 44, and only 28.8 percent of respondents are 45 or older. This result is not surprising given the relatively recent surge in business school enrollment and the fact that many colleges and universities have developed new business schools to meet this demand. About four out of ten of the respondents have some education beyond a bachelor's degree, and 8.8 percent have pursued their education beyond a master's degree. As would be expected, about 94.6 percent have a bachelor's degree in business, and 18.8 percent have a master's in business. Nearly three-fourths reported that their annual incomes exceeded \$25,000 and about one-fourth have incomes in excess of \$50,000.

#### Career Experiences

The average respondent has had 14.3 years of paid full-time work experience. Most are employed by large firms (55.1 percent worked for firms with 500 or more employees), although a significant number (32.5 percent) are employed by firms with fewer than 100 workers. The types of businesses in which respondents are most concentrated are finance, insurance and real estate (22.7 percent), service, education, and non-profit (19.6 percent) and manufacturing (17.5 percent). Very few respondents are employed in wholesaling, agriculture, mining, construction, transportation, communication, or utilities. Respondents generally report relatively high levels of satisfaction with their jobs: 45.6 percent are very satisfied, and another 34.6 percent are somewhat satisfied.

### Entrepreneurial Experience and Veteran Status

About 29.9 percent of the respondents report that they have owned and managed their own businesses at some time. Nearly one-third of the respondents (31.7 percent) have served on active duty whether in combat or not with the armed forces; approximately 87.5 percent of this group served in one of the three recent wars. As might be expected given the relative youth of sample members, the largest group of veterans (37.5 percent) served during the Vietnam War, although nearly as large a group (35.8 percent) served in World War II.

Table 2-1  
Gender of Respondents<sup>a</sup>

| <u>Gender</u> | <u>Percent</u> |
|---------------|----------------|
| Male          | 75.8%          |
| Female        | <u>24.2</u>    |
|               | 100.0%         |
|               | (n=5183)       |

---

a Question V-2.

Table 2-2  
Marital Status of Respondents<sup>a</sup>

| <u>Marital Status</u> | <u>Percent</u> |
|-----------------------|----------------|
| Never Married         | 23.9%          |
| Married               | 69.3           |
| Divorced              | 5.1            |
| Separated             | 0.9            |
| Widowed               | <u>0.8</u>     |
|                       | 100.0%         |
|                       | (n=5186)       |

---

a Question V-3.

Table 2-3  
Race of Respondents<sup>a</sup>

| <u>Race</u>            | <u>Percent</u> |
|------------------------|----------------|
| White                  | 95.6%          |
| Black                  | 3.2            |
| American Indian        | 0.1            |
| Asian/Pacific Islander | 0.6            |
| Eskimo or Aleutian     | 0.1            |
| Other                  | <u>0.4</u>     |
|                        | 100.0%         |
|                        | (n=5062)       |

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<sup>a</sup> Question V-14.

Table 2-4  
Hispanic Origin of Respondents<sup>a</sup>

| <u>Hispanic Origin</u> | <u>Percent</u> |
|------------------------|----------------|
| Yes                    | 1.4%           |
| No                     | <u>98.6</u>    |
|                        | 100.0%         |
|                        | (n=4356)       |

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<sup>a</sup> Question V-15.

Table 2-5  
Age of Respondents<sup>a</sup>

| <u>Age</u>    | <u>Percent</u>       |
|---------------|----------------------|
| 18 - 24 years | 9.5%                 |
| 25 - 34 years | 40.7                 |
| 35 - 44 years | 21.0                 |
| 45 - 54 years | 12.7                 |
| 55 - 64 years | 11.9                 |
| 65 or over    | <u>4.2</u><br>100.0% |
|               | (n=5189)             |

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<sup>a</sup> Question V-1.

Table 2-6  
Educational Level of Respondents<sup>a</sup>

| <u>Educational Level</u>  | <u>Percent</u>       |
|---------------------------|----------------------|
| Some Undergraduate Credit | 1.3%                 |
| Bachelors Degree          | 59.9                 |
| Some Graduate Credit      | 13.1                 |
| Masters Degree            | 16.9                 |
| Some Post-Graduate Credit | 3.9                  |
| Doctorate                 | <u>4.9</u><br>100.0% |
|                           | (n=5183)             |

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<sup>a</sup> Question V-4.

Table 2-7

Business Degrees Received by Respondents<sup>a</sup>

| <u>Business Degree</u> | <u>Percent</u>                    |
|------------------------|-----------------------------------|
| Bachelor's             | 94.6%                             |
| Master's               | 18.8                              |
| Doctorate              | <u>1.4</u><br>114.8% <sup>b</sup> |
|                        | (n=4986)                          |

---

a Question V-5.

b Sum exceeds 100 percent because some respondents received more than one business degree.

Table 2-8

Annual Income of Respondents<sup>a</sup>

| <u>Annual Income</u> | <u>Percent</u>        |
|----------------------|-----------------------|
| Under \$15,000       | 7.5%                  |
| \$15,000 - \$24,999  | 19.9                  |
| \$25,000 - \$34,999  | 23.9                  |
| \$35,000 - \$49,999  | 23.4                  |
| \$50,000 - \$74,999  | 14.8                  |
| \$75,000 or more     | <u>10.5</u><br>100.0% |
|                      | (n=5099)              |

---

a Question V-16



Table 2-9

Number of Employees With Current Employer<sup>a</sup>

| <u>Number of Employees</u> | <u>Percent</u> |         |
|----------------------------|----------------|---------|
| Fewer than 25              | 21.1%          |         |
| 25 - 99                    | 11.4           |         |
| 100 - 499                  | 12.4           |         |
| 500 - 999                  | 6.1            | } 55.1% |
| 1000 or more               | 49.0           |         |
|                            | <u>100.0%</u>  |         |
|                            | (n=4772)       |         |

<sup>a</sup> Question I-2. Respondents were asked how many employees work for their current employer at all locations. Entrepreneurs were instructed to answer for their own firms.

Table 2-10

Current Employer's Type of Business<sup>a</sup>

| <u>Type of Business</u>                            | <u>Percent</u> |
|--|----------------|
| Wholesaling  | 5.6%           |
| Retailing  | 10.5           |
| Agriculture  | 0.7            |
| Mining   | 0.6            |
| Construction                                       | 2.3            |
| Manufacturing                                      | 17.5           |
| Transportation/Communication/<br>or Public Utility | 7.7            |
| Financial/Insurance/or Real Estate                 | 22.7           |
| Other Service/Education/or Non-Profit              | 19.6           |
| Government   | <u>12.8</u>    |
|  | 100.0%         |
|  | (n=4915)       |

Table 2-11

Satisfaction With Current Job<sup>a</sup>  
(Employed Only)

| <u>Level of Satisfaction</u>          | <u>Percent</u> |
|---------------------------------------|----------------|
| Very Satisfied                        | 45.6%          |
| Somewhat Dissatisfied                 | 34.6           |
| Neither Satisfied nor<br>Dissatisfied | 5.2            |
| Somewhat Dissatisfied                 | 11.0           |
| Very Dissatisfied                     | <u>3.6</u>     |
|                                       | 100.0%         |
|                                       | (n=4803)       |

---

<sup>a</sup> Question I-4.

Table 2-12

Entrepreneurial Experience of Respondents<sup>a</sup>

| <u>Ever Owned Business</u> | <u>Percent</u> |
|----------------------------|----------------|
| Yes                        | 29.9%          |
| No                         | <u>70.1</u>    |
|                            | 100.0%         |
|                            | (n=5115)       |

---

<sup>a</sup> Question I-7.

Table 2-13  
 Veteran Status of Respondents<sup>a</sup>

| <u>Served Full-Time<br/>Active Duty Status</u> | <u>Percent</u>        |
|--|-----------------------|
| Yes  | 31.7%                 |
| No   | <u>68.3</u><br>100.0% |
|  | (n=5124)              |

---

a Question V-6.

Table 2-14  
 War Cohort of Veteran Respondents<sup>a</sup>

| <u>Cohort</u>          | <u>Percent</u>                     |
|------------------------|------------------------------------|
| World War II           | 35.8%                              |
| Korean War             | 21.9                               |
| Vietnam War            | 37.5                               |
| Peacetime Service Only | <u>10.9</u><br>106.1% <sup>b</sup> |
|                        | (n=1604)                           |

---

a Question V-10.

b Sum exceeds 100.0 percent because veterans could serve during more than one period.

## Chapter 3

### ENTREPRENEUR BUSINESS EXPERIENCE

This chapter explores the experiences of entrepreneurs in owning their own businesses. The areas addressed include the extent and nature of their entrepreneurial experience, antecedents of self-employment, and reasons for leaving self-employment. Supporting data may be found in Tables 3-1 through 3-7 at the end of this chapter.

#### Entrepreneurial Experience

As noted in Chapter 2, approximately 29.9 percent of the respondents have at some time owned and managed a business in which they made a major commitment of time and effort. The entrepreneurs in the sample have been in business for themselves an average of 10.0 years and have owned an average of 1.6 businesses. Most (75.1 percent) of them have been involved in the creation of at least one of those businesses (Table 3-1). The majority of the entrepreneurs (70.6 percent) still were self-employed at the time of the survey (Table 3-2). Of those who currently own firms, most (54.4 percent) report that those businesses are organized as corporations (Table 3-3). Former business owners were asked about the size of the last owned firm; the majority of these firms were quite small: 84.3 percent employed fewer than 25 persons (Table 3-4). Only a very small percentage (8.2 percent) of the entrepreneurs report they have ever used any federal government programs designed to aid small businesses (Table 3-5).

#### Antecedents of Entrepreneurship

The literature on entrepreneurship abounds with theories about why people go into business for themselves. Some argue that many entrepreneurs are "pushed" into self-employment by their dissatisfaction with or inability to function in corporations or businesses owned by others. Others argue that, for many, a critical time -- separation from the military or graduation from college -- creates a situation in which the potential entrepreneur has the freedom and opportunity to pursue self-employment. In the survey, respondents were asked to indicate which of a list of situations capturing many of the antecedents addressed in the literature were applicable to them just before going into business for themselves. The results are shown in Table 3-6.

Dissatisfaction with prior job does appear to have been an impetus for self-employment for some respondents, although that dissatisfaction most often centered on some aspect of the job other than salary. The most frequently cited antecedent is dissatisfaction with some aspect of the prior job other

than salary or promotional opportunities (cited by 26.5 percent); 17.2 percent report salary dissatisfaction, and about 16.0 percent perceived a lack of promotional opportunities in prior jobs. It is not clear, however, to what extent dissatisfaction is a catalyst to entering self-employment and to what extent it simply is present as a condition of working life.

Some justification for the idea that a career hiatus may be a significant antecedent of entrepreneurship may be found in the finding that the fourth most frequently cited antecedent of self-employment was graduation from college or graduate school (18.7 percent). Very few (6.2 percent), however, have just left the military.

For many, entrance into self-employment seems to have been the result of the positive "pull" of entrepreneurship rather than the negative "push" of dissatisfaction with previous employment or the phenomenon of a period of freedom. The second and third most often cited antecedents are an opportunity to buy a small business (21.2 percent) and having a good idea for a new business (20.3 percent). Only 9.1 percent, however, cite previous employment in a small business as a catalyst.

#### Reasons for Leaving Self-Employment

Approximately 29.4 percent of the entrepreneurs are no longer in business for themselves. Personal reasons are the most commonly reported explanation for leaving self-employment (cited by 32.9 percent of those no longer in business for themselves, Table 3-7). While personal reasons are the most frequently cited reason by respondents, financial issues also are mentioned often, with 29.4 percent indicating inadequate profits as a reason and another 6.7 percent pointing to the inability to obtain financing.

Table 3-1

Involvement in the Creation of Owned Business<sup>a</sup>  
(Entrepreneurs Only)

| <u>Involvement in Creation<br/>of Business</u> | <u>Percent</u>        |
|--|-----------------------|
| Yes  | 75.1%                 |
| No   | <u>24.9</u><br>100.0% |
|  | (n=1508)              |

---

<sup>a</sup> Question II-3.

Table 3-2

Current Business Ownership<sup>b</sup>  
(Entrepreneurs Only)

| <u>Currently Own Business</u> | <u>Percent</u>        |
|-------------------------------|-----------------------|
| Yes                           | 70.6%                 |
| No                            | <u>29.4</u><br>100.0% |
|                               | (n=1505)              |

---

<sup>a</sup> Question II-5.

Table 3-3  
Form of Current Business<sup>a</sup>  
(Entrepreneurs Only)

| <u>Form of Business</u> | <u>Percent</u> |
|-------------------------|----------------|
| Sole Proprietorship     | 28.7%          |
| Partnership             | 16.9           |
| Corporation             | <u>54.4</u>    |
|                         | 100.0%         |
|                         | (n=1193)       |

---

<sup>a</sup> Question II-6.

Table 3-4  
Number of Employees in Formerly Owned Business<sup>a</sup>  
(Former Entrepreneurs Only)

| <u>Number of Employees</u> | <u>Percent</u> |
|----------------------------|----------------|
| Fewer than 25              | 84.3%          |
| 25 - 99                    | 10.2           |
| 100 - 499                  | 3.9            |
| 500 - 999                  | 0.3            |
| 1000 or more               | <u>1.3</u>     |
|                            | 100.0%         |
|                            | (n=674)        |

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<sup>a</sup> Question II-8.

Table 3-5

Use of Federal Small Business Programs<sup>a</sup>  
(Entrepreneurs Only)

| <u>Used Federal<br/>Small Business Programs</u> | <u>Percent</u>        |
|---|-----------------------|
| Yes   | 8.2%                  |
| No  | <u>91.8</u><br>100.0% |
|   | (n=1503)              |

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<sup>a</sup> Question II-4.

Table 3-6

Antecedents of Self-Employment<sup>a</sup>  
(Entrepreneurs Only)

| <u>Antecedent</u>                                   | <u>Percent</u>      |
|---|---------------------|
| Just separated from military                        | 6.2%                |
| Just graduated from college or graduate school      | 18.7                |
| Lack of promotional opportunities in prior job      | 16.0                |
| Dissatisfied with salary of prior job               | 17.2                |
| Dissatisfied with other aspect of prior job         | 26.5                |
| Prior job was eliminated or was laid off or fired   | 6.5                 |
| Had a good opportunity to buy into a small business | 21.2                |
| Had a good idea for a new business                  | 20.3                |
| Working in a small business was a catalyst          | 9.1                 |
| Other reason  | <u>15.6</u>         |
|   | 157.3% <sup>b</sup> |
|   | (n=1527)            |

---

<sup>a</sup> Question II-9

<sup>b</sup> Sum exceeds 100.0% because respondents could report that more than one situation applied.



Table 3-7  
Reasons for Leaving Self-Employment<sup>a</sup>  
(Former Entrepreneurs Only)

| <u>Reason</u>                          | <u>Percent</u>                     |
|--|------------------------------------|
| Bankruptcy                             | 2.3%                               |
| Insufficient Profit                    | 29.4                               |
| Inability to Obtain Adequate Financing | 6.7                                |
| Personal Reasons                       | 34.0                               |
| Other                                  | <u>32.9</u><br>105.3% <sup>b</sup> |
|  | (n=432)                            |

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a Question II-7.

b Total sums to more than 100.0 percent because respondents could give more than one reason.

## Chapter 4

### BUSINESS SCHOOL ALUMNI CAREER PATHS, MILITARY EXPERIENCES, AND WORK RELATED ATTITUDES: A COMPARISON OF ENTREPRENEURS WITH NON-ENTREPRENEURS

In this chapter the findings of the research with respect to business school alumni career paths, military experiences and work related attitudes are presented. In addition, the characteristics of business school alumni entrepreneurs are compared with their non-entrepreneur counterparts.

#### Demographic Characteristics

Small, but statistically different, differences were found between business school alumni entrepreneurs and non-entrepreneurs along several demographic dimensions. This information is shown in Tables 4-1 to 4-7.

In general, business school alumni entrepreneurs were more likely to be (or to have):

1. Older (66.4 percent are 35 or over versus only 42.6 percent in this age category for the non-entrepreneurs, Table 4-1).
2. Male (89.1 percent versus only 70.5 percent for the non-entrepreneurs, Table 4-2). Overall, 76.1 percent of the respondents are male.
3. Married (79.1 percent versus 65.2 percent for the non-entrepreneurs, Table 4-3).
4. Somewhat better educated (41.1 percent with some graduate credit or higher versus only 34.8 percent for the non-entrepreneurs, Table 4-4).
5. White (although the differences are slight: 97.2 percent versus 95.0 percent for non-entrepreneurs, Table 4-5).
6. Higher annual incomes (42.9 percent with annual incomes of \$50,000 or more versus only 18.0 percent for non-entrepreneurs, Table 4-7).

#### Career Experiences

In addition to the questions about their demographic characteristics, survey participants were asked to respond to questions about certain aspects of their career experience. The basic findings for the entire sample are presented in Chapter 2. This section focuses on a comparison of the career experiences of entrepreneurs (ever owned and operated a business of their own) and those who are not classified as entrepreneurs. The information is shown in Tables 4-8 and 4-9.

Respondents to the survey have worked an average of 14.3 years at paid full-time positions and are somewhat more likely to have worked for large firms (500 or more employees) than for small firms. Overall, 55.1 percent of the respondents work for large firms. The business school alumni surveyed are likely to work for a services-related organization (transportation, communication, public utility, finance, insurance, real estate, education, government, non-profit or other service), with 62.8 percent falling into this broadly defined category (Table 4-9). It is not surprising, however, that the largest single category of business for the business school alumni is in the financial, insurance and real estate area, representing 22.8 percent of the respondents.

Interestingly, entrepreneurs are likely to have worked longer in paid, full-time positions (19.1 years versus 12.2 years). Entrepreneurs also are much more likely (75.3 percent versus 32.3 percent) to work for small organizations (Table 4-8). Not surprisingly, entrepreneurs are somewhat more likely to work for financial, insurance or real estate and for retailing organizations than non-entrepreneurs, since many of the companies in these areas are small businesses. However, the differences in the type of business are not statistically significant (Table 4-9).

#### Work Related Attitudes

The business school alumni participants were asked a series of questions designed to assess work related attitudes held by them. Overall, respondents seem satisfied with their current position, with 80.2 percent indicating they are somewhat or very satisfied with the job. When asked what attributes of a job ranked most important, income potential, autonomy and responsibility are most frequently cited with 21.9, 20.2, and 16.2 percent respectively, indicating these attributes. This information and comparisons between entrepreneurs and non-entrepreneurs are shown in Tables 4-10 and 4-11. Entrepreneurs are more likely to see autonomy, income, and power as important, while non-entrepreneurs indicate they attach importance to responsibility, security, promotion opportunity, and location.

#### Entrepreneur Related Beliefs and Needs

To assess attitudes toward factors that might affect their decision to go in business for themselves, respondents were asked several questions about their beliefs. Overall, respondents indicate that their families would be supportive if they decided to go into business for themselves (mean score of 4.1 on a 5-point scale from strongly agree = 5, to strongly disagree = 1). They also feel that the skills acquired in business school would be useful (mean score 3.9) in owning and operating a business. On balance, respondents are neutral in assessing the usefulness of skills acquired during military service in owning and operating a business. This information is shown in Table 4-12.

Entrepreneurs, on average, tend to agree strongly that both family support and financial resources would be available to them to open a business. However, they also tend to disagree that Federal government programs would be useful in owning and operating a small business.

There is support in the literature that entrepreneurs exhibit high degrees of need for achievement, to be internals (to believe that they have significant control over the outcomes in their lives) in evaluating their locus of control, to have higher needs for autonomy, and to exhibit greater propensities for creativity and risk. Respondents to the survey were requested to answer a lengthy series of items which combine to yield measures of each of these psychological characteristics. Scale items are taken from prior studies in which their usefulness has been established. A more detailed discussion of the scales is contained in Chapter 1 (Introduction). The research findings are shown in Tables 4-13 to 4-17. As expected, given the orientation and general reputation of business school programs, the overall average for all respondents on all four scales is above the mid-point (Table 4-13). In general, higher scores indicate higher need for achievement, a propensity to see oneself as an internal in locus of control, as preferring greater independence and autonomy, and as exhibiting higher degrees of creativity or a willingness to accept greater degrees of risk.

Also as hypothesized, entrepreneurs score higher on all four scales than did their non-entrepreneur counterparts. However, the differences are slight. It would appear that all business school alumni tend to exhibit high ratings on these scales, with entrepreneurs only marginally higher (although the difference is statistically significant). Further, when the individual items in each scale are examined (Tables 4-14 to 4-17), the pattern is reinforced. Entrepreneurs consistently achieve higher ratings by a slight margin over their non-entrepreneur colleagues.

When asked to describe their preferences for a variety of work tasks, respondents indicate a slight overall preference for task items associated with the traditional concept of an entrepreneur. As with the previous attitude scales, scale items are derived from a prior study described in the introduction (Chapter 1). The mean summated scale for all respondents is 28.8 as compared to a mid-point of 30 (Table 4-18). For this scale, lower scores are associated with entrepreneurs. Entrepreneurs, as a group, scored somewhat lower at a mean of 28.1 while their non-entrepreneurial colleagues scored 28.9. The difference between the two scores (both below the mid-point) is small but statistically significant. When the individual items are examined the pattern is less consistent than in previous scales, indicating that the task preference items may not be as effective in discriminating among people on the basis of their entrepreneurial skills as other scales.

### Military Experiences

Almost one-third of the sample (31.7 percent) are veterans. Notably, veterans are more likely to be entrepreneurs than are their non-veteran counterparts (41.5 percent versus 24.5 percent). This information is shown in Table 4-19.

Overall, respondents are divided about evenly between the ranks of enlisted (29.8 percent), non-commissioned and warrant officer (34.4 percent) and officer (35.8 percent). In examining the veteran group it is interesting to note that veteran officers are somewhat more likely to become entrepreneurs than the non-officer (enlisted and non-commissioned personnel and warrant officer)

veterans (44.2 percent versus 43.1 and 37.2 percent, Table 4-20). Further, the pattern is consistent with officers more likely than warrant officers and non-commissioned officers to be entrepreneurs (44.2 percent versus 43.1 percent), and the latter in turn more likely than enlisted veterans to be entrepreneurs (43.1 percent versus 37.2 percent).

Veterans seeing combat in World War II are much more likely to be entrepreneurs than are combat veterans of Vietnam (49.3 percent versus 33.0 percent). However, this is largely explicable by the age and, therefore, greater opportunity of veterans during the earlier war to have become entrepreneurs. Overall, the differences between those seeing combat and those that did not serve in a combat zone are not statistically significant.

Table 4-1

Age by Entrepreneur Status<sup>a</sup>

| Age           | <u>Entrepreneur Status</u> |                         | <u>Total</u>  |
|---------------|----------------------------|-------------------------|---------------|
|               | <u>Entrepreneur</u>        | <u>Non-Entrepreneur</u> |               |
| 18 - 24 years | 3.1%                       | 12.3%                   | 9.5%          |
| 25 - 34 years | 30.5                       | 45.1                    | 40.9          |
| 35 - 44 years | 24.0                       | 20.0                    | 21.2          |
| 45 - 54 years | 17.2                       | 10.7                    | 12.6          |
| 55 - 64 years | 18.2                       | 9.1                     | 11.8          |
| 65 or over    | 7.0                        | 2.8                     | 4.0           |
|               | <u>100.0%</u>              | <u>100.0%</u>           | <u>100.0%</u> |
|               | (n=1521)                   | (n=3582)                | (n=5103)      |

{ 66.4% (Entrepreneur column for ages 35-64)  
 { 42.6% (Non-Entrepreneur column for ages 35-64)  
 { 49.6% (Total column for ages 35-64)

<sup>a</sup> Questions I-7 and V-1. Chi-square test statistically significant (p<.05).

Table 4-2

Gender by Entrepreneur Status<sup>a</sup>

| <u>Gender</u> | <u>Entrepreneur Status</u> |                         | <u>Total</u>           |
|---------------|----------------------------|-------------------------|------------------------|
|               | <u>Entrepreneur</u>        | <u>Non-Entrepreneur</u> |                        |
| Male          | 89.1%                      | 70.5%                   | 76.1%                  |
| Female        | $\frac{10.9}{100.0\%}$     | $\frac{29.5}{100.0\%}$  | $\frac{23.9}{100.0\%}$ |
|               | (n=1520)                   | (n=3577)                | (n=5097)               |

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<sup>a</sup> Questions I-7 and V-2. Chi-square test statistically significant (p<.05).

Table 4-3

Marital Status by Entrepreneur Status<sup>a</sup>

| <u>Marital Status</u> | <u>Entrepreneur Status</u> |                         | <u>Total</u>          |
|-----------------------|----------------------------|-------------------------|-----------------------|
|                       | <u>Entrepreneur</u>        | <u>Non-Entrepreneur</u> |                       |
| Never Married         | 13.3%                      | 28.6%                   | 24.0%                 |
| Married               | 79.1                       | 65.2                    | 69.3                  |
| Divorced              | 5.8                        | 4.6                     | 5.0                   |
| Separated             | 0.9                        | 0.9                     | 0.9                   |
| Widowed               | $\frac{0.9}{100.0\%}$      | $\frac{0.7}{100.0\%}$   | $\frac{0.8}{100.0\%}$ |
|                       | (n=1521)                   | (n=3579)                | (n=5100)              |

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<sup>a</sup> Questions I-7 and V-3. Chi-square test statistically significant (p<.05).

Table 4-4  
Educational Level by Entrepreneur Status<sup>a</sup>

| <u>Educational Level</u>  | <u>Entrepreneur Status</u> |                         | <u>Total</u>  |         |
|---------------------------|----------------------------|-------------------------|---------------|---------|
|                           | <u>Entrepreneur</u>        | <u>Non-Entrepreneur</u> |               |         |
| Some Undergraduate Credit | 1.7%                       | 1.1%                    | 1.3%          |         |
| Bachelor's Degree         | 57.2                       | 61.1                    | 59.9          |         |
| Some Graduate Credit      | 14.3                       | 12.7                    | 13.2          | } 38.8% |
| Master's Degree           | 13.4                       | 18.4                    | 16.9          |         |
| Some Post-Graduate Credit | 5.4                        | 3.2                     | 3.9           |         |
| Doctor's Degree           | 8.0                        | 3.5                     | 4.8           |         |
|                           | <u>100.0%</u>              | <u>100.0%</u>           | <u>100.0%</u> |         |
|                           | (n=1519)                   | (n=3579)                | (n=5098)      |         |

<sup>a</sup> Questions I-7 and V-4. Chi-square test statistically significant (p<.05).



Table 4-5

Business Degrees Received by Entrepreneur Status<sup>a</sup>

| <u>Business Degree</u> | <u>Entrepreneur Status</u> |                         | <u>Total</u>        |
|------------------------|----------------------------|-------------------------|---------------------|
|                        | <u>Entrepreneur</u>        | <u>Non-Entrepreneur</u> |                     |
| Bachelor's             | 95.1%                      | 94.1%                   | 94.4%               |
| Master's               | 17.5                       | 19.3                    | 18.7                |
| Doctorate <sup>b</sup> | 2.5                        | 0.9                     | 1.3                 |
|                        | 115.1% <sup>c</sup>        | 114.3% <sup>c</sup>     | 114.4% <sup>c</sup> |
|                        | (n=1451)                   | (n=3452)                | (n=4903)            |

<sup>a</sup> Questions I-7 and V-5.

<sup>b</sup> Chi-square test on this item only statistically significant ( $p < .05$ ).

<sup>c</sup> Column totals exceed 100% as respondents could have more than one business degree. Since only business degrees are tabulated, non-business bachelor's degrees are not shown for master's and doctor's degree holders.

Table 4-6

Race by Entrepreneur Status<sup>a</sup>

| <u>Race</u>          | <u>Entrepreneur Status</u> |                         | <u>Total</u> |
|----------------------|----------------------------|-------------------------|--------------|
|                      | <u>Entrepreneur</u>        | <u>Non-Entrepreneur</u> |              |
| White                | 97.2%                      | 95.0%                   | 95.6%        |
| Black                | 1.5                        | 3.9                     | 3.2          |
| American Indian      | 0.1                        | 0.1                     | 0.1          |
| Asian/Pacific Island | 0.7                        | 0.6                     | 0.6          |
| Eskimo or Aleutian   | 0.0                        | 0.1                     | 0.1          |
| Other                | 0.5                        | 0.3                     | 0.4          |
|                      | 100.0%                     | 100.0%                  | 100.0%       |
|                      | (n=1491)                   | (n=3489)                | (n=4980)     |

<sup>a</sup> Questions I-7 and V-14. Chi-square test statistically significant ( $p < .05$ ).

Table 4-7  
Annual Income by Entrepreneur Status<sup>a</sup>

| <u>Annual Income</u> | <u>Entrepreneur Status</u> |                         | <u>Total</u>  |
|----------------------|----------------------------|-------------------------|---------------|
|                      | <u>Entrepreneur</u>        | <u>Non-Entrepreneur</u> |               |
| Under \$15,000       | 4.1%                       | 8.8%                    | 7.4%          |
| \$15,000 - \$24,999  | 11.1                       | 23.6                    | 19.9          |
| \$25,000 - \$34,999  | 18.2                       | 26.4                    | 23.9          |
| \$35,000 - \$49,999  | 23.9                       | 23.2                    | 23.5          |
| \$50,000 - \$74,999  | 18.8                       | 13.2                    | 14.8          |
| \$75,000 or more     | 23.9                       | 4.8                     | 10.5          |
|                      | <u>100.0%</u>              | <u>100.0%</u>           | <u>100.0%</u> |
|                      | (n=1500)                   | (n=3520)                | (n=5020)      |

<sup>a</sup> Questions I-7 and V-16. Chi-square test statistically significant (p<.05).

Table 4-8

Number of Employees With Current Employer  
by Entrepreneur Status <sup>a</sup>

| <u>Number of Employees</u> | <u>Entrepreneur Status</u>       |                         | <u>Total</u> |
|----------------------------|----------------------------------|-------------------------|--------------|
|                            | <u>Entrepreneur</u> <sup>b</sup> | <u>Non-Entrepreneur</u> |              |
| Fewer than 25              | 49.9%                            | 9.3%                    | 21.1%        |
| 25-99                      | 15.9                             | 9.6                     | 11.4         |
| 100 - 499                  | 9.5                              | 13.4                    | 12.4         |
| 500 - 999                  | 3.5                              | 7.2                     | 6.1          |
| 1000 or more               | <u>21.2</u>                      | <u>60.5</u>             | <u>49.0</u>  |
|                            | 100.0%                           | 100.0%                  | 100.0%       |
|                            | (n=1388)                         | (n=3327)                | (n=4715)     |

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<sup>a</sup> Question I-2 and I-7. Chi-square test statistically significant (p<.05).

<sup>b</sup> While entrepreneurs may own their own business, their current employer may not be the business they own, as they could work for more than one business.

Table 4-9

Current Employer's Type of Business  
by Entrepreneur Status<sup>a</sup>

| <u>Type of Business</u>                                 | <u>Entrepreneur Status</u> |                         | <u>Total</u> |
|---|----------------------------|-------------------------|--------------|
|   | <u>Entrepreneur</u>        | <u>Non-Entrepreneur</u> |              |
| Wholesaling   | 9.2%                       | 4.1%                    | 5.6%         |
| Retailing   | 14.8                       | 8.6                     | 10.5         |
| Agriculture   | 0.8                        | 0.6                     | 0.7          |
| Mining  | 0.4                        | 0.7                     | 0.6          |
| Construction  | 4.2                        | 1.5                     | 2.3          |
| Manufacturing   | 12.8                       | 19.5                    | 17.5         |
| Transportation/<br>Communication/or<br>Public Utilities | 4.6                        | 8.9                     | 7.6          |
| Financial/Insurance<br>or Real Estate                   | 26.7                       | 21.1                    | 22.8         |
| Other Services/<br>Education/Non-Profit                 | 21.6                       | 18.8                    | 19.6         |
| Government  | <u>4.9</u>                 | <u>16.2</u>             | <u>12.8</u>  |
|   | 100.0%                     | 100.0%                  | 100.0%       |
|   | (n=1463)                   | (n=3390)                | (n=4853)     |

<sup>a</sup> Question I-3 and I-7. Chi-square test statistically significant (p<.05).

Table 4-10  
 Satisfaction With Current Job  
 by Entrepreneur Status <sup>a</sup>  
 (Employed only)

| <u>Level of Satisfaction</u>          | <u>Entrepreneur Status</u> |                         | <u>Total</u> |         |
|---------------------------------------|----------------------------|-------------------------|--------------|---------|
|                                       | <u>Entrepreneur</u>        | <u>Non-Entrepreneur</u> |              |         |
| Very Satisfied                        | 61.8%                      | 38.5%                   | 45.6%        | } 80.2% |
| Somewhat Satisfied                    | 26.3                       | 38.2                    | 34.6         |         |
| Neither Satisfied<br>nor Dissatisfied | 3.6                        | 5.9                     | 5.2          |         |
| Somewhat Dissatisfied                 | 6.2                        | 13.1                    | 11.0         |         |
| Very Dissatisfied                     | <u>2.1</u>                 | <u>4.3</u>              | <u>3.6</u>   |         |
|                                       | 100.0%                     | 100.0%                  | 100.0%       |         |
|                                       | (n=1427)                   | (n=3317)                | (n=4744)     |         |

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<sup>a</sup> Questions I-4 and I-7. Chi-square test not statistically significant (p<.05).

Table 4-11

Job Attributes Ranked Most Important  
by Entrepreneur Status <sup>a</sup>

| <u>Attribute</u>                      | <u>Entrepreneur Status</u>        |                         | <u>Total</u>         | <u>Significant<br/>Difference<sup>c</sup></u> |
|---------------------------------------|-----------------------------------|-------------------------|----------------------|---|
|                                       | <u>Entrepreneur</u>               | <u>Non-Entrepreneur</u> |                      |   |
| Degree of Autonomy                    | 33.0% <sup>b</sup>                | 14.7%                   | 20.2%                | Yes   |
| Degree of Power                       | 5.4                               | 2.8                     | 3.6                  | Yes   |
| Degree of<br>Responsibility           | 13.2                              | 17.5                    | 16.2                 | Yes   |
| Amount of Variety<br>in Job Tasks     | 7.3                               | 8.4                     | 8.1                  | No  |
| Job Security                          | 7.2                               | 13.5                    | 11.7                 | Yes   |
| Income Potential                      | 25.4                              | 20.4                    | 21.9                 | Yes   |
| Opportunities for<br>Promotion        | 6.8                               | 12.9                    | 11.1                 | Yes   |
| Degree of Flexibility<br>in Doing Job | 5.2                               | 4.9                     | 5.0                  | Yes   |
| Job Demands                           | 1.6                               | 2.9                     | 2.5                  | Yes   |
| Geographic Location                   | <u>6.9</u><br>112.0% <sup>d</sup> | <u>9.7</u><br>107.7%    | <u>8.9</u><br>109.2% | Yes   |
|                                       | (n=1479)                          | (n=3503)                | (n=4982)             |   |

<sup>a</sup> Questions I-5 and I-7.

<sup>b</sup> Table entries are the percentage of respondents in the specified group who ranked the indicated item as most important (1 of 10).

<sup>c</sup> Indicates items for which the Chi-square test was statistically significant ( $p < .05$ ).

<sup>d</sup> Items sum to greater than 100.0% since some respondents ranked more than one item as most important, perhaps indicating that these items were tied in importance.

Table 4-12

Entrepreneur Related Beliefs  
by Entrepreneur Status <sup>a</sup>

| <u>Statement</u>  | <u>Entrepreneur Status</u> |                         | <u>Total</u> | <u>Significant<br/>Difference <sup>c</sup></u> |
|---|----------------------------|-------------------------|--------------|--|
|   | <u>Entrepreneur</u>        | <u>Non-Entrepreneur</u> |              |  |
| 1. I believe that adequate financial resources would be available if I were to go into business for myself.                       | 3.7 <sup>b</sup>           | 3.2                     | 3.3          | Yes  |
| 2. My immediate family would be emotionally supportive if I decided to go into business for myself.                               | 4.3                        | 4.0                     | 4.1          | Yes  |
| 3. The skills I acquired in business school would be useful in owning and operating a small business                              | 3.9                        | 3.9                     | 3.9          | Partially <sup>d</sup>                         |
| 4. The skills I acquired in military service would be useful in owning and operating a small business.                            | 3.0                        | 3.0                     | 3.0          | No   |
| 5. Existing Federal government programs for small business people would be useful to me in owning and operating a small business. | 2.8                        | 3.3                     | 3.2          | Yes  |
|   | (n=1517)                   | (n=3568)                | (n=4085)     |  |

<sup>a</sup> Questions I-6 and I-7.

<sup>b</sup> Table entries are mean values measured on a Likert scale of Strongly Agree = 5 to Strongly Disagree = 1.

<sup>c</sup> Indicates items for which there is a statistically significant mean difference between the values for the two groups ( $p < .05$ ) and a statistically significant Chi-square test ( $p < .05$ ).

<sup>d</sup> Indicates an item for which there is only a statistically significant chi-square test ( $p < .05$ ).

Table 4-13

**Entrepreneur Related Motivations  
by Entrepreneur Status<sup>a</sup>**

| <u>Scale</u>              | <u>Entrepreneur Status</u> |                         | <u>Total</u> | <u>Scale<br/>Mid-Point</u> |
|---------------------------|----------------------------|-------------------------|--------------|----------------------------|
|                           | <u>Entrepreneur</u>        | <u>Non-Entrepreneur</u> |              |                            |
| Need for Achievement      | 24.9 <sup>b</sup>          | 23.9                    | 24.2         | 21.0                       |
| Locus of Control          | 19.6                       | 18.7                    | 19.0         | 15.0                       |
| Independence/<br>Autonomy | 13.9                       | 12.4                    | 12.9         | 12.0                       |
| Creativity/Risk           | 47.8                       | 45.1                    | 46.2         | 42.0                       |

<sup>a</sup> Questions III-1 to III-30 and I-7.

<sup>b</sup> Table entries are the sum of the mean scores of items in the indicated scale for the designated group. Scale ranges are as follows

|                        |          |
|------------------------|----------|
| Need for Achievement:  | 7 to 35  |
| Locus of Control:      | 5 to 25  |
| Independence/Autonomy: | 4 to 20  |
| Creativity/Risk:       | 14 to 70 |

On all four scales, mean differences between the groups (ANOVA) are statistically significant ( $p < .05$ ).



Table 4-14

Need for Achievement by Entrepreneur Status<sup>a</sup>

| Item   | Entrepreneur Status |                  | Total      | Significant Difference <sup>b</sup> |
|--|---------------------|------------------|------------|-------------------------------------|
|  | Entrepreneur        | Non-Entrepreneur |            |                                     |
| 1. My ambition is to become a great person.                                | 3.1 <sup>c</sup>    | 3.1              | 3.1        | Yes                                 |
| 2. I would like to become well-known as a result of economic success.      | 3.2                 | 3.1              | 3.1        | Yes                                 |
| 3. I have always worked hard in order to be among the best in my field.    | 4.1                 | 4.0              | 4.1        | Yes                                 |
| 4. I find it easy to relax completely when I am on holiday.*               | 2.7                 | 2.4              | 2.5        | Yes                                 |
| 5. I feel annoyed when people are not punctual for appointments.           | 4.0                 | 4.0              | 4.0        | Yes                                 |
| 6. I dislike seeing things wasted.   | 4.4                 | 4.3              | 4.3        | Yes                                 |
| 7. I find it hard to forget about my work outside of normal working hours. | <u>3.4</u>          | <u>3.0</u>       | <u>3.1</u> | Yes                                 |
| Summated Score   | 24.9                | 23.9             | 24.2       | Yes                                 |
|  | (n=1518)            | (n=3524)         | (n=5042)   |                                     |

<sup>a</sup> Questions III-1 to III-30 and Question I-7.

<sup>b</sup> Table entries are mean values measured on a Likert scale of Strongly Agree = 5 to Strongly Disagree = 1.

<sup>c</sup> Indicates items for which the mean differences (ANOVA) was statistically significant ( $p < .05$ ). For items 1 and 5 these differences are not apparent in the tables due to rounding.

\* The wording on items indicated with an asterisk was reversed to avoid response set bias. On these items, disagreement rather than agreement was hypothesized to be characteristic of entrepreneurs. However, so that scoring would be consistent across items, scoring on these items was reversed so that a higher score is indicative of entrepreneurial tendencies.

Table 4-15

Locus of Control by Entrepreneur Status<sup>a</sup>

| <u>Item</u>   | <u>Entrepreneur Status</u> |                         | <u>Total</u> | <u>Significant Difference<sup>c</sup></u> |
|---|----------------------------|-------------------------|--------------|---|
|   | <u>Entrepreneur</u>        | <u>Non-Entrepreneur</u> |              |   |
| 1. When I make plans I am almost certain to have them work.           | 3.7 <sup>b</sup>           | 3.7                     | 3.7          | No  |
| 2. My life is determined by my own actions.                           | 4.0                        | 3.7                     | 3.8          | Yes                                       |
| 3. Whether or not I get to be a leader depends mostly on my ability.  | 4.0                        | 3.7                     | 3.8          | Yes                                       |
| 4. When I get what I want, it's usually because I worked hard for it. | 4.2                        | 4.1                     | 4.1          | Yes                                       |
| 5. I pretty much can determine what happens in my life.               | <u>3.7</u>                 | <u>3.5</u>              | <u>3.6</u>   | Yes                                       |
| Summated Score  | 19.6                       | 18.7                    | 19.0         | Yes                                       |
|   | (n=1518)                   | (n=3524)                | (n=5042)     |   |

<sup>a</sup> Questions III-1 to III-30 and Question I-7.

<sup>b</sup> Table entries are mean values measured on a Likert scale of Strongly Agree = 5 to Strongly Disagree = 1.

<sup>c</sup> Indicates items for which the mean difference (ANOVA) was statistically significant ( $p < .05$ ).

Table 4-16

Independence/Autonomy by Entrepreneur Status <sup>a</sup>

| <u>Item</u>  | <u>Entrepreneur Status</u> |                         | <u>Total</u> | <u>Significant<br/>Difference<sup>c</sup></u> |
|--|----------------------------|-------------------------|--------------|---|
|  | <u>Entrepreneur</u>        | <u>Non-Entrepreneur</u> |              |   |
| 1. I don't like working for someone else, even if that person is fair and reasonable.              | 2.8 <sup>b</sup>           | 2.0                     | 2.3          | Yes   |
| 2. I really like to be the boss.   | 4.0                        | 3.7                     | 3.8          | Yes   |
| 3. I would rather work in a group or team than by myself.*   | 3.4                        | 3.3                     | 3.3          | Yes   |
| 4. I find it very frustrating to have to work through the chain of command to accomplish anything. | <u>3.7</u>                 | <u>3.4</u>              | <u>3.5</u>   | Yes   |
| Summated Score   | 13.9                       | 12.4                    | 12.9         | Yes   |
|  | (n=1518)                   | (n=3524)                | (n=5042)     |   |

<sup>a</sup> Questions III 1-30 and Question I-7.

<sup>b</sup> Table entries are mean values measured on a Likert scale of Strongly Agree = 5 to Strongly Disagree = 1.

<sup>c</sup> Indicates items for which the mean difference (ANOVA) was statistically significant ( $p < .05$ ).

\* The wording on items indicated with an asterisk was reversed to avoid response set bias. On these items, disagreement rather than agreement was hypothesized to be characteristic of entrepreneurs. However, so that scoring would be consistent across items, scoring on these items was reversed so that a higher score is indicative of entrepreneurial tendencies.

Table 4-17

Creativity/Risk by Entrepreneur Status<sup>a</sup>

| <u>Item</u>   | <u>Entrepreneur Status</u> |                         | <u>Total</u> | <u>Significant Difference<sup>c</sup></u> |
|---|----------------------------|-------------------------|--------------|---|
|   | <u>Entrepreneur</u>        | <u>Non-Entrepreneur</u> |              |   |
| 1. I try to avoid facing a crisis or difficulty.*   | 3.7 <sup>b</sup>           | 3.5                     | 3.6          | Yes                                       |
| 2. I am much more of an entrepreneur than my peers.   | 3.7                        | 3.2                     | 3.4          | Yes                                       |
| 3. I will push aggressively for a change, even when it annoys my colleagues and supporters.               | 3.6                        | 3.3                     | 3.4          | Yes                                       |
| 4. I work well under stress.  | 3.9                        | 3.9                     | 3.9          | Yes                                       |
| 5. I feel I am much more creative than my peers.  | 3.7                        | 3.5                     | 3.6          | Yes                                       |
| 6. My friends sometimes think that my ideas are impractical, and even a bit wild.                         | 2.6                        | 2.4                     | 2.5          | Yes                                       |
| 7. Novelty appeals to me greatly.   | 3.3                        | 3.3                     | 3.3          | No  |
| 8. I seek out situations in which a great deal of flexibility is required.                                | 3.8                        | 3.6                     | 3.7          | Yes                                       |
| 9. It bothers me for things to be uncertain and unpredictable.*   | 2.9                        | 2.8                     | 2.8          | No  |
| 10. I want to be pretty sure that something will really work before I am willing to take a chance on it.* | 2.9                        | 2.9                     | 2.9          | No  |
| 11. I don't like to follow a set schedule.  | 3.3                        | 3.0                     | 3.1          | Yes                                       |

Table 4-17 (Continued)

Creativity/Risk by Entrepreneur Status<sup>a</sup>

| <u>Item</u>   | <u>Entrepreneur Status</u> |                         | <u>Total</u> | <u>Significant Difference<sup>c</sup></u> |
|---|----------------------------|-------------------------|--------------|---|
|   | <u>Entrepreneur</u>        | <u>Non-Entrepreneur</u> |              |   |
| 12. I like to experiment with new ideas or activities even if doing so won't lead to any practical results. | 3.3                        | 3.2                     | 3.3          | No  |
| 13. I usually try to avoid situations which involve personal risk.*   | 3.4                        | 3.1                     | 3.2          | Yes                                       |
| 14. I am much less prone to take risks than my peers.*  | <u>3.7</u>                 | <u>3.4</u>              | <u>3.5</u>   | Yes                                       |
| Summated Score  | 47.8                       | 45.1                    | 46.2         | Yes                                       |
|   | (n=1518)                   | (n=3524)                | (n=5042)     |   |

<sup>a</sup> Questions III-1 to III-30 and Question I-7.

<sup>b</sup> Table entries are mean values measured on a Likert scale of Strongly Agree = 5 to Strongly Disagree = 1.

<sup>c</sup> Indicates items for which the mean difference (ANOVA) was statistically significant ( $p < .05$ ).

\* The wording on items indicated with an asterisk was reversed to avoid response set bias. On these items, disagreement rather than agreement was hypothesized to be characteristic of entrepreneurs. However, so that scoring would be consistent across items, scoring on these items was reversed so that a higher score is indicative of entrepreneurial tendencies.

Table 4-18

Task Preferences by Entrepreneur Status<sup>a</sup>

| <u>Item</u>  | <u>Entrepreneur Status</u> |                         | <u>Total</u> | <u>Significant Difference</u> <sup>c</sup> |
|--|----------------------------|-------------------------|--------------|--|
|  | <u>Entrepreneur</u>        | <u>Non-Entrepreneur</u> |              |  |
| 1. Set objectives and determine organizational methods vs. set formal procedures and standardized methods.   | 2.0                        | 2.2                     | 2.1          | Yes  |
| 2. Locate and develop markets for new opportunities vs. market products or services through existing channels.   | 2.4                        | 2.4                     | 2.4          | Yes  |
| 3. Recruit and select key members of firm's management team vs. develop the latent potential of the firm's management team.  | 2.7                        | 2.8                     | 2.8          | No   |
| 4. Locate and gain command of scarce financial resources, raw materials, skilled labor, etc., vs. manage an efficient process for competitively securing inputs (materials, labor, etc.) within stipulated financial limits.   | 3.2                        | 3.3                     | 3.3          | Yes  |
| 5. Establish the means within the firm of getting a new product, process or service ready for marketing vs. devise ways of cutting costs and/or improving quality by various production processes or service delivery systems. | 3.2                        | 3.3                     | 3.3          | Yes  |
| 6. Seek out inventions and concepts which the firm might develop into new products or processes vs. be actively involved doing research and development.   | 2.8                        | 3.0                     | 3.0          | Yes  |

Table 4-18 (Continued)

Task Preferences by Entrepreneur Status<sup>a</sup>

| <u>Item</u>  | <u>Entrepreneur Status</u> |                         | <u>Total</u> | <u>Significant Difference<sup>c</sup></u> |
|--|----------------------------|-------------------------|--------------|---|
|  | <u>Entrepreneur</u>        | <u>Non-Entrepreneur</u> |              |   |
| 7. Reward employees through praise and remuneration vs. encourage independent thought and resolve conflicts within the organization.               | 2.6 <sup>b</sup>           | 2.6                     | 2.6          | No  |
| 8. Stimulate creativity and innovation in achieving goals vs. allocate resources and tasks.  | 2.6                        | 2.7                     | 2.7          | No  |
| 9. Ascertain extent of deviation from goals and standards vs. define scope, relationships, responsibilities and authority for various positions.   | 3.6                        | 3.6                     | 3.6          | No  |
| 10. Determine data needs and schedule of data collection for reporting systems vs. define lines of liaison to facilitate coordination in the firm. | <u>3.0</u>                 | <u>3.0</u>              | <u>3.0</u>   | No  |
| Summated Score   | 28.1                       | 28.9                    | 28.8         |   |

<sup>a</sup> Questions IV-1 to IV-10 and I-7.

<sup>b</sup> Scale items are measured on a 5-point variant of the semantic differential scale with a low score associated with first task hypothesized to be more preferred by entrepreneurs. Hence, low scores are associated with entrepreneurs.

<sup>c</sup> Indicates items for which the mean difference (ANOVA) was statistically significant ( $p < .05$ ).

Table 4-19  
 Entrepreneur Status by Veteran Status<sup>a</sup>

| <u>Entrepreneur Status</u> | <u>Veteran Status</u> |                       | <u>Total</u>          |
|----------------------------|-----------------------|-----------------------|-----------------------|
|                            | <u>Veteran</u>        | <u>Non-Veteran</u>    |                       |
| Entrepreneur               | 41.5%                 | 24.5%                 | 29.9%                 |
| Non-Entrepreneur           | <u>58.5</u><br>100.0% | <u>75.5</u><br>100.0% | <u>70.1</u><br>100.0% |
|                            | (n=1600)              | (n=3444)              | (n=5044)              |

<sup>a</sup> Questions I-7 and V-6. Chi-square test statistically significant (p<.05).

Table 4-20  
 Entrepreneur Status by Rank at Separation  
 From the Armed Forces<sup>a</sup>  
 (Veterans Only)

| <u>Entrepreneur Status</u> | <u>Rank at Separation</u> |                                |                       | <u>Total</u>          |
|----------------------------|---------------------------|--------------------------------|-----------------------|-----------------------|
|                            | <u>Enlisted</u>           | <u>Non-Com.<br/>or Warrant</u> | <u>Officer</u>        |                       |
| Entrepreneur               | 37.2%                     | 43.1%                          | 44.2%                 | 41.8%                 |
| Non-Entrepreneur           | <u>62.8</u><br>100.0%     | <u>56.9</u><br>100.0%          | <u>55.8</u><br>100.0% | <u>58.2</u><br>100.0% |
|                            | (n=473)                   | (n=547)                        | (n=568)               | (n=1588)              |

<sup>a</sup> Questions I-7 and V-12. Chi-square test not statistically significant (p<.05).



Table 4-19  
 Entrepreneur Status by Veteran Status<sup>a</sup>

| <u>Entrepreneur Status</u> | <u>Veteran Status</u> |                       | <u>Total</u>          |
|----------------------------|-----------------------|-----------------------|-----------------------|
|                            | <u>Veteran</u>        | <u>Non-Veteran</u>    |                       |
| Entrepreneur               | 41.5%                 | 24.5%                 | 29.9%                 |
| Non-Entrepreneur           | <u>58.5</u><br>100.0% | <u>75.5</u><br>100.0% | <u>70.1</u><br>100.0% |
|                            | (n=1600)              | (n=3444)              | (n=5044)              |

<sup>a</sup> Questions I-7 and V-6. Chi-square test statistically significant (p<.05).

Table 4-20  
 Entrepreneur Status by Rank at Separation  
 From the Armed Forces<sup>a</sup>  
 (Veterans Only)

| <u>Entrepreneur Status</u> | <u>Rank at Separation</u> |                                |                       | <u>Total</u>          |
|----------------------------|---------------------------|--------------------------------|-----------------------|-----------------------|
|                            | <u>Enlisted</u>           | <u>Non-Com.<br/>or Warrant</u> | <u>Officer</u>        |                       |
| Entrepreneur               | 37.2%                     | 43.1%                          | 44.2%                 | 41.8%                 |
| Non-Entrepreneur           | <u>62.8</u><br>100.0%     | <u>56.9</u><br>100.0%          | <u>55.8</u><br>100.0% | <u>58.2</u><br>100.0% |
|                            | (n=473)                   | (n=547)                        | (n=568)               | (n=1588)              |

<sup>a</sup> Questions I-7 and V-12. Chi-square test not statistically significant (p<.05).

Table 4-21

Entrepreneur Status and War Cohort of Combat Service<sup>a</sup>  
(Veterans Only)

| <u>Entrepreneur Status</u> | <u>War Cohort of Combat Service</u> |                       |                       | <u>Did Not<br/>Serve in<br/>Combat</u> | <u>Total</u>          |
|----------------------------|-------------------------------------|-----------------------|-----------------------|--|-----------------------|
|                            | <u>WWII</u>                         | <u>Korean</u>         | <u>Vietnam</u>        |  |                       |
| Entrepreneur               | 49.3%                               | 42.0%                 | 33.0%                 | 40.6%                                  | 41.8%                 |
| Non-Entrepreneur           | <u>50.7</u><br>100.0%               | <u>58.0</u><br>100.0% | <u>67.0</u><br>100.0% | <u>59.6</u><br>100.0%                  | <u>58.2</u><br>100.0% |
|                            | (n=373)                             | (n=119)               | (n=209)               | (n=881)                                | (n=1582)              |

<sup>a</sup> Questions I-7 and V-11.

## Chapter 5

BUSINESS SCHOOL ALUMNI VETERANS: THEIR CAREER,  
MILITARY AND ENTREPRENEURIAL EXPERIENCES

In the previous chapter, the focus was on comparing business school alumni entrepreneurs with non-entrepreneurs in terms of their career and military experiences, their work related attitudes, and their entrepreneurial beliefs and needs. In this chapter, the focus is shifted to examining veterans versus non-veterans on these same factors. While the overall findings remain the same as those in Chapter 4, the comparison of veterans with non-veterans is useful in revealing the unique experiences, attitudes and beliefs of business school alumni veterans.

Demographic Characteristics

As with the entrepreneur comparisons, small but statistically significant differences between the business school alumni veterans and non-veterans are observed along several dimensions. This information is shown in Tables 5-1 to 5-7.

In general, the veterans are more likely to be (or have):

1. Older (64.1 percent are 45 years or over versus 12.6 for the non-veterans; but this is not surprising, since a large number of recent business school alumni graduated during a period of relative peace, Table 5-1).
2. Male (98.6 percent for the veterans versus 65.9 percent for the non-veterans; again, this is not surprising given the gender composition of the armed forces, Table 5-2).
3. Married (88.0 percent for the veterans versus only 60.9 percent for non-veterans; but again, this may be more related to the fact that non-veterans tend to be younger, Table 5-3).
4. Better educated (45.9 percent of the veterans have at least some graduate education versus only 35.6 percent of the non-veterans, Table 5-4).
5. An MBA (22.1 percent of the veterans have master's degrees in business versus 17.3 percent of the non-veterans, Table 5-5).
6. White (the racial difference between veterans and non-veterans is slight but statistically significant, with 97.7 percent of the veterans being white while only 95.0 percent of the non-veterans are white, Table 5-6).
7. Higher annual incomes (41.1 percent of the veterans have annual incomes of \$50,000 per year or more versus only 18.1 percent of the non-veterans, Table 5-7). However, the difference also may be an artifact of the younger more recent graduate who is much more likely

to be a non-veteran. For example, for veterans the average number of years since their last degree was 32.4 years versus only 17.7 years for non-veterans.

### Career Experiences

Reflecting the generally older age of veterans, it is not surprising that veterans have worked for an average of 23.9 years in paid full-time positions as opposed to the younger non-veterans who, on average, have worked only 9.8 years. Veterans are somewhat more likely to work for smaller firms but the difference, although statistically significant, is small (Table 5-8). The difference easily could be explained by arguing that the younger, more recent graduates, who also are more likely to be non-veterans, tend to take first jobs as MBA's with large corporations. Later in their careers they may move to a small firm or open one of their own. Veterans are somewhat more likely to work for manufacturing, government and wholesaling firms while non-veterans are more likely to work in the retailing, financial, insurance, real estate, other services, education or non-profit industries (Table 5-9). Veterans also appear to be more satisfied with their current job, although again the differences are small but statistically significant (Table 5-10).

There are, however, notable differences in the job attributes ranked as most important by veterans and non-veterans as shown in Table 5-11. By a wide margin, veterans rank autonomy as the most important attribute (26.9 percent versus 16.9 for non-veterans). They also are more likely to rank power as most important versus their non-veteran counterparts, although relatively few in either group rank this attribute as most important (4.6 percent versus 3.1 percent). Non-veterans on the other hand are more likely to rank promotion opportunities, flexibility and location as most important as compared to the veterans.

### Entrepreneur Related Beliefs

When queried about the support systems they perceive as being available to them for starting a new business, as shown in Table 5-12, veterans are more likely to believe that:

1. Financial support would be available to them (mean agreement score of 3.5 versus 3.3 for non-veterans). Scale values run from strongly agree = 5 to strongly disagree = 1. The mid-point of the scale is 2.5.
2. The skills acquired in business school would be useful (mean agreement score of 4.0 versus 3.8 for non-veterans).

However, like non-entrepreneurs, the non-veterans are more likely to agree with the statement that government programs for small businesses would be useful to them (mean agreement scores of 3.2 for non-veterans versus 3.1 for veterans).

### Military Experiences of Veterans

In an effort to develop a profile of the business school veterans' military experiences, the respondents were asked several questions about this

portion of their lives. The results are shown in Tables 5-13 to 5-17. Based on this information, business school alumni veterans are more likely to have:

1. Served in the Army (47.6 percent) or Air Force (25.2 percent, Table 5-13).
2. Enlisted (72.7 percent, Table 5-14).
3. Not seen combat service (57.5 percent, Table 5-15).
4. Been a non-commissioned (33.6 percent) or commissioned officer (36.1 percent, Table 5-16).
5. Returned to school after separation from the service (75.2 percent, Table 5-17).

### Entrepreneurial Experiences of Veterans

The business school veterans who are classified as entrepreneurs (approximately 41.8 percent of all veterans -- see Table 4-19) also were asked to describe certain aspects of their entrepreneurial experiences. This information is shown in Tables 5-18 to 5-23.

On average, veterans worked 13.7 years in self-employed positions as compared to 7.1 years for non-veterans (difference significant, ANOVA,  $p < .05$ ). The vast majority of entrepreneurs were involved in the creation of the business they own (75.3 percent, Table 5-18). But there are no statistically significant differences between entrepreneur veterans and their non-veteran counterparts in terms of the involvement in the creation of the business.

An overwhelming share of both veteran entrepreneurs and non-veteran entrepreneurs have not used Federal small business programs (Table 5-19), and the difference between veterans and non-veterans is not statistically significant.

Non-veteran entrepreneurs are somewhat more likely to own a business currently (73.6 percent of the non-veterans as compared to only 66.8 percent of the veteran entrepreneurs, Table 5-20). On average, veteran entrepreneurs have owned 1.7 businesses; there are no significant differences between the two groups in the number of businesses owned. However, veteran entrepreneurs are more likely to have chosen a corporate form of business organization for their current business (58.9 percent versus only 50.9 percent of the non-veterans who choose this form, Table 5-21).

Veteran entrepreneurs are somewhat more likely to cite insufficient profits as a reason for leaving their last owned business (32.4 percent versus 26.8 percent of the non-veterans giving this reason), while the non-veterans are more likely to cite personal reasons for leaving their last owned business (38.5 percent versus 28.8 percent of the veterans, Table 5-22).

In an effort to gain an understanding of the size of businesses veteran entrepreneurs own, only those who had owned a business at one time but did not currently own a business were asked to indicate the size of their former business. It was expected that the question I-2 asked of everyone about the size of business of their current business would provide the size of current entrepreneurs' businesses. However, the data suggest that many entrepreneurs

also work for large firms. Hence, the data on the former businesses owned is reported instead as the best indication of the size of the firm veteran entrepreneurs own. It is apparent from the results that some entrepreneurs who work for other firms as well as being self-employed reported the size of the other firms when asked for the number of employees in the firm in which they currently work. This information is shown in Table 5-23. As was true for the entire sample, both veteran and non-veteran entrepreneurs overwhelmingly are likely to have formerly owned a business employing fewer than 25 people.

Table 5-1

Age by Veteran Status<sup>a</sup>

| <u>Age</u>    | <u>Veteran Status</u> |                    | <u>Total</u>  |         |
|---------------|-----------------------|--------------------|---------------|---------|
|               | <u>Veteran</u>        | <u>Non-Veteran</u> |               |         |
| 18 - 24 years | 0.2%                  | 13.7%              | 9.5%          |         |
| 25 - 34 years | 8.1                   | 55.6               | 40.5          |         |
| 35 - 44 years | 27.6                  | 18.1               | 21.1          |         |
| 45 - 54 years | 24.6                  | 7.2                | 12.7          | } 28.9% |
| 55 - 64 years | 31.0                  | 3.2                | 12.0          |         |
| 65 or over    | 8.5                   | 2.2                | 4.2           |         |
|               | <u>100.0%</u>         | <u>100.0%</u>      | <u>100.0%</u> |         |
|               | (n=1621)              | (n=3500)           | (n=5121)      |         |

<sup>a</sup> Questions V-1 and V-6. Chi-square test statistically significant (p<.05).

Table 5-2

Gender by Veteran Status<sup>a</sup>

| <u>Gender</u> | <u>Veteran Status</u> |                    | <u>Total</u>  |
|---------------|-----------------------|--------------------|---------------|
|               | <u>Veteran</u>        | <u>Non-Veteran</u> |               |
| Male          | 98.6%                 | 65.9%              | 76.3%         |
| Female        | <u>1.4</u>            | <u>34.1</u>        | <u>23.7</u>   |
|               | <u>100.0%</u>         | <u>100.0%</u>      | <u>100.0%</u> |
|               | (n=1620)              | (n=3496)           | (n=5116)      |

<sup>a</sup> Questions V-2 and V-6. Chi-square test statistically significant (p<.05).

Table 5-3

Marital Status by Veteran Status<sup>a</sup>

| <u>Marital Status</u> | <u>Veteran Status</u> |                    | <u>Total</u>  |
|-----------------------|-----------------------|--------------------|---------------|
|                       | <u>Veteran</u>        | <u>Non-Veteran</u> |               |
| Never Married         | 5.5%                  | 32.3%              | 23.8%         |
| Married               | 88.0                  | 60.9               | 69.5          |
| Divorced              | 4.6                   | 5.2                | 5.0           |
| Separated             | 1.0                   | 0.9                | 0.9           |
| Widowed               | 0.9                   | 0.7                | 0.8           |
|                       | <u>100.0%</u>         | <u>100.0%</u>      | <u>100.0%</u> |
|                       | (n=1622)              | (n=3498)           | (n=5120)      |

<sup>a</sup> Questions V-3 and V-6. Chi-square test statistically significant (p<.05).

Table 5-4

Educational Level by Veteran Status<sup>a</sup>

| <u>Educational Level</u>  | <u>Veteran Status</u> |                    | <u>Total</u>  |
|---------------------------|-----------------------|--------------------|---------------|
|                           | <u>Veteran</u>        | <u>Non-Veteran</u> |               |
| Some Undergraduate Credit | 1.7%                  | 0.9%               | 1.2%          |
| Bachelor's Degree         | 52.4                  | 63.5               | 59.9          |
| Some Graduate Credit      | 15.7                  | 12.0               | 13.2          |
| Master's Degree           | 18.7                  | 16.0               | 16.9          |
| Some Post-graduate Credit | 4.7                   | 3.5                | 3.9           |
| Doctorate                 | 6.8                   | 4.1                | 4.9           |
|                           | <u>100.0%</u>         | <u>100.0%</u>      | <u>100.0%</u> |
|                           | (n=1620)              | (n=3497)           | (n=5117)      |

45.9%      35.6%      38.9%

<sup>a</sup> Questions V-4 and V-6. Chi-square test statistically significant (p<.05).



Table 5-5  
Business Degrees Received by Veteran Status<sup>a</sup>

| <u>Business Degree</u>       | <u>Veteran Status</u> |                    | <u>Total</u> |
|------------------------------|-----------------------|--------------------|--------------|
|                              | <u>Veteran</u>        | <u>Non-Veteran</u> |              |
| Bachelor's Degree            | 94.0%                 | 94.9%              | 94.6%        |
| Master's Degree <sup>b</sup> | 22.1                  | 17.3               | 18.8         |
| Doctorate                    | <u>1.7</u>            | <u>1.2</u>         | <u>1.4</u>   |
|                              | 117.8% <sup>c</sup>   | 113.4%             | 113.4%       |
|                              | (n=1554)              | (n=3363)           | (n=4986)     |

<sup>a</sup> Questions V-5 and V-6.

<sup>b</sup> Chi-square test on this item statistically significant ( $p < .05$ ).

<sup>c</sup> Table entries add to more than 100 percent as many respondents hold more than one business degree.

Table 5-6  
Race by Veteran Status<sup>a</sup>

| <u>Race</u>          | <u>Veteran Status</u> |                    | <u>Total</u> |
|----------------------|-----------------------|--------------------|--------------|
|                      | <u>Veteran</u>        | <u>Non-Veteran</u> |              |
| White                | 97.7%                 | 95.0%              | 95.6%        |
| Black                | 1.9                   | 3.5                | 3.0          |
| American Indian      | 0.0                   | 0.1                | 0.1          |
| Asian/Pacific Island | 0.2                   | 0.9                | 0.9          |
| Eskimo or Aleutian   | 0.0                   | 0.1                | 0.1          |
| Other                | <u>0.2</u>            | <u>0.4</u>         | <u>0.3</u>   |
|                      | 100.0%                | 100.0%             | 100.0%       |
|                      | (n=1608)              | (n=3388)           | (n=4996)     |

<sup>a</sup> Questions V-6 and V-14. Chi-square statistically significant ( $p < .05$ ).

Table 5-7  
Annual Income by Veteran Status<sup>a</sup>

| <u>Annual Income</u> | <u>Veteran Status</u> |                    | <u>Total</u>  |  |
|----------------------|-----------------------|--------------------|---------------|--|
|                      | <u>Veteran</u>        | <u>Non-Veteran</u> |               |  |
| Under \$15,000       | 2.0%                  | 9.8%               | 7.3%          |  |
| \$15,000 - \$24,999  | 7.4                   | 25.5               | 19.8          |  |
| \$25,000 - \$34,999  | 18.3                  | 26.8               | 24.1          |  |
| \$35,000 - \$49,999  | 31.2                  | 19.8               | 23.4          |  |
| \$50,000 - \$74,999  | 23.1                  | 10.9               | 14.8          |  |
| \$75,000 or more     | 18.0                  | 7.2                | 10.6          |  |
|                      | <u>100.0%</u>         | <u>100.0%</u>      | <u>100.0%</u> |  |
|                      | (n=1600)              | (n=3436)           | (n=5036)      |  |
|                      | } 41.1%               |                    | } 25.4%       |  |
|                      | } 18.1%               |                    | }             |  |

<sup>a</sup> Questions V-6 and V-16. Chi square test statistically significant (p<.05).

Table 5-8  
 Number of Employees With Current Employer  
 by Veteran Status<sup>a</sup>

| <u>Number of Employees</u> | <u>Veteran Status</u> |                    | <u>Total</u> |
|----------------------------|-----------------------|--------------------|--------------|
|                            | <u>Veteran</u>        | <u>Non-Veteran</u> |              |
| Fewer than 25              | 22.8%                 | 20.3%              | 21.1%        |
| 25 - 99                    | 11.8                  | 11.1               | 11.3         |
| 100 - 499                  | 11.6                  | 12.8               | 12.4         |
| 500 - 999                  | 5.2                   | 6.5                | 6.1          |
| 1000 or more               | <u>48.6</u>           | <u>49.3</u>        | <u>49.1</u>  |
|                            | 100.0%                | 100.0%             | 100.0%       |
|                            | (n=1443)              | (n=3265)           | (n=4708)     |

<sup>a</sup> Questions I-2 and V-6. Chi-square test statistically significant (p<.05).

Table 5-8  
 Number of Employees With Current Employer  
 by Veteran Status<sup>a</sup>

| <u>Number of Employees</u> | <u>Veteran Status</u> |                    | <u>Total</u> |
|----------------------------|-----------------------|--------------------|--------------|
|                            | <u>Veteran</u>        | <u>Non-Veteran</u> |              |
| Fewer than 25              | 22.8%                 | 20.3%              | 21.1%        |
| 25 - 99                    | 11.8                  | 11.1               | 11.3         |
| 100 - 499                  | 11.6                  | 12.8               | 12.4         |
| 500 - 999                  | 5.2                   | 6.5                | 6.1          |
| 1000 or more               | <u>48.6</u>           | <u>49.3</u>        | <u>49.1</u>  |
|                            | 100.0%                | 100.0%             | 100.0%       |
|                            | (n=1443)              | (n=3265)           | (n=4708)     |

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<sup>a</sup> Questions I-2 and V-6. Chi-square test statistically significant (p<.05).

Table 5-9  
 Current Employer's Type of Business by Veteran Status<sup>a</sup>

| <u>Type of Business</u>                                 | <u>Veteran Status</u> |                       | <u>Total</u>          |
|---|-----------------------|-----------------------|-----------------------|
|   | <u>Veteran</u>        | <u>Non-Veteran</u>    |                       |
| Wholesaling   | 6.6%                  | 5.2%                  | 5.6%                  |
| Retailing   | 8.3                   | 11.4                  | 10.4                  |
| Agriculture   | 0.5                   | 0.7                   | 0.7                   |
| Mining  | 0.2                   | 0.8                   | 0.6                   |
| Construction  | 1.8                   | 2.6                   | 2.4                   |
| Manufacturing   | 21.7                  | 15.8                  | 17.6                  |
| Transportation/<br>Communication/or<br>Public Utilities | 7.5                   | 7.7                   | 7.7                   |
| Financial/Insurance<br>or Real Estate                   | 21.3                  | 23.5                  | 22.7                  |
| Other Services/<br>Education/or Non-Profit              | 15.7                  | 21.4                  | 19.6                  |
| Government  | <u>16.4</u><br>100.0% | <u>10.9</u><br>100.0% | <u>12.7</u><br>100.0% |
|   | (n=1525)              | (n=3324)              | (n=4849)              |

<sup>a</sup> Questions I-3 and V-6. Chi-square test statistically significant (p<.05).

Table 5-10  
 Satisfaction with Current Job by Veteran Status<sup>a</sup>  
 (Employed only)

| <u>Level of Satisfaction</u>          | <u>Veteran Status</u> |                    | <u>Total</u>  |         |
|---------------------------------------|-----------------------|--------------------|---------------|---------|
|                                       | <u>Veteran</u>        | <u>Non-Veteran</u> |               |         |
| Very Satisfied                        | 51.2%                 | 42.9%              | 45.3%         | } 80.0% |
| Somewhat Satisfied                    | 31.6                  | 36.1               | 34.7          |         |
| Neither Satisfied nor<br>Dissatisfied | 5.1                   | 5.3                | 5.3           |         |
| Somewhat Dissatisfied                 | 8.5                   | 12.2               | 11.1          |         |
| Very Dissatisfied                     | 3.6                   | 3.5                | 3.6           |         |
|                                       | <u>100.0%</u>         | <u>100.0%</u>      | <u>100.0%</u> |         |
|                                       | (n=1460)              | (n=3278)           | (n=4738)      |         |

<sup>a</sup> Questions I-4 and V-6. Chi-square test statistically significant (p<.05).

Table 5-11  
Job Attribute Ranked Most Important By Veteran Status<sup>a</sup>

| <u>Attribute</u>                   | <u>Veteran Status</u> |                    |              | <u>Significant Differences<sup>c</sup></u> |
|------------------------------------|-----------------------|--------------------|--------------|--|
|                                    | <u>Veteran</u>        | <u>Non-Veteran</u> | <u>Total</u> |  |
| Degree of Autonomy                 | 26.9% <sup>b</sup>    | 16.9%              | 20.0%        | Yes  |
| Degree of Power                    | 4.6                   | 3.1                | 3.6          | Yes  |
| Degree of Responsibility           | 17.0                  | 15.8               | 16.2         | No   |
| Amount of Variety in Job Tasks     | 7.3                   | 8.5                | 8.1          | No   |
| Job Security                       | 11.6                  | 11.7               | 11.7         | No   |
| Income Potential                   | 21.7                  | 21.9               | 21.8         | No   |
| Opportunities for Promotion        | 8.3                   | 12.6               | 11.2         | Yes  |
| Degree of Flexibility in Doing Job | 3.7                   | 5.7                | 5.1          | Yes  |
| Job Demands                        | 1.8                   | 2.8                | 2.5          | Yes  |
| Geographic Location                | <u>6.8</u>            | <u>9.8</u>         | <u>8.8</u>   | Yes  |
|                                    | 109.7%                | 108.8%             | 109.0%       |  |
|                                    | (n=1555)              | (n=3409)           | (n=4964)     |  |

<sup>a</sup> Questions I-5 and V-6

<sup>b</sup> Table entries are the percentage of respondents who ranked the indicated item as most important of the ten in choosing a job. Entries add to more than 100 percent, as some respondents indicated more than one item as most important.

<sup>c</sup> Indicates items for which Chi-square test was statistically significant ( $p < .05$ ).

Table 5-12  
 Entrepreneur Related Beliefs by Veteran Status<sup>a</sup>

| <u>Statement</u>   | <u>Veteran Status</u> |                    | <u>Total</u> | <u>Significant Differences<sup>c</sup></u> |
|--|-----------------------|--------------------|--------------|--|
|  | <u>Veteran</u>        | <u>Non-Veteran</u> |              |  |
| I believe that adequate financial resources would be available if I were to go into business for myself.                       | 3.5 <sup>b</sup>      | 3.3                | 3.3          | Yes  |
| My immediate family would be emotionally supportive if I decided to go into business for myself.                               | 4.1                   | 4.1                | 4.1          | No   |
| The skills I acquired in business school would be useful in owning and operating a small business.                             | 4.0                   | 3.8                | 3.9          | Yes  |
| Existing Federal government programs for small business people would be useful to me in owning and operating a small business. | 3.1                   | 3.2                | 3.2          | Yes  |
|  | (n=1599)              | (n=3465)           | (n=5064)     |  |

<sup>a</sup> Questions I-6 and V-6.

<sup>b</sup> Table entries are mean values measured on a Likert scale of Strongly Agree = 5 to Strongly Disagree = 1.

<sup>c</sup> Indicates items for which there is a statistically significant difference between the mean values for the two groups ( $p < .05$ ) and a statistically significant Chi-square test ( $p < .05$ ).



Table 5-13  
Branch of Service for Veteran Respondents<sup>a</sup>

| <u>Branch of Service</u> | <u>Percent</u> |
|--------------------------|----------------|
| Army                     | 47.6%          |
| Navy                     | 19.9           |
| Air Force                | 25.2           |
| Marines                  | 5.4            |
| Coast Guard              | 1.0            |
| Other                    | <u>0.9</u>     |
|                          | 100.0%         |
|                          | (n=1615)       |

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<sup>a</sup> Question V-7.

Table 5-14  
Service Entry Status for Veteran Respondents<sup>a</sup>

| <u>Service Entry Status</u> | <u>Percent</u> |
|-----------------------------|----------------|
| Drafted                     | 27.3%          |
| Enlisted                    | <u>72.7</u>    |
|                             | 100.0%         |
|                             | (n=1577)       |

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<sup>a</sup> Question V-8.

Table 5-15

War Cohort of Combat Service for Veteran Respondents<sup>a</sup>

| <u>Combat Service</u>   | <u>Percent</u>      |
|-------------------------|---------------------|
| World War II            | 24.8%               |
| Korean War              | 7.8                 |
| Vietnam War             | 13.6                |
| Did not Serve in Combat | <u>57.5</u>         |
|                         | 103.8% <sup>b</sup> |
|                         | (n=1546)            |

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<sup>a</sup> Question V-11.

<sup>b</sup> Total sums to more than 100 percent because some respondents served in combat in more than one war.

Table 5-16

Rank at Separation for Veteran Respondents<sup>a</sup>

| <u>Rank at Separation</u> | <u>Percent</u> |
|---------------------------|----------------|
| Enlisted                  | 29.6%          |
| Non-commissioned Officer  | 33.6           |
| Warrant Officer           | 0.7            |
| Officer                   | <u>36.1</u>    |
|                           | 100.0%         |
|                           | (n=1610)       |

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<sup>a</sup> Question V-12.

Table 5-17

Post-Military Education for Veteran Respondents<sup>a</sup>

| <u>Returned to School<br/>After Separation</u> | <u>Percent</u>        |
|--|-----------------------|
| Yes  | 75.2%                 |
| No   | <u>24.8</u><br>100.0% |
|  | (n=1600)              |

<sup>a</sup> Question V-13.

Table 5-18

Involvement in Creation of Owned Business by Veteran Status<sup>a</sup>  
(Entrepreneurs Only)

| <u>Involvement in Creation<br/>of Business</u> | <u>Veteran Status</u> |                       | <u>Total</u>          |
|--|-----------------------|-----------------------|-----------------------|
|  | <u>Veteran</u>        | <u>Non-Veteran</u>    |                       |
| Yes  | 75.7%                 | 74.9%                 | 75.3%                 |
| No   | <u>24.3</u><br>100.0% | <u>25.1</u><br>100.0% | <u>24.7</u><br>100.0% |
|  | (n=658)               | (n=830)               | (n=1488)              |

<sup>a</sup> Questions II-3 and V-6. Chi-square test not statistically significant at  $p < .05$ .

Table 5-21

Form of Currently Owned Business by Veteran Status<sup>a</sup>  
(Entrepreneurs Only)

| <u>Form of Ownership</u> | <u>Veteran Status</u> |                    | <u>Total</u> |
|--------------------------|-----------------------|--------------------|--------------|
|                          | <u>Veteran</u>        | <u>Non-Veteran</u> |              |
| Sole Proprietorship      | 26.3%                 | 30.8%              | 28.9%        |
| Partnership              | 14.8                  | 18.3               | 16.8         |
| Corporation              | 58.9                  | 50.9               | 54.3         |
|                          | 100.0%                | 100.0%             | 100.0%       |
|                          | (n=499)               | (n=678)            | (n=1177)     |

<sup>a</sup> Questions II-6 and V-6. Chi-square test statistically significant (p<.05).

Table 5-22

Reason for Leaving Last Owned Business by Veteran Status<sup>a</sup>  
(Former Entrepreneurs Only)

| <u>Reason</u>                          | <u>Veteran Status</u> |                    |              | <u>Significant Differences<sup>b</sup></u> |
|--|-----------------------|--------------------|--------------|--|
|  | <u>Veteran</u>        | <u>Non-Veteran</u> | <u>Total</u> |  |
| Bankruptcy                             | 2.7%                  | 2.0%               | 2.3%         | No   |
| Insufficient profit                    | 32.4                  | 26.8               | 29.7         | Yes  |
| Inability to obtain adequate financing | 7.2                   | 6.3                | 6.8          | Yes  |
| Personal                               | 28.8                  | 38.5               | 33.5         | Yes  |
| Other                                  | 34.7                  | 31.2               | 33.0         | Yes  |
|  | 105.8% <sup>c</sup>   | 104.9%             | 105.3%       |  |
|  | (n=222)               | (n=205)            | (n=427)      |  |

<sup>a</sup> Questions II-5, II-7 and V-6.

<sup>b</sup> Indicates items for which Chi-square test is statistically significant (p<.05).

<sup>c</sup> Sum exceeds 100 percent because respondents could cite more than one reason for leaving self-employment.

Table 5-23

Number of Employees in Formerly Owned Business  
by Veteran Status<sup>a</sup>  
(Former Entrepreneurs Only)

| <u>Number of Employees</u> | <u>Veteran Status</u> |                    | <u>Total</u> |
|----------------------------|-----------------------|--------------------|--------------|
|                            | <u>Veteran</u>        | <u>Non-Veteran</u> |              |
| Fewer than 25              | 84.0%                 | 84.3%              | 84.2%        |
| 25 - 99                    | 10.6                  | 10.1               | 10.3         |
| 100 - 499                  | 3.8                   | 3.9                | 3.9          |
| 500 - 999                  | .3                    | .3                 | .3           |
| 1000 or more               | <u>1.3</u>            | <u>1.4</u>         | <u>1.3</u>   |
|                            | 100.0%                | 100.0%             | 100.0%       |
|                            | (n=312)               | (n=355)            | (n=667)      |

<sup>a</sup> Questions II-8 and V-6. Differences between the groups were not statistically significant at  $p < .05$ .

## Chapter 6

## THE RELATIONSHIP BETWEEN VETERAN STATUS AND ENTREPRENEURSHIP

In Chapter 4, one of the major findings of the research was that veterans appear more likely to be entrepreneurs than are non-veterans. In Table 4-19, for example, 41.5 percent of the veterans are classified as entrepreneurs compared to only 24.5 percent of the non-veterans. The purpose of this chapter is to explore further that apparent relationship. The principle question addressed is: Is the observed relationship between veteran status and entrepreneurship traceable to some aspect of military service which in turn affects the decision to enter self-employment, or is the relationship explained by other variables? Data summarizing the findings may be found in Table 6-1.

It is possible that the apparent relationship between entrepreneurship and veteran status is explained by the demographic characteristics of the two groups and not by the military experience of the veterans. For example, it has been shown that veterans tend to be older than non-veterans and thus are more likely to have reached the stage in their lives when entrepreneurial activities tend to be undertaken.

In order to assess the validity of this and of the alternative explanations, four demographic variables (age, sex, marital status, and education) were introduced simultaneously with entrepreneurship and veteran status. The underlying question asked by the analysis was: when the contribution of age, sex, marital status and education is considered, does the relationship between entrepreneurship and veteran status still exist in a statistical sense? To accomplish the analysis, since all variables are measured in categorical scales, log-linear analysis was utilized. This technique is a special form of statistical modeling developed for use with categorical data (data for which a frequency or count is the basic unit of measurement as opposed to data for which interval or ratio measurements are made such as the height of individuals). Log-linear models are helpful in exploring the effect of complex interactions among variables in a multi-way contingency table. Like Chi-Square analysis which compares an observed to an expected frequency, log-linear analysis attempts to predict the cell frequency. Tests of the model are, then, goodness of fit tests between observed and predicted frequencies across cells. By examining the effect of dropping a term in the model, the change in the goodness of fit measure provides a test of the relative contribution of the variables and their possible interaction with other variables.

A full model which examines the complete relationship among veteran status, entrepreneurship, age, sex, education and marital status (including all possible two-way through six-way interactions) was developed and tested. The principal test for a specific term is whether the coefficient, which represents the extent to which the term causes cell frequency to deviate from the overall, or grand, mean is significantly different from zero. Testing continued through several steps, with non-significant interactions (those which do not contribute to the relationship among the variables) eliminated at each step. The final model, presented in Table 6-1, includes all the primary variables or main effects (entrepreneurial status, veteran status, age, sex, marital status and education) and all interactions among terms which are significant. The process is analogous to a regression model from which non-significant variables have been eliminated. From this fully reduced form or final model the following conclusions can be drawn.

1. The observed relationship between veteran status and entrepreneurship is explained by the demographic variables. It appears that the demographic characteristics which differentiate veterans from non-veterans -- their greater age, greater likelihood of being male and married, and higher educational levels -- underlie the fact that they are more likely to be entrepreneurs. When an E by V term is forced into the model the change in  $X^2$  (0.016) is non-significant and the E by V coefficient also is statistically non-significant.
2. Age is a major explainer of the observed relationship, particularly in its interaction with veteran status, sex, and marital status. Entrepreneurs tend to be older than non-entrepreneurs and thus are more likely to have been involved in periods of widespread military service. See, for example, the V by A term whose coefficient for those under 25 is statistically significant.
3. Gender also contributes to explaining the relationship between entrepreneurship and veteran status. Gender interacts significantly with veteran status -- the majority of veterans are men. There also is a significant interaction with age, reflecting the relatively recent rise in female business school enrollment. Gender and veteran status together also interact with marital status and age.
4. Educational differences between veteran and non-veterans also help explain the observed relationship. Veterans tend to be better educated than non-veterans; this pattern remains true even when age is controlled. See, for example, the V by A by Ed term which remains in the model with significant coefficients for both the younger and older age categories.
5. Marital status also contributes to the model. Marital status, however, does not appear to be directly related to veteran status; observed differences in the marital status of veterans and non-veterans are due to other interviewing variables of gender and education. Note, for example, that marital status and veteran status do not significantly interact with each other but only when included with some other variable such as gender.

6. The direct interaction of veteran status and entrepreneurship is not in the model, indicating that the observed relationship is explained by the other variables. Indeed, no interactions with entrepreneurship are included, reflecting the fact that other variables and their relationship with veteran status explain the differences between entrepreneurs and non-entrepreneurs in age, marital status, and education. Finally, the main effect of entrepreneurship itself is insignificant in explaining the relationship among the variables.

In summary, it may be concluded that military experience does not, by itself, increase the likelihood of a person being an entrepreneur. The apparent simple two-way relationship is explained by the tendency of veterans to be older, slightly better educated, and more likely to be male and married. A non-veteran with the demographic characteristics typical of veterans is just as likely to become an entrepreneur as a veteran.

The finding that demographic variables explain the observed relationship does not, however, negate that relationship. The fact remains that veterans are more likely than non-veterans to become entrepreneurs, and the policy of targeting special programs at veterans as a group with a high potential for entrepreneurship may be appropriate.



Table 6-1

The Relationship Among Veteran Status, Entrepreneurship, Age, Sex, Marital Status and Educational

| <u>Term</u> <sup>b</sup> | <u>Coefficient</u> <sup>c</sup> | <u>Standard Error</u> | <u>Z-Value</u> | <u>Statistical Significance</u> <sup>d</sup> |
|--------------------------|---------------------------------|-----------------------|----------------|--|
| E                        | .016                            | .022                  | .734           | No   |
| V                        | -.883                           | .095                  | -9.298         | Yes  |
| A (under 25)             | -1.187                          | .174                  | -6.821         | Yes  |
| (25 - 54)                | 1.538                           | .117                  | 13.148         | Yes  |
| S                        | .8528                           | .093                  | 9.181          | Yes  |
| M                        | -.177                           | .051                  | -3.470         | Yes  |
| Ea                       | .533                            | .030                  | 17.940         | Yes  |
| V by S                   | .550                            | .093                  | 5.934          | Yes  |
| V by A (under 25)        | .477                            | .152                  | -3.136         | Yes  |
| (25 - 54)                | .185                            | .109                  | -1.704         | No   |
| V by Ed                  | -.396                           | .063                  | -5.332         | Yes  |
| S by M                   | -.296                           | .041                  | -7.137         | Yes  |
| S by A (under 25)        | -.554                           | .152                  | -3.653         | Yes  |
| (25 - 54))               | .350                            | .107                  | 3.265          | Yes  |
| M by A (under 25)        | .722                            | .167                  | 10.828         | Yes  |
| (25 - 54)                | -.136                           | .046                  | -2.951         | Yes  |
| V by S by M              | -.155                           | .037                  | -4.238         | Yes  |
| V by S by A              |                                 |                       |                |  |
| (under 25)               | -.459                           | .151                  | -3.040         | Yes  |
| (25 - 54)                | .078                            | .107                  | .730           | No   |
| V by M by Ed             | -.123                           | .032                  | -3.880         | Yes  |
| V by A by Ed             |                                 |                       |                |  |
| (under 25)               | -.631                           | .118                  | -5.325         | Yes  |
| (25 - 54)                | .213                            | .064                  | 3.313          | Yes  |

Goodness of Fit Test Statistics

Likelihood Chi-Square = 70.233 p=.57

Indicates that the model fits the data.

<sup>a</sup>Question I-7 and V-1, 2, 3, 4, 6.

<sup>b</sup>Terms are abbreviated as follows E=entrepreneurial status, V=veteran status, A=age, S=sex, M=marital status, Ed=educational status.

<sup>c</sup>Coefficients are indicators of the extent to which the term causes cell frequency to deviate from the grand mean. Coefficients sum to zero across all categories of a variable.

<sup>d</sup>Indicates the statistical significance of the term (p <.05).

## Chapter 7

VETERAN ENTREPRENEURS OF THREE WARS:  
 WORLD WAR II, THE KOREAN WAR, AND THE VIETNAM WAR

The purpose of this chapter is to develop profiles of veteran entrepreneurs of three war cohorts: World War II, the Korean War, and the Vietnam War. Their demographic and military service characteristics, career experiences, work-related attitudes, entrepreneurial-related needs and beliefs, and entrepreneurial experiences will be addressed. Through exploration of these variables, it is possible to begin to develop an understanding of veterans of each era who went into business for themselves. The profile covers entrepreneur attitudes and experiences and the characteristics of the businesses they own and operate. Supporting data are presented in Tables 7-1 through 7-26 at the end of the chapter. As the objective here is to sketch out the defining characteristics of each group rather than to compare groups, results of tests of statistical significance of differences among groups are not included. Information on entrepreneurs who served only during peacetime, whether before World War II, between the Korean and Vietnam Wars, or after Vietnam, also is included.

#### Demographic Characteristics

The vast majority of the entrepreneurs in all three veteran groups are male (99.6 - 100.0 percent), married (82.8 - 92.5 percent) and white (97.0 - 99.6 percent). While only 0.4 percent of the World War II veterans are of Hispanic origin, the proportion rises to 3.2 percent of those who served during Vietnam.

The average World War II veteran entrepreneur is between the ages of 55 and 64 (74.3 percent). Over half have annual incomes of \$50,000 or more (54.8 percent). About 95.3 percent have received at least a bachelor's degree; 34.3 percent have had some education beyond the bachelor's level, and 12.3 percent have pursued their education beyond a master's. Nearly all (97.0 percent) have a bachelor's degree in business, and 9.8 percent have a master's in that field.

Most (70.6 percent) Korean War veteran entrepreneurs are between the ages of 45 and 54. About 44.8 percent report educational levels beyond a bachelor's degree, and nearly one-fourth (22.8 percent) have done some post-graduate work (beyond a master's degree). Nearly all (98.5 percent) received a bachelor's degree in business, and 4.4 percent have earned a doctorate in business. Nearly half (48.2 percent) of the Korean War veteran entrepreneurs report annual incomes of \$50,000 or more.

About 70.6 percent of the entrepreneurs who served during the Vietnam War are 35-44 years old. For the Vietnam era entrepreneurs the income distribution is very similar to that of Korean War veterans, with 47.7 percent earning \$50,000 per year or more. This group is the most likely to have pursued education beyond a bachelor's degree (53.6 percent), although they are somewhat less likely than Korean War veterans to have doctoral degrees. Again, the vast majority have received bachelor's degrees in business.

### Military Service

Most World War II veterans enlisted (61.3 percent), served in combat (60.9 percent), and left the service with a rank of non-commissioned officer or higher (82.3 percent). The single largest group (39.7 percent) served in the Army, while 28.5 percent were in the Navy and 25.6 percent were in the Air Force (or, presumably, the Air Corps). Eight out of ten returned to school after their service. Data on the military service of the entrepreneurs are presented in Tables 7-9 through 7-12.

Most Korean War veteran entrepreneurs also enlisted (72.0 percent), but most (69.1 percent) did not serve in combat in Korea. Nearly half (45.6 percent) served in the Army, and 48.5 percent left the service as officers. Just over two-thirds (69.9 percent) continued their education after military service.

Vietnam War veterans are the most likely to have enlisted (81.2 percent), and about one in three served in combat. Nearly half (47.8 percent) were in the Army; about one-third left the service with a rank below non-commissioned officer. Three-fourths returned to school following separation.

### Career Experiences

The average World War II veteran entrepreneur has had 36 years of full-time paid work experience. The single largest concentration (29.9 percent) currently are employed by or own firms in the fields of finance, insurance, or real estate. As would be expected given the fact that only entrepreneurs are profiled here, 49.5 percent work with firms employing fewer than 25 people.

Veteran entrepreneurs who served during the Korean War have worked an average of 27.2 years in full-time paid jobs. They tend to concentrate in firms engaged in financial, real estate, insurance, or other services, education, and non-profit activities; 51.9 percent report that their current employer or currently owned firm is in those lines of work. Nearly half (48.4 percent) respond that fewer than 25 employees work for the firms; 62.7 percent report fewer than 100 employees in their current firms.

Vietnam-era veterans report an average of 13.4 years of paid full-time work experience. They, too, tend to concentrate in the financial, insurance, real estate, service, education, and non-profit areas (48.6 percent). Again, most of the currently owned firms or current employers are small (61.9 percent with fewer than 100 employees), but 23.8 percent work in organizations with 1000 or more employees.

### Work-Related Attitudes

Entrepreneurs of all three cohorts report high levels of satisfaction with current jobs: 85.3 - 88.6 percent of the veterans in each group are very satisfied or somewhat satisfied with their current jobs, with the majority being very satisfied.

For all three groups the most important attributes considered in job choice are, in order, degree of autonomy and income potential. All three consider job demands as the least important. World War II and Korean War veterans also give a very low rank to the degree of flexibility in doing the job; Korean War veterans also give a very low rank to job security. Vietnam era entrepreneurs also tend to rate geographic location and opportunities for promotion as relatively unimportant.

### Entrepreneurial Related Beliefs and Needs

In order to examine factors which might affect decisions regarding self-employment, respondents were asked if they felt familial, financial, and programmatic resources would be available if they were to go into business for themselves and if previously acquired skills would be useful. If one assumes that their responses reflect their actual experience, the findings suggest that these entrepreneurs believe that their families are supportive of and that adequate financial resources are available for self-employment. (The degree of agreement with the belief that financial resources would be available, however, is not as strong as agreement with the potential for family support.) Members of all three groups are, on average, neutral or undecided on the usefulness of Federal small business programs and on the applicability of skills learned in the military to self-employment. They tend to agree, however, that business school skills are useful to entrepreneurs.

Table 7-18 presents data on the average scores of entrepreneurs of the three cohorts on the four psychological need scales hypothesized to be related to entrepreneurial tendencies. As expected, all three groups of business school alumni show higher needs for achievement and autonomy, a more internal locus of control, and a greater tendency to creativity and risk than non-entrepreneurs (see Chapter 4 for comparative scores). All three groups also show a distinct preference for the types of tasks associated with entrepreneurs.

### Entrepreneurial Experiences

Table 7-19 presents data on the frequency with which veterans of the three wars under study entered self-employment. Nearly half (49.7 percent) of the World War II veterans have at some time owned and operated a business. About 40.1 percent of the Korean War veterans can be classified as entrepreneurs. Experience with self-employment was relatively less common among Vietnam-era veterans; only one in three in this group have owned their own business.

The analysis which follows relates only to entrepreneurs of the three veteran groups. Supporting data on entrepreneurial experience are presented in Tables 7-20 through 7-26. World War II veteran entrepreneurs have been self-employed for an average of 19.9 years and have owned an average of 1.7 businesses. Most of this group:

1. Were involved in the creation of at least one owned business (77.5 percent).
2. Were self-employed at the time of the study (62.5 percent).
3. Own businesses organized as corporations (64.7 percent); only 13.2 percent are in partnerships.
4. Who no longer are self-employed owned a very small businesses: 82.1 percent employed fewer than 25 workers, and 93.1 percent had fewer than 100 employees; only 2.8 percent employed 1000 or more people.
5. Have not had experience with small business programs operated by the Federal government (only 6.9 percent have used such programs).

The reasons for leaving self-employment most often cited by World War II veterans no longer in business for themselves are personal reasons (28.2 percent), insufficient profit (28.2 percent), and other reasons including, presumably, retirement (42.7 percent). Only 0.1 percent of the former business owners said they went bankrupt.

Korean War veterans have been self-employed for an average of 13.4 years and have owned an average of 1.9 firms. Again, most (74.8 percent) have been involved in the creation of a business and still own a firm (65.2 percent). The characteristics of businesses operated by Korean War veterans are much like those of World War II veterans. The majority (52.5 percent) are corporations. The relative size of their business is suggested by the findings in formerly-owned businesses; 90.9 percent employed fewer than 100 workers, with none employing 1000 or more. Only 8.1 percent of the Korean War veterans have used a Federal program to aid small businesses. The reasons most often cited by former business owners for discontinuing self employment are insufficient profit (45.5 percent) and personal reasons (20.5 percent); 2.3 percent cited bankruptcy.

The average Vietnam War veteran entrepreneur has been self-employed for 5.7 years and has owned 1.5 businesses. Again, about three-fourths (75.4 percent) have played a role in the creation of a business, and over two-thirds (69.5 percent) are still entrepreneurs. About half (56.3 percent) of their businesses are corporations, and about 29.1 percent are partnerships. Almost all (98.8 percent) are small (fewer than 100

workers), and 91.3 percent employ fewer than 25 people. Vietnam-era veterans are somewhat more likely than those of other cohorts to have used Federal small business programs; 9.7 percent have taken advantage of these resources. Former entrepreneurs of this era also tend to cite insufficient profit (31.6 percent) or personal reasons (35.1 percent) as the reasons for leaving self-employment. About 5.3 percent said their last business went bankrupt.

Respondents also were asked about their situations prior to going into business for themselves. For World War II veterans, the most frequently cited antecedents are a good opportunity to buy a small business (19.1 percent), recent graduation from college or graduate school (17.7 percent), or dissatisfaction with some aspect of a job other than salary or promotional opportunities (17.7 percent). Over one-fourth (29.4 percent) of the Korean War veteran entrepreneurs were dissatisfied with some other (as defined above) aspect of a prior job, and 21.3 percent had a good opportunity to buy a small business. Lack of promotional activities on a prior job may have helped spur about 19.1 percent of this group into self-employment. Vietnam-era veterans are more likely to cite dissatisfaction with some other aspect of a prior job (32.0 percent). Other antecedents of self-employment cited frequently by this group are dissatisfaction with a prior job's salary or promotional opportunities, good opportunities to buy a small business, and good ideas for new businesses (each cited by 20.3 percent).

Table 7-1

Age by War Cohort<sup>a</sup>  
(Entrepreneurs Only)

| Age           | War Cohort            |                      |                      |                           | Total                 |
|---------------|-----------------------|----------------------|----------------------|---------------------------|-----------------------|
|               | World War<br>II       | Korean<br>War        | Vietnam<br>War       | Peacetime<br>Service Only |                       |
| 25 - 34 years | 0.0%                  | 0.0%                 | 18.3%                | 7.5%                      | 6.5%                  |
| 35 - 44 years | 0.0                   | 0.0                  | 70.6                 | 16.4                      | 22.8                  |
| 45 - 54 years | 1.1                   | 70.6                 | 7.1                  | 74.6                      | 24.3                  |
| 55 - 64 years | 74.3                  | 27.9                 | 3.0                  | 1.5                       | 35.8                  |
| 65 or over    | <u>24.6</u><br>100.0% | <u>1.5</u><br>100.0% | <u>1.0</u><br>100.0% | <u>0.0</u><br>100.0%      | <u>10.6</u><br>100.0% |
|               | (n=276)               | (n=136)              | (n=197)              | (n=67)                    | (n=663)               |

<sup>a</sup> Questions V-1 and V-10.

Table 7-2

Gender by War Cohort<sup>a</sup>  
(Entrepreneurs Only)

| Gender | War Cohort           |                      |                      |                           | Total                |
|--------|----------------------|----------------------|----------------------|---------------------------|----------------------|
|        | World War<br>II      | Korean<br>War        | Vietnam<br>War       | Peacetime<br>Service Only |                      |
| Male   | 99.6%                | 100.0%               | 99.0%                | 98.5%                     | 98.9%                |
| Female | <u>0.4</u><br>100.0% | <u>0.0</u><br>100.0% | <u>1.0</u><br>100.0% | <u>1.5</u><br>100.0%      | <u>1.1</u><br>100.0% |
|        | (n=277)              | (n=136)              | (n=196)              | (n=67)                    | (n=663)              |

<sup>a</sup> Questions V-2 and V-10.

Table 7-3

Marital Status by War Cohort<sup>a</sup>  
(Entrepreneurs Only)

| Marital Status | War Cohort   |            |             |                        | Total      |
|----------------|--------------|------------|-------------|------------------------|------------|
|                | World War II | Korean War | Vietnam War | Peacetime Service Only |            |
| Never Married  | 2.5%         | 1.5%       | 8.6%        | 4.5%                   | 4.7%       |
| Married        | 92.5         | 90.4       | 82.8        | 89.5                   | 88.7       |
| Divorced       | 2.5          | 8.1        | 8.1         | 4.5                    | 5.1        |
| Separated      | 0.0          | 0.0        | .5          | 1.5                    | 0.3        |
| Widowed        | <u>2.5</u>   | <u>0.0</u> | <u>0.0</u>  | <u>0.0</u>             | <u>1.2</u> |
|                | 100.0%       | 100.0%     | 100.0%      | 100.0%                 | 100.0%     |
|                | (n=277)      | (n=136)    | (n=197)     | (n=67)                 | (n=664)    |

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<sup>a</sup> Questions V-3 and V-10.



Table 7-4

Race by War Cohort<sup>a</sup>  
(Entrepreneurs Only)

| <u>Race</u>               | <u>War Cohort</u>   |                   |                    |                               | <u>Total</u> |
|---------------------------|---------------------|-------------------|--------------------|-------------------------------|--------------|
|                           | <u>World War II</u> | <u>Korean War</u> | <u>Vietnam War</u> | <u>Peacetime Service Only</u> |              |
| White                     | 99.6%               | 97.1%             | 97.5%              | 97.0%                         | 98.4%        |
| Black                     | 0.0                 | 2.2               | 1.5                | 1.5                           | 1.1          |
| American Indian           | 0.0                 | 0.0               | 0.0                | 0.0                           | 0.0          |
| Asian or Pacific Islander | 0.0                 | 0.0               | 0.5                | 1.5                           | 0.3          |
| Eskimo or Aleutian        | 0.0                 | 0.0               | 0.0                | 0.0                           | 0.0          |
| Other                     | <u>0.4</u>          | <u>0.7</u>        | <u>0.5</u>         | <u>0.0</u>                    | <u>0.2</u>   |
|                           | 100.0%              | 100.0%            | 100.0%             | 100.0%                        | 100.0%       |
|                           | (n=276)             | (n=135)           | (n=194)            | (n=67)                        | (n=659)      |

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<sup>a</sup> Questions V-10 and V-14.

Table 7-5

Hispanic Origin by War Cohort<sup>a</sup>  
(Entrepreneurs Only)

| <u>Hispanic Origin</u> | <u>War Cohort</u>   |                   |                    |                               | <u>Total</u> |
|------------------------|---------------------|-------------------|--------------------|-------------------------------|--------------|
|                        | <u>World War II</u> | <u>Korean War</u> | <u>Vietnam War</u> | <u>Peacetime Service Only</u> |              |
| Yes                    | 0.4%                | 1.7%              | 3.2%               | 1.9%                          | 1.7%         |
| No                     | <u>99.6</u>         | <u>98.3</u>       | <u>96.8</u>        | <u>98.1</u>                   | <u>98.3</u>  |
|                        | 100.0%              | 100.0%            | 100.0%             | 100.0%                        | 100.0%       |
|                        | (n=224)             | (n=116)           | (n=157)            | (n=53)                        | (n=541)      |

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<sup>a</sup> Questions V-10 and V-15.

Table 7-6

Annual Income by War Cohort<sup>a</sup>  
(Entrepreneurs Only)

| <u>Annual Income</u> | <u>War Cohort</u>     |                       |                       |                               | <u>Total</u>          |
|----------------------|-----------------------|-----------------------|-----------------------|-------------------------------|-----------------------|
|                      | <u>World War II</u>   | <u>Korean War</u>     | <u>Vietnam War</u>    | <u>Peacetime Service Only</u> |                       |
| Under \$15,000       | 1.8%                  | 2.2%                  | 1.5%                  | 3.1%                          | 2.0%                  |
| \$15,000 - \$24,999  | 6.9                   | 3.7                   | 4.1                   | 6.2                           | 6.0                   |
| \$25,000 - \$34,999  | 13.9                  | 16.3                  | 20.5                  | 7.7                           | 15.7                  |
| \$35,000 - \$49,999  | 22.6                  | 29.6                  | 26.2                  | 21.5                          | 24.6                  |
| \$50,000 - \$74,999  | 23.4                  | 20.0                  | 24.6                  | 23.1                          | 22.3                  |
| \$75,000 or more     | <u>31.4</u><br>100.0% | <u>28.2</u><br>100.0% | <u>23.1</u><br>100.0% | <u>38.4</u><br>100.0%         | <u>29.4</u><br>100.0% |
|                      | (n=274)               | (n=135)               | (n=195)               | (n=65)                        | (n=665)               |

<sup>a</sup> Questions V-10 and V-16.

Table 7-7

Educational Level by War Cohort<sup>a</sup>  
(Entrepreneurs Only)

| <u>Educational Level</u>  | <u>War Cohort</u>    |                       |                      |                               | <u>Total</u>         |
|---------------------------|----------------------|-----------------------|----------------------|-------------------------------|----------------------|
|                           | <u>World War II</u>  | <u>Korean War</u>     | <u>Vietnam War</u>   | <u>Peacetime Service Only</u> |                      |
| Some Undergraduate Credit | 4.7%                 | 0.7%                  | 1.0%                 | 1.5%                          | 2.4%                 |
| Bachelor's Degree         | 61.0                 | 54.5                  | 45.4                 | 55.2                          | 55.5                 |
| Some Graduate Credit      | 15.9                 | 11.0                  | 15.3                 | 16.4                          | 15.2                 |
| Master's Degree           | 6.1                  | 11.0                  | 26.0                 | 9.0                           | 12.5                 |
| Some Post-graduate Credit | 5.4                  | 5.1                   | 4.6                  | 7.5                           | 5.5                  |
| Doctorate                 | <u>6.9</u><br>100.0% | <u>17.7</u><br>100.0% | <u>7.7</u><br>100.0% | <u>10.4</u><br>100.0%         | <u>9.0</u><br>100.0% |
|                           | (n=277)              | (n=136)               | (n=196)              | (n=67)                        | (n=663)              |

<sup>a</sup> Questions V-4 and V-10.

Table 7-8

Business Degrees Received by War Cohort<sup>a</sup>  
(Entrepreneurs Only)

| <u>Business Degree</u> | <u>War Cohort</u>    |                      |                      |                               | <u>Total</u>         |
|------------------------|----------------------|----------------------|----------------------|-------------------------------|----------------------|
|                        | <u>World War II</u>  | <u>Korean War</u>    | <u>Vietnam War</u>   | <u>Peacetime Service Only</u> |                      |
| Bachelor's             | 97.0%                | 98.5%                | 95.7%                | 93.8%                         | 95.3%                |
| Master's               | 9.8                  | 13.3                 | 33.2                 | 12.5                          | 17.0                 |
| Doctorate              | <u>2.3</u><br>109.1% | <u>4.4</u><br>116.2% | <u>2.7</u><br>131.6% | <u>4.7</u><br>111.0%          | <u>2.4</u><br>114.7% |
|                        | (n=264)              | (n=135)              | (n=187)              | (n=64)                        | (n=645)              |

<sup>a</sup> Questions V-5 and V-10.

Table 7-9

Service Entry Status by War Cohort<sup>a</sup>  
(Entrepreneurs Only)

| <u>Service<br/>Entry Status</u> | <u>War Cohort</u>       |                       |                        |                                   | <u>Total</u>          |
|---------------------------------|-------------------------|-----------------------|------------------------|-----------------------------------|-----------------------|
|                                 | <u>World War<br/>II</u> | <u>Korean<br/>War</u> | <u>Vietnam<br/>War</u> | <u>Peacetime<br/>Service Only</u> |                       |
| Drafted                         | 38.7%                   | 28.0%                 | 18.8%                  | 16.9%                             | 29.2%                 |
| Enlisted                        | <u>61.3</u><br>100.0%   | <u>72.0</u><br>100.0% | <u>81.2</u><br>100.0%  | <u>83.1</u><br>100.0%             | <u>70.8</u><br>100.0% |
|                                 | (n=274)                 | (n=132)               | (n=191)                | (n=65)                            | (n=651)               |

<sup>a</sup> Questions V-8 and V-10.

Table 7-10

Branch of Service by War Cohort<sup>a</sup>  
(Entrepreneurs Only)

| <u>Branch of<br/>Service</u> | <u>War Cohort</u>       |                       |                        |                                   | <u>Total</u>         |
|------------------------------|-------------------------|-----------------------|------------------------|-----------------------------------|----------------------|
|                              | <u>World War<br/>II</u> | <u>Korean<br/>War</u> | <u>Vietnam<br/>War</u> | <u>Peacetime<br/>Service Only</u> |                      |
| Army                         | 39.7%                   | 45.6%                 | 47.8%                  | 65.7%                             | 46.6%                |
| Navy                         | 28.5                    | 16.9                  | 14.7                   | 11.9                              | 20.6                 |
| Air Force                    | 25.6                    | 31.6                  | 28.4                   | 16.4                              | 25.6                 |
| Marines                      | 4.0                     | 5.9                   | 7.6                    | 4.5                               | 5.7                  |
| Coast Guard                  | 1.8                     | 0.0                   | 0.0                    | 0.0                               | 0.8                  |
| Other                        | <u>0.4</u><br>100.0%    | <u>0.0</u><br>100.0%  | <u>1.5</u><br>100.0%   | <u>1.5</u><br>100.0%              | <u>0.8</u><br>100.0% |
|                              | (n=277)                 | (n=136)               | (n=197)                | (n=67)                            | (n=661)              |

<sup>a</sup> Questions V-7 and V-10.

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Table 7-11

Rank at Separation From Active Duty Status by War Cohort<sup>a</sup>  
(Entrepreneurs Only)

| <u>Rank at Separation</u> | <u>War Cohort</u>     |                       |                       |                               | <u>Total</u>          |
|---------------------------|-----------------------|-----------------------|-----------------------|-------------------------------|-----------------------|
|                           | <u>World War II</u>   | <u>Korean War</u>     | <u>Vietnam War</u>    | <u>Peacetime Service Only</u> |                       |
| Enlisted                  | 17.7%                 | 22.8%                 | 32.0%                 | 47.8%                         | 26.5%                 |
| Non-commissioned Officer  | 42.2                  | 28.7                  | 29.9                  | 20.9                          | 35.0                  |
| Warrant Officer           | 1.1                   | 0.0                   | 0.5                   | 0.0                           | 0.6                   |
| Officer                   | <u>39.0</u><br>100.0% | <u>48.5</u><br>100.0% | <u>37.6</u><br>100.0% | <u>31.3</u><br>100.0%         | <u>37.9</u><br>100.0% |
|                           | (n=277)               | (n=136)               | (n=197)               | (n=67)                        | (n=663)               |

<sup>a</sup> Questions V-10 and V-12.

Table 7-12

Post-Military Education by War Cohort<sup>a</sup>  
(Entrepreneurs Only)

| <u>Returned to School After Separation</u> | <u>War Cohort</u>     |                       |                       |                               | <u>Total</u>          |
|--|-----------------------|-----------------------|-----------------------|-------------------------------|-----------------------|
|  | <u>World War II</u>   | <u>Korean War</u>     | <u>Vietnam War</u>    | <u>Peacetime Service Only</u> |                       |
| Yes  | 80.0%                 | 69.9%                 | 75.1%                 | 56.7%                         | 74.0%                 |
| No   | <u>20.0</u><br>100.0% | <u>30.1</u><br>100.0% | <u>24.9</u><br>100.0% | <u>43.3</u><br>100.0%         | <u>26.0</u><br>100.0% |
|  | (n=275)               | (n=136)               | (n=197)               | (n=67)                        | (n=662)               |

<sup>a</sup> Questions V-10 and V-13.

Table 7-13

Current Employer's Type of Business by War Cohort<sup>a</sup>  
(Entrepreneurs Only)

| <u>Type of Business</u>                                 | <u>War Cohort</u>    |                      |                       |                               | <u>Total</u>         |
|---|----------------------|----------------------|-----------------------|-------------------------------|----------------------|
|   | <u>World War II</u>  | <u>Korean War</u>    | <u>Vietnam War</u>    | <u>Peacetime Service Only</u> |                      |
| Wholesaling   | 11.7%                | 14.3%                | 7.9%                  | 12.1%                         | 10.9%                |
| Retailing   | 15.6                 | 9.0                  | 13.1                  | 10.6                          | 13.4                 |
| Agriculture   | 1.2                  | 0.0                  | 0.5                   | 0.0                           | 0.6                  |
| Mining  | 0.4                  | 0.0                  | 0.0                   | 0.0                           | 0.2                  |
| Construction  | 2.7                  | 2.3                  | 1.6                   | 4.5                           | 2.5                  |
| Manufacturing   | 14.7                 | 13.5                 | 13.1                  | 19.7                          | 14.7                 |
| Transportation/<br>Communication/or<br>Public Utilities | 7.0                  | 3.0                  | 4.7                   | 3.0                           | 5.4                  |
| Financial/<br>Insurance or<br>Real Estate               | 29.9                 | 25.6                 | 27.7                  | 22.7                          | 27.8                 |
| Other Services/<br>Education/or<br>Non-Profit           | 12.1                 | 26.3                 | 20.9                  | 25.9                          | 18.5                 |
| Government  | <u>4.7</u><br>100.0% | <u>6.0</u><br>100.0% | <u>10.5</u><br>100.0% | <u>1.5</u><br>100.0%          | <u>6.0</u><br>100.0% |
|   | (n=257)              | (n=133)              | (n=191)               | (n=66)                        | (n=634)              |

<sup>a</sup> Questions I-3 and V-10.

Table 7-14

Number of Employees With Current Employer by War Cohort<sup>a</sup>  
 (Entrepreneurs Only)

| <u>Number<br/>of Employees</u> | <u>War Cohort</u>            |                              |                              |                                   | <u>Total</u>                 |
|--------------------------------|------------------------------|------------------------------|------------------------------|-----------------------------------|------------------------------|
|                                | <u>World War<br/>II</u>      | <u>Korean<br/>War</u>        | <u>Vietnam<br/>War</u>       | <u>Peacetime<br/>Service Only</u> |                              |
| Fewer than 25                  | 49.5%                        | 48.4%                        | 45.0%                        | 53.2%                             | 48.2%                        |
| 25 - 99                        | 19.2                         | 14.3                         | 16.9                         | 15.6                              | 17.5                         |
| 100 - 499                      | 8.5                          | 12.7                         | 10.1                         | 3.1                               | 9.5                          |
| 500 - 999                      | 1.8                          | 7.1                          | 4.2                          | 3.1                               | 4.1                          |
| 1000 or more                   | <u>21.0</u><br><u>100.0%</u> | <u>17.5</u><br><u>100.0%</u> | <u>23.8</u><br><u>100.0%</u> | <u>25.0</u><br><u>100.0%</u>      | <u>20.7</u><br><u>100.0%</u> |
|                                | (n=224)                      | (n=126)                      | (n=189)                      | (n=64)                            | (n=588)                      |

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<sup>a</sup> Questions I-2 and V-10.

Table 7-15

Satisfaction with Current Job by War Cohort<sup>a</sup>  
 (Employed Entrepreneurs Only)

| <u>Level of Satisfaction</u>       | <u>War Cohort</u>    |                      |                      |                               | <u>Total</u>         |
|------------------------------------|----------------------|----------------------|----------------------|-------------------------------|----------------------|
|                                    | <u>World War II</u>  | <u>Korean War</u>    | <u>Vietnam War</u>   | <u>Peacetime Service Only</u> |                      |
| Very Satisfied                     | 69.7%                | 60.4%                | 61.6%                | 62.2%                         | 63.9%                |
| Somewhat Satisfied                 | 18.9                 | 26.9                 | 23.7                 | 21.2                          | 22.7                 |
| Neither Satisfied nor Dissatisfied | 5.0                  | 3.7                  | 5.3                  | 4.5                           | 4.9                  |
| Somewhat Dissatisfied              | 3.4                  | 6.0                  | 6.8                  | 9.1                           | 5.9                  |
| Very Dissatisfied                  | <u>3.0</u><br>100.0% | <u>3.0</u><br>100.0% | <u>2.6</u><br>100.0% | <u>3.0</u><br>100.0%          | <u>2.6</u><br>100.0% |
|                                    | (n=238)              | (n=134)              | (n=190)              | (n=67)                        | (n=613)              |

<sup>a</sup> Questions I-4 and V-10.



Table 7-16

Job Attribute Rated Most Important by War Cohort<sup>a</sup>  
(Entrepreneurs Only)

| <u>Attribute</u>                   | <u>War Cohort</u>                 |                      |                      |                               | <u>Total</u>         |
|------------------------------------|-----------------------------------|----------------------|----------------------|-------------------------------|----------------------|
|                                    | <u>World War II</u>               | <u>Korean War</u>    | <u>Vietnam War</u>   | <u>Peacetime Service Only</u> |                      |
| Degree of Autonomy                 | 31.6% <sup>b</sup>                | 39.8%                | 36.8%                | 43.3%                         | 35.6%                |
| Degree of Power                    | 6.1                               | 7.1                  | 5.3                  | 3.0                           | 5.7                  |
| Degree of Responsibility           | 14.9                              | 14.2                 | 11.6                 | 14.9                          | 14.1                 |
| Amount of Variety in Job Tasks     | 6.4                               | 8.6                  | 9.5                  | 1.5                           | 7.1                  |
| Job Security                       | 9.4                               | 3.9                  | 5.8                  | 1.5                           | 6.7                  |
| Income Potential                   | 25.3                              | 24.8                 | 27.2                 | 23.1                          | 25.6                 |
| Opportunities for Promotion        | 9.3                               | 4.0                  | 4.8                  | 3.0                           | 6.1                  |
| Degree of Flexibility in Doing Job | 3.1                               | 3.9                  | 5.3                  | 3.0                           | 4.1                  |
| Job Demands                        | 1.9                               | 2.4                  | 3.2                  | 1.5                           | 1.3                  |
| Geographic Location                | <u>5.8</u><br>113.8% <sup>c</sup> | <u>7.0</u><br>115.7% | <u>3.2</u><br>112.7% | <u>9.1</u><br>103.9%          | <u>5.7</u><br>112.0% |
|                                    | (n=266)                           | (n=129)              | (n=191)              | (n=67)                        | (n=638)              |

a Questions I-5 and V-10.

b Table entries are the percentage of respondents in the specified group who ranked the indicated item as most important (1 of 10).

c Items sum to greater than 100 percent since some respondents ranked more than one item as most important, perhaps indicating that these items were tied in importance.

Table 7-17

Entrepreneurial Related Beliefs by War Cohorta  
(Entrepreneurs Only)

| <u>Statement</u>   | <u>War Cohort</u>   |                   |                    |                               | <u>Total</u> |
|--|---------------------|-------------------|--------------------|-------------------------------|--------------|
|  | <u>World War II</u> | <u>Korean War</u> | <u>Vietnam War</u> | <u>Peacetime Service Only</u> |              |
| I believe that adequate financial resources would be available if I were to go into business for myself.                       | 3.9 <sup>b</sup>    | 3.6               | 3.8                | 3.6                           | 3.8          |
| My immediate family would be emotionally supportive if I decided to go into business for myself                                | 4.3                 | 4.3               | 4.2                | 4.3                           | 4.3          |
| The skills I acquired in business school would be useful in owning and operating a small business                              | 4.1                 | 4.0               | 3.8                | 3.8                           | 4.0          |
| The skills I acquired in military service would be useful in owning and operating a small business.                            | 3.1                 | 3.1               | 3.1                | 3.1                           | 3.0          |
| Existing Federal government programs for small business people would be useful to me in owning and operating a small business. | 2.8                 | 3.0               | 2.8                | 2.5                           | 2.8          |
|  | (n=276)             | (n=135)           | (n=197)            | (n=67)                        | (n=661)      |

<sup>a</sup> Questions I-6 and V-10.

<sup>b</sup> Table entries are the mean values measured on a Likert scale where Strongly Agree = 5 to Strongly Disagree = 1.

Table 7-18

Entrepreneurial Related Motivations by War Cohort <sup>a</sup>  
(Entrepreneurs Only)

| <u>Scale</u>              | <u>War Cohort</u>       |                       |                        |                                   | <u>Total</u> | <u>Scale<br/>Mid-Point</u> |
|---------------------------|-------------------------|-----------------------|------------------------|-----------------------------------|--------------|----------------------------|
|                           | <u>World War<br/>II</u> | <u>Korean<br/>War</u> | <u>Vietnam<br/>War</u> | <u>Peacetime<br/>Service Only</u> |              |                            |
| Need for<br>Achievement   | 23.7 <sup>b</sup>       | 23.9                  | 24.7                   | 24.5                              | 24.3         | 21.0                       |
| Locus of Control          | 19.0                    | 19.8                  | 19.5                   | 19.8                              | 19.4         | 15.0                       |
| Independence/<br>Autonomy | 13.7                    | 13.8                  | 13.9                   | 13.8                              | 13.9         | 12.0                       |
| Creativity/Risk           | 45.7                    | 47.7                  | 49.3                   | 47.6                              | 47.4         | 42.0                       |
|                           | (n=275)                 | (n=136)               | (n=196)                | (n=67)                            | (n=664)      |                            |

<sup>a</sup> Questions III-1 to III-30 and V-10.

<sup>b</sup> Table entries are the sum of the mean scores of items in the indicated scale for the designated group. Scale ranges are as follows:

|                        |          |
|------------------------|----------|
| Need for Achievement:  | 7 to 35  |
| Locus of Control:      | 5 to 25  |
| Independence/Autonomy: | 4 to 20  |
| Creativity/Risk:       | 14 to 70 |

Table 7-19

Entrepreneur Experience by War Cohort<sup>a</sup>

| <u>Ever Owned<br/>Business</u> | <u>War Cohort</u>       |                       |                        |                                   |                         |
|--------------------------------|-------------------------|-----------------------|------------------------|-----------------------------------|-------------------------|
|                                | <u>World War<br/>II</u> | <u>Korean<br/>War</u> | <u>Vietnam<br/>War</u> | <u>Peacetime<br/>Service Only</u> | <u>All<br/>Veterans</u> |
| Yes                            | 49.7%                   | 40.1%                 | 33.3%                  | 38.7%                             | 41.5%                   |
| No                             | <u>50.3</u><br>100.0%   | <u>59.9</u><br>100.0% | <u>66.7</u><br>100.0%  | <u>61.3</u><br>100.0%             | <u>58.5</u><br>100.0%   |
|                                | (n=561)                 | (n=342)               | (n=595)                | (n=173)                           | (n=1604)                |

<sup>a</sup> Questions I-7 and V-10.

Table 7-20

 Involvement in Creation of Owned Business  
 By War Cohort<sup>a</sup>  
 (Entrepreneurs Only)

| <u>Involved in<br/>Creation of Business</u> | <u>War Cohort</u>       |                       |                        |                                   |                       |
|---|-------------------------|-----------------------|------------------------|-----------------------------------|-----------------------|
|   | <u>World War<br/>II</u> | <u>Korean<br/>War</u> | <u>Vietnam<br/>War</u> | <u>Peacetime<br/>Service Only</u> | <u>Total</u>          |
| Yes   | 77.5%                   | 74.8%                 | 75.4%                  | 71.2%                             | 75.7%                 |
| No  | <u>22.5</u><br>100.0%   | <u>25.2</u><br>100.0% | <u>24.6</u><br>100.0%  | <u>28.8</u><br>100.0%             | <u>24.3</u><br>100.0% |
|   | (n=275)                 | (n=135)               | (n=195)                | (n=66)                            | (n=658)               |

<sup>a</sup> Questions II-3 and V-10.

Table 7-21

Current Ownership of Business By War Cohort<sup>a</sup>  
(Entrepreneurs Only)

| <u>Currently Own Business</u> | <u>War Cohort</u>     |                       |                       |                               | <u>Total</u>          |
|-------------------------------|-----------------------|-----------------------|-----------------------|-------------------------------|-----------------------|
|                               | <u>World War II</u>   | <u>Korean War</u>     | <u>Vietnam War</u>    | <u>Peacetime Service Only</u> |                       |
| Yes                           | 62.5%                 | 65.2%                 | 70.4%                 | 74.2%                         | 66.8%                 |
| No                            | <u>37.5</u><br>100.0% | <u>34.8</u><br>100.0% | <u>29.6</u><br>100.0% | <u>25.8</u><br>100.0%         | <u>33.2</u><br>100.0% |
|                               | (n=277)               | (n=138)               | (n=196)               | (n=66)                        | (n=659)               |

<sup>a</sup> Questions II-5 and V-10.

Table 7-22

Form of Currently Owned Business By War Cohort<sup>a</sup>  
(Entrepreneurs Only)

| <u>Form of Ownership</u> | <u>War Cohort</u>     |                       |                       |                               | <u>Total</u>          |
|--------------------------|-----------------------|-----------------------|-----------------------|-------------------------------|-----------------------|
|                          | <u>World War II</u>   | <u>Korean War</u>     | <u>Vietnam War</u>    | <u>Peacetime Service Only</u> |                       |
| Sole Proprietorship      | 22.1%                 | 31.7%                 | 29.1%                 | 28.5%                         | 26.3%                 |
| Partnership              | 13.2                  | 15.8                  | 14.6                  | 16.1                          | 14.8                  |
| Corporation              | <u>64.7</u><br>100.0% | <u>52.5</u><br>100.0% | <u>56.3</u><br>100.0% | <u>46.4</u><br>100.0%         | <u>58.9</u><br>100.0% |
|                          | (n=204)               | (n=101)               | (n=151)               | (n=51)                        | (n=499)               |

<sup>a</sup> Questions II-6 and V-10.

Table 7-23

Size of Formerly Owned Business By War Cohort<sup>a</sup>  
(Entrepreneurs Only)

| <u>Number of<br/>Employees</u> | <u>War Cohort</u>       |                       |                        |                                   | <u>Total</u>         |
|--------------------------------|-------------------------|-----------------------|------------------------|-----------------------------------|----------------------|
|                                | <u>World War<br/>II</u> | <u>Korean<br/>War</u> | <u>Vietnam<br/>War</u> | <u>Peacetime<br/>Service Only</u> |                      |
| Fewer than 25                  | 82.1%                   | 81.8%                 | 91.3%                  | 88.9%                             | 84.0%                |
| 25 - 99                        | 11.0                    | 9.1                   | 7.5                    | 11.0                              | 10.6                 |
| 100 - 499                      | 4.1                     | 7.6                   | 1.3                    | 0.0                               | 3.8                  |
| 500 - 999                      | 0.0                     | 1.5                   | 0.0                    | 0.0                               | 0.3                  |
| 1000 or more                   | <u>2.8</u><br>100.0%    | <u>0.0</u><br>100.0%  | <u>0.0</u><br>100.1%   | <u>0.0</u><br>100.0%              | <u>1.3</u><br>100.0% |
|                                | (n=145)                 | (n=66)                | (n=80)                 | (n=27)                            | (n=312)              |

<sup>a</sup> Questions II-8 and V-10.

Table 7-24

Use of Federal Small Business Programs By War Cohort  
(Entrepreneurs Only)<sup>a</sup>

| <u>Used Federal Small<br/>Business Programs</u> | <u>War Cohort</u>       |                       |                        |                                   | <u>Total</u>          |
|---|-------------------------|-----------------------|------------------------|-----------------------------------|-----------------------|
|   | <u>World War<br/>II</u> | <u>Korean<br/>War</u> | <u>Vietnam<br/>War</u> | <u>Peacetime<br/>Service Only</u> |                       |
| Yes   | 6.9%                    | 8.1%                  | 9.7%                   | 3.0%                              | 7.8%                  |
| No  | <u>93.1</u><br>100.0%   | <u>91.9</u><br>100.0% | <u>90.3</u><br>100.0%  | <u>97.0</u><br>100.0%             | <u>92.2</u><br>100.0% |
|   | (n=275)                 | (n=135)               | (n=195)                | (n=66)                            | (n=658)               |

<sup>a</sup> Questions II-4 and V-10.

Table 7-25

Reason for Leaving Last Owned Business by War Cohort<sup>a</sup>  
(Former Entrepreneurs Only)

| <u>Reason</u>        | <u>War Cohort</u>                  |                       |                       |                               | <u>Total</u>          |
|----------------------|------------------------------------|-----------------------|-----------------------|-------------------------------|-----------------------|
|                      | <u>World War II</u>                | <u>Korean War</u>     | <u>Vietnam War</u>    | <u>Peacetime Service Only</u> |                       |
| Bankruptcy           | 0.1%                               | 2.3%                  | 5.3%                  | 5.9%                          | 2.7%                  |
| Insufficient Profit  | 28.2                               | 45.5                  | 31.6                  | 41.2                          | 32.4                  |
| Inability to Finance | 7.3                                | 11.4                  | 5.3                   | 0.0                           | 7.2                   |
| Personal Reasons     | 28.2                               | 20.5                  | 35.1                  | 29.4                          | 28.8                  |
| Other Reasons        | <u>42.7</u><br>106.5% <sup>b</sup> | <u>25.0</u><br>104.7% | <u>26.3</u><br>103.6% | <u>23.5</u><br>100.0%         | <u>34.7</u><br>100.0% |
|                      | (n=110)                            | (n=44)                | (n=57)                | (n=17)                        | (n=222)               |

<sup>a</sup> Questions II-7 and V-10.

<sup>b</sup> Columns sum to more than 100 percent because respondents could indicate more than one reason for leaving their last business.

Table 7-26

Antecedents of Entrepreneurship by War Cohort<sup>a</sup>  
(Entrepreneurs Only)

| <u>Antecedent</u>                                   | <u>War Cohort</u>   |                   |                    |                               | <u>Total</u> |
|---|---------------------|-------------------|--------------------|-------------------------------|--------------|
|   | <u>World War II</u> | <u>Korean War</u> | <u>Vietnam War</u> | <u>Peacetime Service Only</u> |              |
| Just separated from military                        | 15.5%               | 11.8%             | 14.7%              | 10.4%                         | 13.6%        |
| Just graduated from college                         | 17.7                | 11.0              | 15.7               | 14.9                          | 15.8         |
| Lack of promotional opportunities in prior job      | 12.6                | 19.1              | 20.3               | 17.9                          | 16.6         |
| Dissatisfied with salary of prior job               | 10.8                | 14.0              | 20.3               | 25.4                          | 15.7         |
| Dissatisfied with other aspect of prior job         | 17.7                | 29.4              | 32.0               | 31.3                          | 25.8         |
| Prior job was eliminated or was laid off or fired   | 8.7                 | 8.1               | 5.1                | 13.4                          | 8.1          |
| Had a good opportunity to buy into a small business | 19.1                | 21.3              | 20.3               | 23.9                          | 20.9         |
| Had a good idea for a small business                | 15.5                | 13.2              | 20.3               | 29.9                          | 17.8         |
| Working in a small business was a catalyst          | 5.8                 | 8.8               | 8.1                | 4.5                           | 7.1          |
| Other reason  | <u>17.7</u>         | <u>11.8</u>       | <u>13.2</u>        | <u>6.0</u>                    | <u>13.9</u>  |
|   | 141.1%              | 148.5%            | 170.0%             | 174.5%                        | 177.6%       |
|   | (n=277)             | (n=136)           | (n=197)            | (n=67)                        | (n=664)      |

<sup>a</sup> Questions I-5 and V-10.



APPENDIX

Mid-Atlantic Research, Inc.

**CONFIDENTIAL BUSINESS SCHOOL ALUMNI QUESTIONNAIRE**

This questionnaire is divided into four sections. It may not be necessary for you to complete all sections, so please read carefully the instructions at the beginning of each section.

**Section I: CAREER EXPERIENCE**

This section deals with your work experience and your attitudes toward careers. Please answer for your current employer or for your own firm if self-employed.

1. In total, how many years have you worked in paid, full-time positions(s)? (Count years in all positions including your current job and any self-employment. Do not include military experience.)

Number of years ..... \_\_\_\_\_ (3)

2. In total, how many employees work for your current employer at all locations? (If you have your own business, answer for your firm.)

|  |                             |                    |                                 |
|--|-----------------------------|--------------------|---------------------------------|
| Do not currently work in a paid position ..... | <input type="checkbox"/> -1 | 100 - 499 .....    | <input type="checkbox"/> -4     |
| Fewer than 25 .....                            | <input type="checkbox"/> -2 | 500 - 999 .....    | <input type="checkbox"/> -5 (4) |
| 25 - 99 .....                                  | <input type="checkbox"/> -3 | 1000 or more ..... | <input type="checkbox"/> -6     |

3. Which of the following best describes the nature of your current employer's business? (If you are self-employed, answer for your current business.)

|                     |                             |                               |                                 |
|---------------------|-----------------------------|-------------------------------|---------------------------------|
| Wholesaling .....   | <input type="checkbox"/> -1 | Transportation/Communication/ |                                 |
| Retailing .....     | <input type="checkbox"/> -2 | or Public Utilities .....     | <input type="checkbox"/> -7     |
| Agriculture .....   | <input type="checkbox"/> -3 | Financial/Insurance           |                                 |
| Mining .....        | <input type="checkbox"/> -4 | or Real Estate .....          | <input type="checkbox"/> -8 (5) |
| Construction .....  | <input type="checkbox"/> -5 | Other Services/Education/     |                                 |
| Manufacturing ..... | <input type="checkbox"/> -6 | or Non-Profit .....           | <input type="checkbox"/> -9     |
|                     |                             | Government .....              | <input type="checkbox"/> -x     |

4. Overall, how satisfied are you with your current position?

|                          |                |                    |                                    |                       |                   |     |
|--------------------------|----------------|--------------------|------------------------------------|-----------------------|-------------------|-----|
| 1                        | 2              | 3                  | 4                                  | 5                     | 6                 | (6) |
| <input type="checkbox"/> | _____          | _____              | _____                              | _____                 | _____             |     |
| Don't Currently Work     | Very Satisfied | Somewhat Satisfied | Neither Satisfied Nor Dissatisfied | Somewhat Dissatisfied | Very Dissatisfied |     |

5. In choosing a job, how important are each of the attributes listed below? Rank order attributes by placing a 1 after the most important attribute, a 2 after the next most important attribute, and so on to the least important attribute, which would be given a rank of 10.

| Attribute   | Rank       |
|---|------------|
| Degree of autonomy (independence) you will have .....                                 | _____ (7)  |
| Degree of power (authority) you will have .....                                       | _____ (8)  |
| Degree of responsibility you will have .....  | _____ (9)  |
| Amount of variety (in job tasks) you perform .....                                    | _____ (10) |
| Job security .....  | _____ (11) |
| Income potential .....  | _____ (12) |
| Opportunities for promotion .....   | _____ (13) |
| Degree of flexibility in doing job (hours, work location, order of tasks, etc.) ..... | _____ (14) |
| Job demands (hours, workload, etc.) .....   | _____ (15) |
| Geographic location of job .....  | _____ (16) |

6. Please indicate the extent to which you **AGREE** or **DISAGREE** with the following statements. In each case, **ASSUME YOU ARE PLANNING TO START A NEW BUSINESS**. Please respond even if you are not planning to start a business or do not want to own your own business. For each statement, please circle the appropriate abbreviation to indicate whether you strongly disagree (SD), disagree (D), are undecided (U), agree (A), or strongly agree (SA).

|  | 1  | 2 | 3 | 4 | 5  |      |
|--|----|---|---|---|----|------|
| a. I believe that adequate financial resources would be available if I were to go into business for myself.  | SD | D | U | A | SA | (17) |
| b. My immediate family would be emotionally supportive if I decided to go into business for myself.  | SD | D | U | A | SA | (18) |
| c. The skills I acquired in business school would be useful in owning and operating a small business.  | SD | D | U | A | SA | (19) |
| d. The skills I acquired in military service would be useful in owning and operating a small business. (Leave blank if you have not been in military service.) | SD | D | U | A | SA | (20) |
| e. Existing Federal government programs for small business people would be useful to me in owning and operating a small business.                              | SD | D | U | A | SA | (21) |

7. Have you **EVER** had an ownership interest in a business which you managed and to which you made a major commitment in time and effort?

Yes .....  -1 No .....  -2 (22)

(If Yes, continue on to Section II below.)

(If No, skip to Section III on page 4).

## Section II - ENTREPRENEURIAL EXPERIENCE

The following section deals with your experience in owning and operating a business. Answer the questions only if you answered YES to question 7. If you answered NO, skip to Section III on page 4.

1. In how many different businesses (distinct business operations) have you had an ownership interest? (Count only businesses which you managed and to which you committed a major portion of your time and effort.)

Number of businesses \_\_\_\_\_ (23)

2. In total, for how many years have you owned and operated your own business(es)?

Number of years \_\_\_\_\_ (24)

3. Were you involved in the creation of any of these businesses?

Yes .....  -1 No .....  -2 (25)

4. Have you personally ever used any Federal government programs designed to assist small businesses (for example, programs of the U.S. Small Business Administration)?

Yes .....  -1 No .....  -2 (26)

5. Do you CURRENTLY have an ownership interest in a business which you manage and to which you commit a major portion of your time?

Yes .....  -1 No .....  -2 (27)

6. Under what form of ownership is your current business organized?

Do not currently own a firm .....  -1 Partnership .....  -3 (28)

Sole proprietorship .....  -2 Corporation .....  -4

7. If you are no longer in business for yourself, why did you leave the last business that you owned? (If you currently are in business for yourself, skip to question 9.)

Bankruptcy .....  (29-1) Personal (for example, health or  
conflicting personal demands) .....  (32-1)

Insufficient profit .....  (30-1) Other (specify) \_\_\_\_\_ (33-1)

Inability to obtain  
adequate financing .....  (31-1) \_\_\_\_\_

8. How many people were employed by the most recent business you owned? (If you currently are in business for yourself, skip to question 9.)

- Fewer than 25 .....  -1 500 - 999 .....  -4
- 25 - 99 .....  -2 1000 or more .....  -5 (34)
- 100 - 499 .....  -3

9. Which of the following describe your situation just prior to going into business for yourself? (Check all that apply.)

- Was just separated from the military .....  (35-1)
- Just graduated from college or graduate school .....  (36-1)
- Lack of promotional opportunities in prior job .....  (37-1)
- Dissatisfied with salary in prior job .....  (38-1)
- Dissatisfied with some other aspect of prior job .....  (39-1)
- Job was eliminated or was laid off or fired .....  (40-1)
- Had a good opportunity to buy into a small business .....  (41-1)
- Had a good idea for a new business .....  (42-1)
- Working in a small business was a catalyst for opening my own business .....  (43-1)
- Other (specify: \_\_\_\_\_)  (44-1)

### Section III: ATTITUDES TOWARD JOB OPTIONS

This section asks about your current attitudes toward jobs and alternative ways of dealing with jobs. For each statement, please indicate by circling the appropriate abbreviation whether you strongly disagree (SD), disagree with (D), are undecided about (U), agree with (A), or strongly agree with (SA) the statement given.

|   | 1  | 2 | 3 | 4 | 5  |      |
|---|----|---|---|---|----|------|
| 1. I try to avoid facing a crisis or difficulty.  | SD | D | U | A | SA | (45) |
| 2. I am much more of an entrepreneur than my peers.   | SD | D | U | A | SA | (46) |
| 3. I will push aggressively for a change, even when it annoys my colleagues and supporters. | SD | D | U | A | SA | (47) |
| 4. I don't like working for someone else, even if that person is fair and reasonable.       | SD | D | U | A | SA | (48) |
| 5. I work well under stress.  | SD | D | U | A | SA | (49) |
| 6. I feel I am much more creative than my peers.  | SD | D | U | A | SA | (50) |
| 7. My ambition is to become a great person.   | SD | D | U | A | SA | (51) |
| 8. My friends sometimes think that my ideas are impractical, and even a bit wild.           | SD | D | U | A | SA | (52) |
| 9. Novelty appeals to me greatly.   | SD | D | U | A | SA | (53) |

|   | 1  | 2 | 3 | 4 | 5  |      |
|---|----|---|---|---|----|------|
| 10. I really like to be the boss.   | SD | D | U | A | SA | (54) |
| 11. I seek out situations in which a great deal of flexibility is required.                                 | SD | D | U | A | SA | (55) |
| 12. It bothers me for things to be uncertain and unpredictable.   | SD | D | U | A | SA | (56) |
| 13. I would like to become well-known as a result of economic success.                                      | SD | D | U | A | SA | (57) |
| 14. I want to be pretty sure that something will really work before I am willing to take a chance on it.    | SD | D | U | A | SA | (58) |
| 15. I would rather work in a group or team than by myself.  | SD | D | U | A | SA | (59) |
| 16. When I make plans, I am almost certain to have them work.   | SD | D | U | A | SA | (60) |
| 17. I don't like to follow a set schedule.  | SD | D | U | A | SA | (61) |
| 18. My life is determined by my own actions.  | SD | D | U | A | SA | (62) |
| 19. I have always worked hard in order to be among the best in my field.                                    | SD | D | U | A | SA | (63) |
| 20. I like to experiment with new ideas or activities even if doing so won't lead to any practical results. | SD | D | U | A | SA | (64) |
| 21. I usually try to avoid situations which involve personal risk.  | SD | D | U | A | SA | (3)  |
| 22. I find it very frustrating to have to work through the chain of command to accomplish anything.         | SD | D | U | A | SA | (4)  |
| 23. Whether or not I get to be a leader depends mostly on my ability.                                       | SD | D | U | A | SA | (5)  |
| 24. When I get what I want, it's usually because I worked hard for it.                                      | SD | D | U | A | SA | (6)  |
| 25. I am much less prone to take risks than my peers.   | SD | D | U | A | SA | (7)  |
| 26. I pretty much can determine what will happen in my life.  | SD | D | U | A | SA | (8)  |
| 27. I find it easy to relax completely when I am on holiday.  | SD | D | U | A | SA | (9)  |
| 28. I feel annoyed when people are not punctual for appointments.   | SD | D | U | A | SA | (10) |
| 29. I dislike seeing things wasted.   | SD | D | U | A | SA | (11) |
| 30. I find it hard to forget about my work outside of normal working hours.                                 | SD | D | U | A | SA | (12) |

## Section IV: PREFERENCES FOR WORK TASKS

This section asks about your preferences regarding management functions. Each item presents two alternatives; decide which you would rather carry out as executive of a firm. You can indicate how strongly you prefer that function over the other by which of the letters you circle on the scale between the alternatives. The closer a letter is to an alternative, the stronger a preference for that alternative it represents. The letter C in the middle indicates no preference. For example, if you very much prefer the statement on the left, circle A. If you are neutral or prefer both tasks equally, circle C. If you prefer the task on the right but not very strongly, circle D.

- |   | 1 | 2 | 3 | 4 | 5 |  |      |
|---|---|---|---|---|---|--|------|
| 1. Set objectives and determine organizational methods.   | A | B | C | D | E | Set formal procedures and standardized methods.  | (13) |
| 2. Locate and develop markets for new opportunities.  | A | B | C | D | E | Market products or services through existing channels.   | (14) |
| 3. Recruit and select key members of firm's management team.  | A | B | C | D | E | Develop the latent potential of the firm's management team.  | (15) |
| 4. Manage an efficient process for competitively securing inputs (materials, labor, etc.) within stipulated financial limits. | A | B | C | D | E | Locate and gain command of scarce financial resources, raw materials, skilled labor, etc.              | (16) |
| 5. Devise ways of cutting costs and/or improving quality by various production processes or service delivery systems.         | A | B | C | D | E | Establish the means within the firm of getting a new product, process, or service ready for marketing. | (17) |
| 6. Be actively involved doing research and development.   | A | B | C | D | E | Seek out inventions and concepts which the firm might develop into new products or processes.          | (18) |
| 7. Reward employees through praise and remuneration.  | A | B | C | D | E | Encourage independent thought and resolve conflicts within the organization.                           | (19) |
| 8. Allocate resources and tasks.  | A | B | C | D | E | Stimulate creativity and innovation in achieving goals.  | (20) |
| 9. Define scope, relationships, responsibilities, and authority for various positions.  | A | B | C | D | E | Ascertain extent of deviation from goals and standards.  | (21) |
| 10. Determine data needs and schedule of data collection for reporting systems.   | A | B | C | D | E | Define lines of liaison to facilitate coordination in the firm.  | (22) |

**Section V: BACKGROUND INFORMATION**

The following questions request information on your background so that we may group responses into meaningful categories.

1. Into which category does your age fall?

- |                     |                             |                        |                                  |
|---------------------|-----------------------------|------------------------|----------------------------------|
| 18 - 24 years ..... | <input type="checkbox"/> -1 | 45 - 54 years .....    | <input type="checkbox"/> -4      |
| 25 - 34 years ..... | <input type="checkbox"/> -2 | 55 - 64 years .....    | <input type="checkbox"/> -5 (23) |
| 35 - 44 years ..... | <input type="checkbox"/> -3 | 65 years or over ..... | <input type="checkbox"/> -6      |

2. Are you...

- |            |                             |              |                                  |
|------------|-----------------------------|--------------|----------------------------------|
| Male ..... | <input type="checkbox"/> -1 | Female ..... | <input type="checkbox"/> -2 (24) |
|------------|-----------------------------|--------------|----------------------------------|

3. What is your current marital status?

- |                     |                             |                 |                                  |
|---------------------|-----------------------------|-----------------|----------------------------------|
| Never married ..... | <input type="checkbox"/> -1 | Separated ..... | <input type="checkbox"/> -4 (25) |
| Married .....       | <input type="checkbox"/> -2 | Widowed .....   | <input type="checkbox"/> -5      |
| Divorced .....      | <input type="checkbox"/> -3 |                 |                                  |

4. What is the highest educational level you have achieved?

- |                                 |                             |                                    |                                  |
|---------------------------------|-----------------------------|------------------------------------|----------------------------------|
| Some undergraduate credit ..... | <input type="checkbox"/> -1 | Master's degree .....              | <input type="checkbox"/> -4      |
| Bachelor's degree .....         | <input type="checkbox"/> -2 | Some post-graduate credit .....    | <input type="checkbox"/> -5 (26) |
| Some graduate credit .....      | <input type="checkbox"/> -3 | Doctor's degree (include JD) ..... | <input type="checkbox"/> -6      |

5. Please indicate all degrees received in **Business**.

| Business Degree | Received?                |                               | Granting University<br>(Business Degree Only) | Year Awarded          |
|-----------------|--------------------------|-------------------------------|---|-----------------------|
|                 | Yes<br>1                 | No<br>2                       |   |                       |
| Bachelor's      | <input type="checkbox"/> | <input type="checkbox"/> (27) | _____   | (28) _____ (29)       |
| Master's        | <input type="checkbox"/> | <input type="checkbox"/> (30) | _____   | _____ (31) _____ (32) |
| Doctor's        | <input type="checkbox"/> | <input type="checkbox"/> (33) | _____   | _____ (34) _____ (35) |

6. Did you serve on full-time, active duty status in the armed forces?

- |           |                             |          |                                  |
|-----------|-----------------------------|----------|----------------------------------|
| Yes ..... | <input type="checkbox"/> -1 | No ..... | <input type="checkbox"/> -2 (36) |
|-----------|-----------------------------|----------|----------------------------------|
- (Skip to question 14 below.)

7. In what branch of the armed forces did you serve?

- |                 |                             |                   |                                  |
|-----------------|-----------------------------|-------------------|----------------------------------|
| Army .....      | <input type="checkbox"/> -1 | Marines .....     | <input type="checkbox"/> -4      |
| Navy .....      | <input type="checkbox"/> -2 | Coast Guard ..... | <input type="checkbox"/> -5 (37) |
| Air Force ..... | <input type="checkbox"/> -3 | Other .....       | <input type="checkbox"/> -6      |



8. Were you drafted or did you enlist in the military service?

Drafted .....  -1      Enlisted .....  -2 (38)

9. For how many years did you serve on active duty with the armed forces?

Number of years ..... — (39)

10. Please indicate the years in which you entered and were separated from active duty status.

Entry year ..... 19\_\_ (40)      Separation year ..... 19\_\_ (41)

11. Did you serve in a combat zone during... (Check all which apply)

World War II .....  (42-1)      The Vietnam War .....  (44-1)  
 Did not serve  
 The Korean War .....  (43-1)      in a combat zone .....  (45-1)

12. What was your rank at the time of separation from active duty? (Check one.)

Enlisted .....  -1      Warrant officer .....  -3 (46)  
 Non-commissioned officer .....  -2      Officer .....  -4

13. Did you go back to school after separation from active duty?

Yes .....  -1      No .....  -2 (47)

14. Are you... (Note: Answering this question is OPTIONAL)

White .....  -1      Asian or Pacific Islander .....  -4  
 Black .....  -2      Eskimo or Aleut .....  -5 (48)  
 American Indian .....  -3      Other racial background .....  -6

15. Are you of Hispanic origin? (Note: Answering this question is OPTIONAL)

Yes .....  -1      No .....  -2 (49)

16. Into which category does your current annual income (from all sources) fall?

Less than \$15,000 .....  -1      \$35,000 - \$49,999 .....  -4  
 \$15,000 - \$24,999 .....  -2      \$50,000 - \$74,999 .....  -5 (50)  
 \$25,000 - \$34,999 .....  -3      \$75,000 or over .....  -6

**THANK YOU FOR YOUR TIME AND HELP.**