



WILL NETWORKS IN MILITARY LIFE INFLUENCE VETERAN'S ENTREPRENEURIAL INTENTION? INSTITUTIONAL IMPACTS ON TRANSITIONAL ENTREPRENEURSHIP

JAMIL KREUGEL (PHD STUDENT)
TIMIRY R TIAN (PHD STUDENT)
NICKLOUS SALZMAN (MBA STUDENT)
JING ZHANG (ADVISOR)

COLLEGE OF BUSINESS (STROME), OLD DOMINION UNIVERSITY



Introduction

Few members of society face a **transition** in life as unique and challenging as those **military veterans** (henceforth we will simply use "veteran") face. Upon returning to "civilian life", veterans must considerably alter their norms, values, attitudes, and even identity to fit their new environment (e.g., Haynie & Shepherd, 2011; Nicholson, 1984).

Veterans may find it difficult to seek out appropriate job opportunities (e.g., Beauchesne & O'Hair, 2013; Bolden & Maury, 2017). Veterans developing crucial skills and capabilities desirable for entrepreneurship; thus, it is not surprising that veterans tend to have a higher rate of self-employment than non-veterans (Hope et al., 2011). Research investigating the potential link between entrepreneurship and the transition from military to civilian life is warranted. Such research will help promote entrepreneurship among veterans and thus support the public endeavors to nurture entrepreneurship within this unique and vital population.

To fill the research gap, in this study we **answer the question: how veterans' social networks influence their entrepreneurial intentions (EI) via their perceived likelihood of resource acquisition from social networks?**

Measurement

Entrepreneurial Intention (EI). main dependent variable is the veteran's level of entrepreneurial intentions.

Resource Acquisition. Rate the likelihood of accessing and acquiring the different necessary resources from both their civilian network and military network contacts.

Network variables. Asked to recall and provide up to five contacts who had offered business advice to them during the past six months.

Civilian Network Breadth and Military Network Breadth. are then measured as the number of contacts listed in each respective network.

Network Strength. Asked questions regarding the length, interaction frequency, and closeness of the relationship with each contact.

Civilian Network Strength. Measured as the average strength of the relationships with the listed civilian contacts

Military Network Strength. Measured as the average strength of the relationships with the listed military contacts.

Control Variables.

Parent Entrepreneurship. (The effects of family background). It includes highest Military Rank achieved while active in the military, the Military Force they were active in (i.e., Air Force, Navy, Marine Corps, Coast Corps), and whether they picked up a Military-Related Disability (1 for yes and 0 for no).

Age. As people get older, they are more likely to possess a higher stock of human and financial capital (e.g., Parker, 2004; Renzulli, Aldrich, & Moody, 2000)

Gender. (A dummy variable) (1 for females and 0 for males).

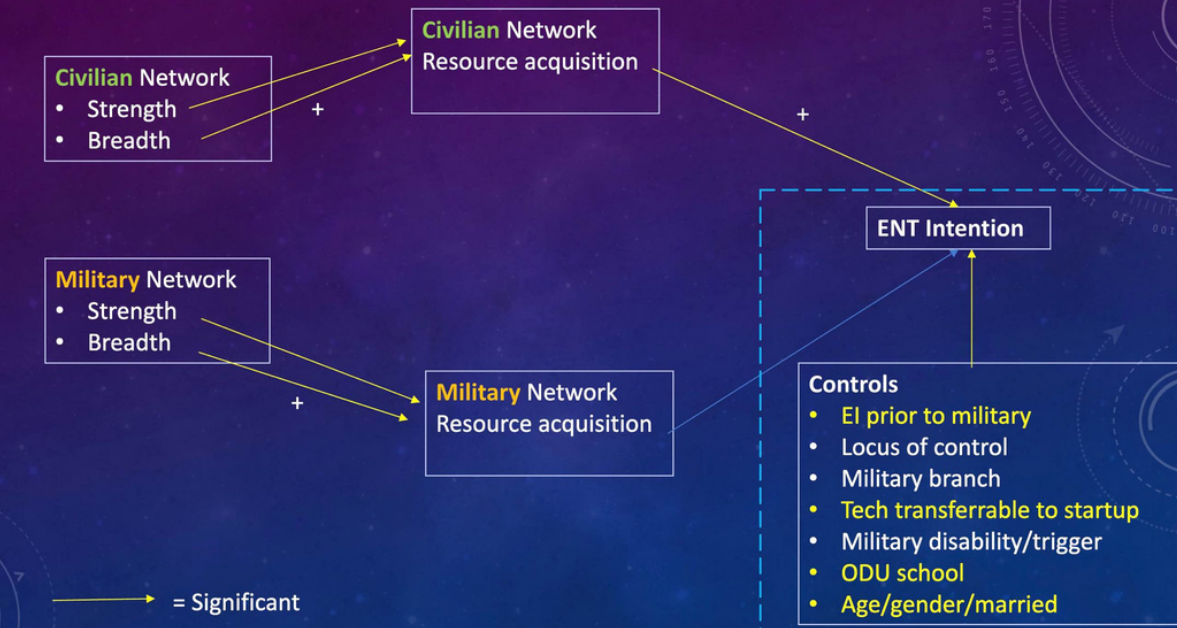
Marital Status. (A dummy variable) (1 for married, and 0 otherwise).

Ethnicity. (A dummy variable) (1 for white and 0 for others).

Military Technical Skills. To what extent the technical skills learned during their military service are valuable to starting their own business.

Prior Entrepreneurial Intention. An additional control variable when testing Hypothesis 3 on EI. To more accurately investigate the effects of networks and resource acquisition on EI, and to account for differences in the level of entrepreneurial intentions prior to serving in the military.

FINDINGS



Literature Review

Entrepreneurial Intention and Veteran Entrepreneurship

The importance of EI (entrepreneurial intentions) in starting a new business, where intention represents an individual's commitment towards this desired outcome (Bird, 1988; Krueger & Carsrud, 1993). These intentions thus guide the entrepreneurs' goal setting, communication, organization, or, more broadly speaking, their actions and behavior.

Research on the transition from military to civilian life and how the transition influences entrepreneurial intention remains remarkably limited. There are not studies that have investigated the effects of veterans' networks on their EI, although entrepreneurship studies have for long highlighted the importance of networks on entrepreneurship (Hoang & Antocic, 2003)

Social network theory and institutional theory: Theorize on how the military and civil networks of veterans can increase their perceived likelihood of resource acquisition (Zhang, J., Soh, P.H., & Wong, P.K. (2010) → a positively influences their entrepreneurial intention.

Veteran Entrepreneurship and Social Capital

Social networks can significantly influence entrepreneurial behavior and outcomes (Rutashobya, Allan, & Nilsson, K, 2009). Prior research has largely studied the effects of **social networks** in single institutional context, and the impacts of social networks across different environments are rarely examined.

Institutional theory suggests that the institutional environment may influence network strategy, and thus the structure of the networks. Studies also identified the institutional factors (regulations, norms, and culture) that influence entrepreneurial intention.

This paper: examine the impacts of social networks across different environments.

METHODS: ADVISOR NETWORK DATA

- Egocentric network
- ≤5 advisors (Merluzzi & Burt, 2013)
- Name-generator procedure (Burt, 1992)



Contribution & Implications

Contribution:

Contributes to the limited studies on veteran entrepreneurship by offering a new angle of studying how to improve veteran's EI. Given the economic imperative to promote entrepreneurship among veterans, this research is vital to the understanding of how best to support, nourish, and grow entrepreneurship within this unique and critical group. Through this research, we can demonstrate the meaningful nature of the bonds created in a military network which can be leveraged to increase EI.

Implications:

Finding that a larger number of inspirers from military network may increase EI, but the effect must go through increasing the level of perceived resource acquisition, offers important empirical implications. Finding suggests that to increase veteran's EI, military networks should highlight the various resources that veteran entrepreneurs can easily access in civilian context. Findings suggest that it is a fruitful path of increasing EI in veterans through the creation of civilian networks, as such networks help disclose and assist with resource acquisition for veterans, which directly increase veteran's EI.

Method and Data Collection

Data Collection: online questionnaire survey sent to veteran students from **Old Dominion University** in the United States. Prior to distribution of the online questionnaire survey, several veteran students in different schools were interviewed to obtain the insights, develop, and improve the questionnaire.

Sample Size: **1,177 veteran** students currently enrolled in all schools. A total of **261 complete responses** with good quality were received (representing a 22% response rate).

Respondent demographics: the distribution of male and female respondents used in this study was relatively equal, with 56% being male.

The average age of the veteran students is 36.7 years. Most of the respondents (~91%) achieved a rank as "enlisted member" as their highest rank in their active time in the military. As expected, among the respondents the civilian network size was significantly higher than the average military network size. On average, 2.1 person(s) and 0.9 person(s) were listed for the civilian and military network size, respectively.

Common Method Variance and Endogeneity

Measurement: sole source of respondents and use self-report measures, the study may suffer from common method variance and endogeneity. First, **separate independent and dependent variables temporarily** by creating a short time lag between the measurements in survey.

The online questionnaire EI is measured on the first screen, resource acquisition is measured on a far later screen and networks are measured on separate screens even later.

- Use a Likert scale for the EI and resource acquisition measurements and semantic differential for network measurements. For example, *how many people in their respective networks they personally know that own their own businesses to measure network breadth.*

Results

The perceived likelihood of veterans acquiring resources could be improved by developing a strong and broad network in military life and/or civilian life.

The increased level of **perceived resource acquisition** through military networks does **not** necessarily increase veteran's EI, although perceived resource acquisition through **civilian networks** may help increasing EI.

Institutional barriers and transitional difficulties may exist when leveraging social capital cross institutional environments. One exception is that a larger number of inspirers from **military network** may increase EI through increasing the level of perceived resource acquisition.

Limitations and Future Research

Limitations

First, due to the small sample size, data reliability is reduced. In addition, since our data were collected from the students who volunteered to participate in the research, self-selection bias and common method variance could also be concerns.

Second, given the research purpose is to study the antecedents to EI, we have NOT examined if veteran who have strong EI will indeed start their own business in the future.

Third, although in this study we offered theoretical reasons and preliminary interview data to predict the difficulties in transferring social capital across institutional contexts, we have neither proposed constructs nor collected a large scale of data in explaining why military networks are limited in supporting EI.

Future Research

- Future studies to conduct longitudinal studies or employ comparable groups to better deal with reduce the impacts of the biases by adopting certain research methods.
- Future studies to compare the effects of the military and civilian networks on startup rate.
- Future studies could interview the veteran community to collect more insights and conduct quantitative research to study the critical factors.

Reference

- Bird, B. (1988). Implementing entrepreneurial ideas: The case for intention. *Academy of Management Review*, 13(3), 442-453.
- Beauchesne, K., & O'Hair, J. R. (2013). Investing in vets: Strategies to help returning Gulf War vets enter the civilian workforce successfully. *Social Work in Mental Health*, 11(5), 434-459.
- Bolden, N. Y., Maury, R. V., Armstrong, N., & Van Slyke, R. (2017). The state of veteran entrepreneurship research: What we know and next steps. *Institute for Veterans and Military Families*, 50.
- Hoang, H. & Antocic, B. (2003). Network-based research in entrepreneurship: A critical review. *Journal of Business Venturing*, 18 (2), 165-187.
- Hope, J. B., Oh, B., & Macklin, P. (2011). Factors affecting entrepreneurship among veterans. Washington, DC: U.S. *Small Business Administration*, Office of Advocacy.
- Haynie, J. M., & Shepherd, D. (2011). Toward a theory of discontinuous career transition: Investigating career transitions necessitated by traumatic life events. *Journal of Applied Psychology*, 96(3), 501-524.
- Krueger, N. F., & Carsrud, A. L. (1993). Entrepreneurial intentions: Applying the theory of planned behaviors. *Entrepreneurship & Regional Development*, 5(4), 315-330.
- Nicholson, N. (1984). A theory of work role transitions. *Administrative Science Quarterly*, 29(2), 172-191.
- Parker, S.C. (2004). *The economics of self-employment and entrepreneurship*. Cambridge: Cambridge University Press.
- Rutashobya, L. K., Allan, I. S., & Nilsson, K (2009) Gender, Social Networks, and Entrepreneurial Outcomes in Tanzania. *Journal of African Business*, 10(1), 67-83.
- Renzulli, L.A., Aldrich, H., & Moody, J. (2000). Family matters: Gender, networks, and entrepreneurial outcomes. *Social Forces*, 79(2), 523-546.
- Zhang, J., Soh, P.H., & Wong, P.K. (2010). Entrepreneurial resource acquisition through indirect ties: Compensatory effects of prior knowledge. *Journal of Management*, 36(2), 511- 536.



CONTACT

Timiry R Tian
Old Dominion University
Email: rtian001@odu.edu

