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MICROINEQUITIES IN THE WORKPLACE : Reasons for People to Leave Their Jobs to Start Entrepreneurial Businesses

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Abstract:

Micro-inequities in the workplace, regarded as instances of minute, subtle human interactions, are examined and postulated in this study to resonate actions of some workers to quit their jobs to become entrepreneurs. The study tries to determine whether the examination of classical motivation theories and interpersonal communication studies would help to show some relationships between specific kinds of imbalances of human actions (micro-inequities) which push some workers to quit their jobs to become entrepreneurs. The results of a survey of respondents in some communities in the United States of America, Europe, and Asia indicate some similarities of both human actions and reactions of workers in the workplace. Also, the results of this study are of course tentative and need to be replicated with a larger, more robust and comprehensive sample. However, this study does suggest and provide the value of analyzing specific variables of research interest to help workforce organizations understand some of the outcomes of micro-inequities in the workplace. First we rooted micro-inequities in the realms of classical job satisfaction theory. Then, based on some of our empirical findings we developed a tentative typology of entrepreneurial genesis. Finally, this study provides some conclusions and recommendations that give positive insights to researchers, and give multi-modality approaches that would help usher some understanding to the workforce, business communities and management on how the after-effects of the labyrinth of micro-inequities may act as disruptive factors in the development of workplaces' harmony.

Keywords: Nascent entrepreneurs, cognition, start-ups, motivation, corporate entrepreneurship

Introduction

Human interactions deal with group and individual behaviors as people are regarded as social beings. Individuals have certain needs, and people differ in what they consider important. Skills of communication, cooperation, decision making, leadership, and problem solving also differ in human relations, but some knowledge of social norms may be necessary for individuals to make informed judgments and decisions. Individuals also have emotional and moral qualities such as self-respect, respect for others, and the desire to respond to situations in a caring, responsible, and constructive way.

Inequities such as instances of injustice or unfairness are sometimes eagerly looking for experts to help correct the maladjustments and inequities. Micro-inequities and micro-incongruities in the workplace are regarded as instances of minute, subtle human interactions which are perceived as imbalances of human actions (acceptable to some, and unacceptable and demeaning to others). Some organizations are sometimes Tone Deaf (Schickel, Nov. 21, 1977) to these basic elements of interactions, and the part they play in their historic moments of occurrence. For the purpose of this study, micro-inequities and micro-incongruities are considered to mean the same.

Micro-incongruities and micro-inequities in the workplace include fears of random acts of cruelty, the feeling of not being valued and respected, the feelings of we are all equal but some are more equal than others, and usage of hostile language in the working place.

Other observations of micro-inequities include actions such as the boss having outstretched hand shakes with some, and others with clenched fist and knuckle, or accompanying the handshake with belly-butting. Some other actions include subtleties of management's exhibitions of handshakes with broad smiles, eye-contacts showered on some workers, and wry, dry, plastic handshakes with others; double standards of public versus private space on co-workers; women Chief Executive Officers (CEO's) having smaller office spaces with not much of a view than their male counterparts; the glass ceiling; no shared vision and mutual respect with the workforce.

This study is concerned that making someone or something (an idea) a whipping post may make some people adorable and others deplorable. Condescending behaviors, bad-mouthing of co-workers, careless talking in the workplace are like bad cases of dandruff, people notice it, would not tell you, but have it against you. The echo -chambers vibrating negative micro-incongruities and micro-inequities generate are reasons for some workers to quit their jobs to start entrepreneurial or start-up businesses. Some of these workers who quit may perhaps have been the next rain-makers for the corporation, people who would have perhaps turned

the corporation into bigger profit-making ventures. The rain-maker perhaps was the high achiever of outstanding results in the profession, the winner, the start celebrity of the organization.

Regarding the emergence of start-up entrepreneurs Mitchell et al. have stated the central question of entrepreneurial cognition research as "How do entrepreneurs think?" (Mitchell et al., 2007, p3). Investigating the mental processes of entrepreneurs in a more general perspective, this question can be broken down into several more specific sub-questions. The guiding question for our research then is "Why do some persons (but not others) choose to become entrepreneurs?" (Baron, 2004). More specifically, we assume that these persons may also be employees who quit their jobs to become self-employed entrepreneurs.

Entrepreneurial cognition as a rather young topic within entrepreneurship research has been exposed to some methodological debate. Hindle (2004) has pledged for a greater variety of methodical approaches, particularly regarding the use of qualitative techniques. We support the idea of using a canonical approach to selecting adequate methods for the focused research question domain (Hindle, 2004, p591). Specifically, for this exploratory study we used personal interviews and case studies to show whether some subtleties: micro-inequities and micro-incongruities (things that may not mean much to some people looking from the outside), minute events that happen at the workplace, may be reasons for some workers to quit, or have their own start-up business.

The paper proceeds as follows: first we have a short look at the classical theories on job satisfaction and work motivation. Then we present our empirical research design and give some summary statistical findings. Based on that, we develop a tentative typology of entrepreneurial genesis as a means to describe some of the prevailing motivation structures which drive employees out of their jobs to start their own business. Finally, we give some conclusions and recommendations to help both employees and employers to help them adapt to circumstances on the fly, and glide through working relationships.

Job Satisfaction

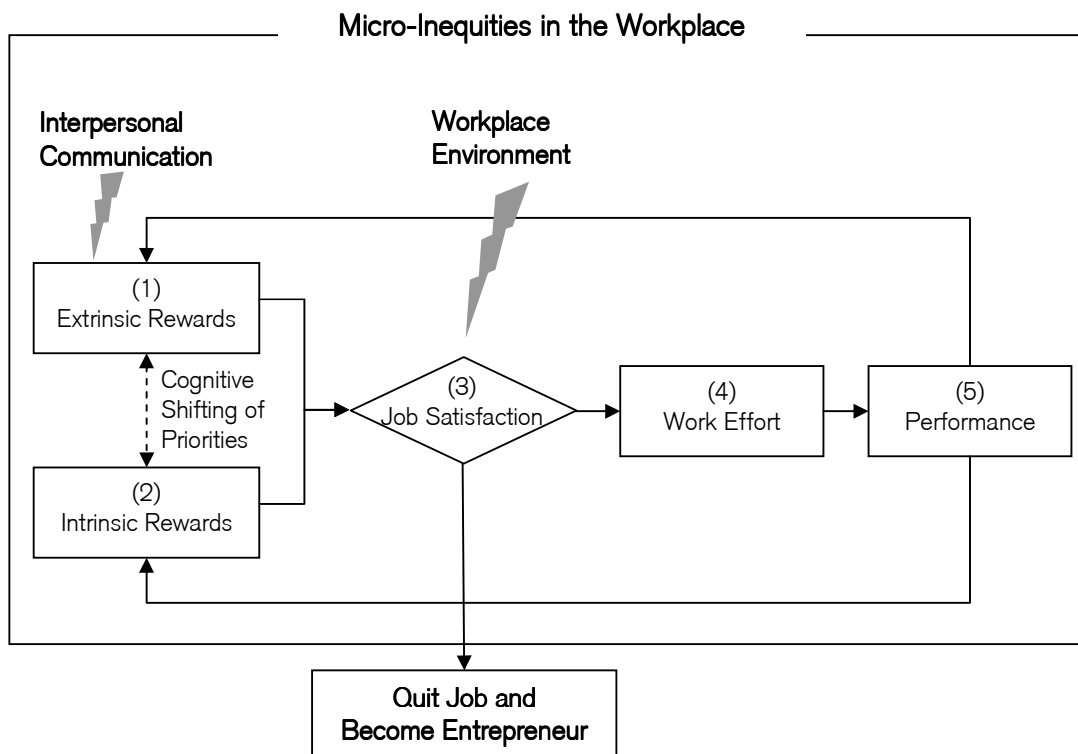
A widely accepted perspective for the explanation of human behavior in organizations has been introduced by organizational psychologists. Motivation theories in particular offer approaches for understanding the reasons why people undergo individual and group efforts to deliver performance that adds up to the success of a company.

Over the recent decades, scholarly discussion has dealt with a diverse set of factors that may be viewed as drivers of performance. In their profound review of the psychology of men at

work, Smith and Cranny (1968, p469) define a subset of four drivers playing a significant role in work motivation: rewards, job satisfactions, effort (or intention), and performances, all of which are inter-related in a circular cause-and-effect mode (figure 1). For the purpose of our study we have focused on job satisfaction, since we presume that people walk out on their jobs when over time they become dissatisfied with their work situation. In addition, this view is consistent with Moore's (1986) stage model of the entrepreneurial process, who has suggested job dissatisfaction as one of the personal influences that may eventually lead up to a triggering event from where an entrepreneurial venture is started.

For reasons of clarity, we have restricted the complex set of potential relations and intervening factors (Smith and Cranny, 1968, p468) to a manageable number without destroying the circular character of that conceptualization.

Figure 1 Conceptual Model of Job Satisfaction



The Smith/Cranny model has been introduced as an integrative framework and as such it covers many behavioral aspects that are subject to closer investigation (Smith and Cranny, 1968, p468). Over the recent decades a large body of literature has emerged which covers

various sub-aspects and additional linkages of the above system with other relevant factors. In particular, the relationships between individual variables and the working environment have caught the attention of researchers.

In short, our model builds on the assumption that employees' performance (5) is driven by their expectation to realize certain outcomes (Vroom, 1964). Employees perceive monetary and non-monetary outcomes in terms of their individual goal systems. Rewards (1, 2) in this view are outcomes representing means to certain ends that can lead to satisfaction. Satisfaction (3) in turn influences the efforts (4) perceived as sufficient to achieve a given performance level. Rewards can be either extrinsic in form of monetary appreciation or gratitude from their managers (1); or they can be intrinsic, for instance when a given task has been accomplished (2).

In addition, our model indicates a cognitive shifting of priorities between extrinsic and intrinsic rewards. Vroom (1964, p17) has introduced the idea that employees perform because they evaluate outcomes based on an individual utility function. A prerequisite to maintain work motivation in this view is a positive balance of costs and benefits. As long as total rewards are perceived as adequate, this will be the case.

However, empirical evidence suggests that intrinsic motivation may be "crowded out" by extrinsic rewards (Frey, 1997). If an employee expects to receive more pay (extrinsic incentive) for a job perceived as a personal challenge (intrinsic incentive), the theory holds that his desire to do the job will decrease unless pay is valued as adequate.

On the other hand, we presume that a perceived inadequacy of extrinsic rewards may also lead to a shifting of priorities towards intrinsic rewards (Lawler, 1969). Similarly, if an employee is excluded from a pay raise, a challenging task may serve as a complimentary source for individual motivation. In other words, as long as outcomes are consistent with individual needs, intrinsic rewards may compensate for a lack of extrinsic incentives.

Adequacy of extrinsic rewards is at the core of equity theory. Adams (1963) has dealt with the behavioral and cognitive effects of perceived inequity between efforts and rewards. Satisfaction in this view is associated with the perception of pay as equitable or fair in that deviations either above or below some equitable point result in dissonant perceptions and consequent changes in affect and performance (Smith and Cranny, 1968, p475). Notwithstanding the divergent empirical findings regarding pay as a trigger for feelings of inequity, Porter and Lawler (1968, p165) have integrated the construct of perceived adequacy of rewards as a driver of satisfaction in a more general sense.

Building on Herzberg's two-factor theory, a great deal of research has been undertaken to better understand the dimensions of job satisfaction (Herzberg et al., 1959). Regarding the ongoing scholarly debate we acknowledge the divergent opinions based on a variety of empirical findings. However today, the multidimensional concept of satisfaction forms an essential element of work satisfaction theory. We adhere to this prevailing assumption by integrating 'satisfiers' as well as 'dissatisfiers' in our model. 'Interpersonal communication' maybe regarded as a satisfier if it stands for positive feedback given by a job supervisor. In case of negative feedback however, 'interpersonal communication', just like 'workplace environment', turns into a potentially dissatisfying influence factor.

Dollinger (2003, p43) has noted that both sets of factors may contribute to job frustration and finally become reasons for employees to quit their jobs and become entrepreneurs. In particular, middle managers may get angered or bored by their current employment due to factors which are unilaterally controlled by the organization as a whole, by their employers and/or bosses. Entrepreneurial venturing in this situation may turn into an opportunity to confront a new challenge and realize higher degrees of personal autonomy.

A European study of reasons de-motivating middle managers in their jobs found three contextual groups of factors to be of higher relevance for job satisfaction (Wunderer and Kuepers, 2003): first the job context, where work content, task identification, job responsibility, and shared vision and goals were found to be moderately interrelated; second, the interpersonal context, where moderate interrelations were found between the quality of relationships and communication with supervisors and higher level management, and appreciation of performances; and finally, the cultural context, where organizational culture, business and human resources policies, and work relationships were equally moderately interrelated. Whilst this study did not look specifically at reasons for employees quitting their jobs, regarding the factors pointed out in our model it highlights the need to confront organizational barriers for work motivation in order to evade increases of job dissatisfaction.

As a consequence for our model, we refrain from conceiving job satisfaction as a binary variable. Instead it incorporates the idea of job satisfaction as a state of mind reflecting the cumulative character of continued negative (and positive) experiences in the workplace—(i.e.) at a given moment in time satisfaction may be low due to some of the factors depicted in our framework, which at a later stage may in turn improve again. However, at a certain point, accrued dissatisfaction reaches a threshold where the individual decision to resign becomes the logical consequence.

Microinequities

While it is difficult to understand all the reasons why people walk out on their jobs, it is also not easy to say, that we will not miss the person for what the person would have brought to the fray. Reviewing the literature of micro-inequities and micro-incongruities help to shed some light on our study. This study will help organizations to parlay their workforce into a whole new playing field, by absorbing the findings and recommendations into their corrective modus operandi, to become movers and shakers of acceptable positive corporate culture.

The word micro-inequities and how these have powerful impact on morale and productivity in the workplace was invented by Mary Rowe, Ph.D., 1973, an adjunct professor of management at M.I.T, while studying issues of racial and gender exclusion. Rowe noticed that micro-inequities, subtle, seemingly harmless messages of devaluation, kept women and people of color from flourishing in less-than-diverse work places (Langford, L., 2006). These subtle, sometimes unconscious behaviors add up to a culture of exclusion to some people in the workplace. Acts of micro-inequities affect people and are particularly discouraging to diverse workforce and talents. By making some people feel unwelcome, evidence of a glass ceiling and limited opportunity for advancement, give many a sign that it is time to start looking somewhere else for career fulfillment (Langford, 2006).

Kay, (2002), explains that "the best way to predict the future is to invent it" (p75). Research on workplace communication show that micro-gestures (<http://www.behavenet.com/capsules>) and words mean very little as real messages are sent and received. These messages are frequently delivered through subtle micro-messages such as listening with arms folded, losing eye contact, ignoring a female colleague's success while rewarding a male co-worker for the same accomplishment. These powerful biases communicated in the workplace are often subconscious, negative messages that affect productivity and morale. They are cumulative, repeated behaviors that devalue, impair and discourage performance in the workplace. According to Langford (2006), individuals send between 2,000 and 4,000 micro-messages a day. Some of these messages are positive, e.g., a nod or a smile when you pass a co-worker in the hall-way; and some are negative, like pecking away at your Blackberry while someone is talking to you or looking at your watch during a presentation. Micro-inequities and micro-incongruities are seen as the new diversity paradigm.

While reviewing micro-inequities as dimensions of culture, Hofstede (2005), discussed Power Distance as the degree to which the less powerful expect differences in the level of power. The study shows how a high score in the "Dimensions of Culture" suggests that some individuals wield larger amounts of power than others. Low score conversely reflects the view

that all people should have equal rights. Hofstede's (2005) study showed Latin America and Arab nations to be ranked the highest; Scandinavian and Germanic speaking countries to be the least. High also equates with political violence (Geert Hofstede: from Wikipedia, the free encyclopedia). Hofstede's (2005) body of works also demonstrate that there are national and regional cultural groupings that affect the behavior of organizations; and these are very persistent across time.

Message interpretations of micro-inequities sometimes take the shape of look, gestures or even tones. Hinton (2004) indicates that these semi-conscious messages are persuasive and potentially damaging which result in destructive consequences of exclusion, withdrawal, damaging of self-esteem of co-workers in the office. Hinton's (2004) observations depict the events of a boss walking around the office introducing a new employee to current staff members; at each stop, the boss spends several minutes exulting the various accomplishments of each of the "other" co-workers and rejoicing in what valuable members of the team they are; and when you are approached, the boss simply identifies you by name (which he/she mispronounced) and says you have been with the company for a year or two, and the boss quickly moves along. In an average 10-minute conversation, it is estimated that individuals send about 40-50 micro-messages to each other, and in some it varies from the degree of bowing in Asian culture, to a turn of the head.

A time archive article by Julie Rawe (March 15, 2006), defines micro-inequities as a part pop psychology, part human-resources jargon to represent all the indirect offences that can demoralize a talented employee. Micro-inequities are not much about what people say, but what people hear to mean who is in the inner circle and who is not; the same is true when your boss dismisses your idea and then embraces it when it is paraphrased by someone else.

The feature's article of a Staff writer, Marilyn Gardner, the Christian Science Monitor, (Mon. Oct. 30, 2006), "The truth behind women opting out," takes us to another angle of micro-inequities. The article mentions that women are pushed out by workplace inflexibility, the lack of support, a workplace bias against mothers, and 86 percent of women citing obstacles such as inflexible jobs as key reason behind their decision to leave. Other studies, Stolba, (August 1, 2002), "Why Can't a Women Be More Like a Man?" also takes issues with inflexible workforce as a form of micro-inequity. Yet another manifestation of workers quitting their jobs because of non-obvious reasons was shown by LiveScience.com (Mon. Feb. 26, 2007), "Americans Hate Their Jobs More Than Ever." The article informs us that in the past 20 years, fewer than half are saying that they are satisfied with their work and workplace. Workers under the age of 25 are less than 39 percent satisfied with their jobs, while workers 45 to 54 have the second lowest level of satisfaction (less than 45 percent).

By referring to some corporations or their workplace as having the Robocop, The Stepford Wives, Boys from Brazil, Blade Runner and The Terminator mentality (Best, 2007), some workers indicate their concerns as the fear of the erasure of human identity under advanced technological conditions. These workers quit instead of complying or succumbing to some metaphysical positions at the workplace. Some reason to understand micro-incongruities in the workplace is also highlighted by a national survey of American workers and managers, conducted by Harris Interactive Inc. (Robb, 2007). Some of the key findings show that only 20 percent of workers feel very passionate about their jobs; less than 15 percent feel strongly energized by their work, and only 31 percent (strongly or moderately) believe that their employer inspires the best in them. By using The Glass Ceiling for African, Hispanic (Latin), and Asian Americans as a gauge/guide, (http://www.ethnicmajority.com/glass_ceiling.htm), the "glass ceiling" refers to the barriers that often confront Ethnic Americans and women in trying to reach the upper echelons of corporate America. A 1995 study commissioned by the Federal Glass Ceiling Commission show that 97% of the senior managers of the Fortune 1000 Industrial and Fortune 500 are white, and 95-97% are male. The same findings also show that 57% of the workforce in the U.S. are either ethnic minorities, or women, or both; and these ethnic minorities do not earn the same pay for comparable positions, African Americans earning an astounding 21% less than their white counterparts in the same job.

Women suffering from what psychologists call "desk rage," on-the-job anger resulting into stress-filled workplaces (Jacqueline Stenson, Dec., 20, 2006) are also seen as the result of the inequities that enhance/enable workers exit in the workplace. Some desk-ragers go into gun battles, screaming, cursing, trashing office equipment, even assaulting others, and backstabbing. Some may stop communicating, quit their jobs and work for themselves. Heavy workloads, long hours, technology that keeps workers constantly on call like laptops, PDA's, cell phones, e-mail and pagers, tyrants and micro-managers are also regarded as offenders. Retirement Guide 101.com (<http://www.retirementguide101.com/stress.php>) (nd) refers to the forces of stress as enablers of some decisions to quit one's job. Stress and worry are like paying interest on a debt you do not owe; neither one accomplishes anything more than making you sick. How workplace stress affects health, (Heubeck), (nd), <http://www.medicinenet.com/script/main/art.asp?articlekey=77459>, shows that a work environment that includes insults, back stabbing and belittling erode employees' morale. What is less understood is that such a toxic work atmosphere can also lead to deteriorating health.

Feeling trapped in a workplace that is not fair, like watching someone get a promotion when your hard work goes unnoticed, or attempting to offer your insight to management, only to

have it fall on deaf ears, can actually increase one's risk for coronary heart disease (CHD), and is a leading cause of death in the U.S. In a two-part landmark Finnish study conducted between 1985 and 1990 in which researchers surveyed more than 6,000 male British civil servants – without presence of CHD – regarding how fair, or unfair, they perceived their employers. Subjects who reported a high level of justice at work were 30% less likely to develop CHD than workers who consistently experienced injustice at work (Heubeck),(nd), <http://www.medicinenet.com/script/main/art.asp?articlekey=77459>. The study participants define “justice” in the workplace as those who felt their bosses considered their viewpoints, treated them truthfully, and included them in decision-making processes said they worked in “just” workplaces. How workers react to negative interpersonal relationships in the workplace, be it passive-aggressive co-workers or disgruntled bosses, also has a dramatic impact on subsequent stress level.

Some other issues considered as micro-incongruities include “Snooping Bosses--Think your employer is checking your e-mail, web searches and voicemail? You're probably right,” (Dell and Cullen, Sept. 11, 2006). Dell and Cullen show how programs such as Xora Software track workers' whereabouts through GPS technology on their company cell phones. Some employees finding this practice as an invasion of their privacy quit and do their own thing by working for themselves as entrepreneurs.

Empirical Data and Results

The sample of our interviewees has been constructed by choosing personalities which are known to have been employed by business organizations before they decided to become start-up entrepreneurs. Besides this, no additional criteria were applied for sample selection. However, a sampling bias may be caused by the fact that the people interviewed were those readily approachable for the interviewers. This restriction is consistent with the exploratory character of our pilot study.

The facts which were presented to the researchers from this study's environment were collected and examined from their abstractness, elusiveness, closeness to the subject of study, and their verifiability. Data were also edited to ensure consistency across respondents of the different regions of the study, to reduce errors in the recording and improve legibility. To help with our report, alphanumeric codes are used to reduce the responses to a manageable system for processing and analyses. This helped us develop summaries to look for patterns and apply some statistical techniques of finding relationships among variables.

At the nominal level, gender of participants, names of professions and country of origin were recorded. At the ordinal level (Holcomb, 2006), the research participants were put in order from high to low in the area of education, e.g., who had advanced college degrees versus those who had only a bachelor's degree or below a bachelor's degree or were college dropouts.

Since this study used human participants who are complex entities endowed with knowledge, beliefs, feelings, opinions and attitudes, we find the examination of a single Independent Variable (IV) and a single Dependent Variable (DV) to be impractical, since these variables do not co-exist in isolation in the human mind set of behavior. To help us with descriptive, co-relational, survey/face-to-face personal interviews where we had no control over the levels of IVs, we ventured into looking at orthogonality by examining the nature of the relationships among a set of IVs and a single DV to see how each IV would contribute separately, and in additive fashion, to the prediction of the dependent variable (Mertler & Vannatta, 2005); we found this aspect to be a desirable quality for multivariate statistical analyses.

Findings

In the Rocky Mountain region, Colorado, USA, face-to-face interviews were conducted with some known entrepreneurs from January to March, 2007. Interview questions range from "How do you define or describe entrepreneurship? Do you believe yourself to be entrepreneurial? Why?" "Reasons for being an entrepreneur, some studies hint that some people quit their corporate jobs to become entrepreneurs because of some felt micro-inequities at their old workplaces like having the feeling of not being valued, glass ceiling, hostile working environment, ideological cloning, no shared vision, being ignored a lot, no respect, etc. Did any of these or other micro-inequities play a high level or low level part in your decision to become an entrepreneur?" Questions also included the participant's level of education, age and income before becoming an entrepreneur and now; participants were also asked about their community service, corporate citizenship, before and after being-entrepreneurs.

In the German-speaking part of Switzerland interviews were carried out accordingly during the month of May, 2007. Out of nine entrepreneurs participating, four interviews were conducted face-to-face, one by use of a structured survey questionnaire, and the remainder via telephone.

In Pakistan, ten personalities were interviewed during the months of May and June, 2007, by use of a semi-structured questionnaire focusing on a set of decision factors based on

Herzberg's dual-factor theory (Herzberg et al., 1959) on the one hand and factors reflecting micro-inequities on the other. All of them had become successful entrepreneurs after quitting their jobs.

There is summary statistical information describing the sample of our total 27 respondents in some detail. There were 21 male and 6 female interviewees, while all of the latter were either from the USA or from Switzerland. 2 respondents were in the age bracket between 20 and 29 years, 7 between 30 and 39, another 7 between 40 and 49, 10 between 50 and 59, and one above 60. One third of our respondents turned entrepreneurs at the age in between 30 and 39 years, 8 in between 20-29, 3 already as teenagers, another 3 in between 40 and 49 and likewise in between 50 and 59, and one above 60.

Respondents showed a broad variety of professional backgrounds, such as management, engineering, banking and finance, sales, academic, teaching, law and professional services, and entertainment. All had at least a basic professional education, covering a broad range from master craftsmen to university professor. Regarding education, 7 had college degrees, 12 university degrees, and 8 had others, their highest qualifications being 2 specialized professional degrees, 5 undergraduate, 5 bachelor, 7 postgraduate, and 5 Ph.D. (5 unknown). Whilst one personality has been entrepreneur for most of his life, the majority had developed their professional careers as employees, predominantly in management positions in a great variety of industries, a few of them in top management. All but one of them said they considered themselves as having entrepreneurial personalities. The majority (17) of the entrepreneurial businesses were in the service sector, 6 of them were in production, and 4 in engineering and technical businesses.

As a matter of fact, six out of eight interviewed personalities in the **USA** considered micro-inequities as being among their major reasons to quit their jobs as employees whilst the remainder said these had a low or very low influence on their decisions. In particular, micro-inequities were reported as individual services that were not valued and respected, exclusion by management from its inner circle, down-playing contributions and instead giving credits to some of the stakeholders' references working in the organization, disrespect of personal values and professional needs, tracking of activities and movements of workers carrying cellular telephones by the company, bullying activities of bosses, and mocking of personal short-comings.

Out of nine **Swiss** respondents there were six who said micro-inequities played an important role in their decision-making whilst the others said they had low, very low or no impact at all. All considered a variety of concrete issues to have been the case prior to their becoming entrepreneurs. In particular, these were: disrespect of personal needs, goals, strengths and

individual potential as well as wage expectations, negative and arbitrary evaluation, personal discomfort within job relationships, glass ceiling, envy of job colleagues, lack of common vision, double binds, ignorance, inequities regarding personal privileges, and lack of personal freedom as regards the fulfillment of professional and customer service standards.

A significant number of seven out of our ten respondents in **Pakistan**, however, considered hygiene factors and the quest for money as major contributors in making their decision to quit their jobs and to become entrepreneurs. For them, micro-inequities play a low or very low part in their decision making. These respondents pointed out that especially in times of massive unemployment, many in the workforce tolerate micro-inequities, such as too much work load and hostile language as inconsequential stressors of the sign of the times. They are not particularly hampered by them; and they stay put to their jobs. On the contrary, when both the political and economic climate of the country successfully bloom, many quit their jobs to become entrepreneurs because they feel they will now make more money by owning their own businesses that would afford them the respect they deserved to better use their skills.

As a result, we now reiterate that our 10 respondents in Pakistan are found to leave their jobs to earn more money and status as entrepreneurs. Their decisions are more induced by hygiene factors than by micro-inequities. Poor economic conditions, underemployment and unemployment are seen as factors which force many workers into tolerating micro-inequities, and neglecting them as decision factors to quit their jobs. In contrast, our respondents from the US and from Europe showed micro-inequities playing a significantly stronger role in their decisions to become start-up entrepreneurs. As a consequence, since the best part of them was driven out of their jobs by dissatisfaction which was to a large extent or in some cases exclusively due to micro-inequities, we conclude that these factors merit consideration when longing to better understand the phenomenon of entrepreneurial emergence.

Reasons for employees to quit their job and become entrepreneurs

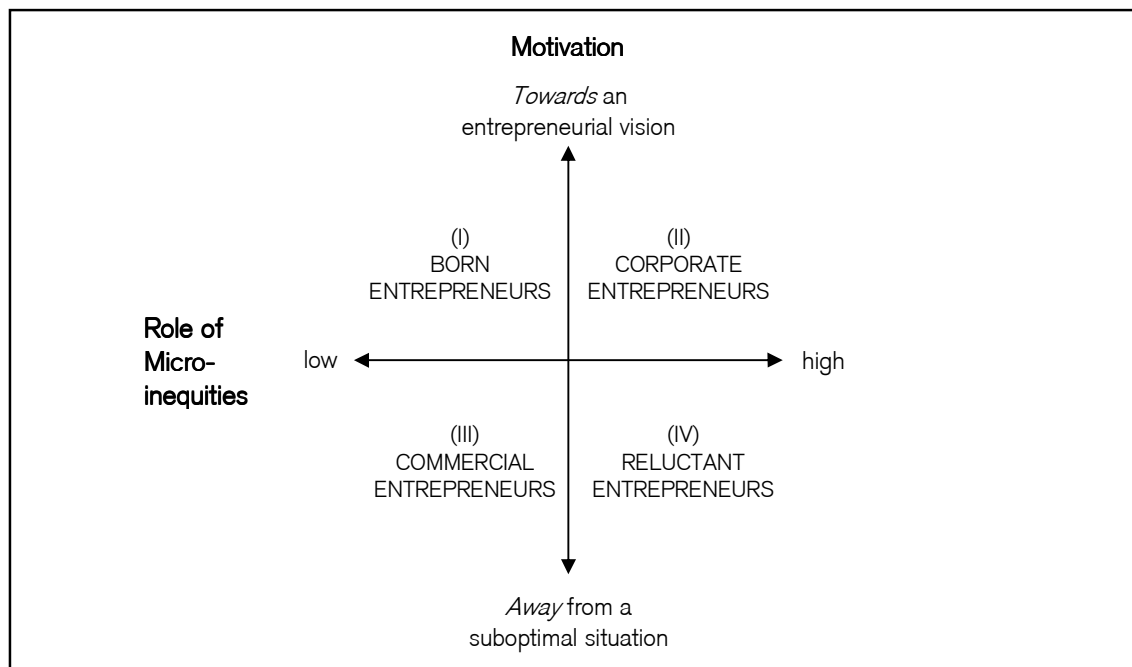
As we have seen above, our findings from a randomly selected sample of start-up entrepreneurs from three continents suggest that there are distinct variances regarding the degree as to which micro-inequities drive people to quit their job and to start their own entrepreneurial venture. However, we certainly refrain from proposing that these might be the only factors triggering this sort of behavior. On the contrary, we believe there are other factors involved which call for closer scrutiny. In particular, as defined here micro-inequities are part of the external set of decision factors influencing an employed person. In addition, at least parts of hygiene factors have been conceptualized as belonging to the external work

environment (e.g., corporate culture, control exerted by and relationship with superior's etc., cf. Herzberg et al. 1959).

The question then is which internal factors can be found that might function as additional drivers. In our empirical research we have asked respondents to list their reasons for starting up a business and their personal goals when becoming a start-up entrepreneur. A broad variety of factors could thus be detected reaching from developing their personal potential over better use of skills being one's own boss. In an attempt to structure the contents of these responses we have found a simple distinction to be helpful: on the one hand, there are respondents that appear to be primarily motivated towards a future situation, such as their vision to become a self-sustaining entrepreneur. On the other, there is a group of respondents stating that they were basically motivated away from a given situation which they perceived as suboptimal, such as dissatisfactory wage levels.

As a consequence, by combining these two dimensions ~ role of micro-inequities on the one hand and personal motivation on the other ~ we derive a framework of entrepreneurial genesis which comprises a typology of entrepreneurs who find their way out of an employed situation into starting up their own business. Figure 2 depicts the basic idea.

Figure 2. Typology of Entrepreneurial Genesis



From the world of workforce organizations we find a distinction between four archetypal start-up entrepreneurs, namely 'born', 'corporate', 'commercial', and 'reluctant entrepreneurs'. Next, a short summary of their respective personal goals and reasons for starting-up a business is given. A first subset representing *four* personalities from our sample was named '**born entrepreneurs**' because to them micro-inequities as well as other external drivers played hardly any role at all whilst their main motivation was towards realizing their entrepreneurial vision (quadrant I). Quoting from their responses, they look for their personal freedom to decide for themselves, to take higher risks, to develop their individual potential, to take personal responsibility, to change the world, to live a service-oriented life and give better service to other people, to realize their personal work-life-balance, to be flexible as regards working hours, and to enrich their job diversity. In sum, these people are entrepreneurs who go their way and found their own business, regardless of the situation in their working environment; they simply wait for their proper opportunities to develop their own potential.

A second group of *ten* personalities was named '**corporate entrepreneurs**' (quadrant II) due to their strong motivation towards an entrepreneurial vision in combination with their being driven out of their jobs by micro-inequities. Similarly as the 'born entrepreneurs', many of them said they wanted to use their individual potential and realize their vision of a self-sustained business person, strive for their self-fulfillment, listen to their inner calls and live their destiny as an entrepreneur. Important motivational factors to start their own venture can be described as happiness, respect, self-worth appreciation, high job satisfaction, as well as fun and inner peace. Freedom for them is quite similar to our first group, for instance the liberty to decide for yourself, to do what you believe needs to be done, to evade organizational rules and control by superiors, to achieve independence, and personal flexibility in combination with realizing their individual work-life-balance. Moreover, some said they sought after working with like-minded people in a network of independent personalities, to create an impact, to satisfy customers, as well as to observe social responsibility initiatives. They followed a desire to use their personal strengths and to live a life-style consistent with their authenticity as a personality, or in short, to live their own basic values. Of course, for most of them this also means building their self-confidence being their own boss by having their own business and thus working without any superiors. On the other hand they pursued the survival of their start-up business, to achieve financial security, as well as a higher income. In sum, these personalities saw their work inside an organization as a logical form to live up to these values in the first place. They might as well have continued as corporate entrepreneurs and even become the next rainmakers for the organization as long as this would have supported their aspirations. Instead they were driven out of an organization by micro-inequities which simply offer them a good reason to quit.

A third subset of *eight* personalities was predominantly driven by the need to raise their income and status and thus was named '**commercial entrepreneurs**' (quadrant III). As a consequence, this group was driven away from a dissatisfactory situation in their jobs as employees mainly due to low wage levels and lack of status. They said for them to leave their positions as employees was the primary motivation to make more money, to make as much money as possible, to overcome an economic problem, or put quite simply, to become rich. Similar to our second group, some of them also said they wanted to own their private business to achieve better status and higher status recognition. They also wanted to make better use of their skills and knowledge, or to use their creative skills not utilized before. Some stated that it was about the opportunity to achieve more independence to make personal decisions as compared to their former jobs, where they saw no future for themselves. In sum, these entrepreneurs were primarily driven away from their former job by economic factors perceived as dissatisfactory to generate more income as compared to their situation as employees. Their personal skills are primarily seen as potential to achieve economic success. They are convinced they cannot realize this within the limits of an organization other than their own.

Our fourth and last group totaling five personalities combined high levels of perceived micro-inequities with a motivation away from a situation they perceived as suboptimal (quadrant IV). Since they are driven by the need to evade an unacceptable work situation and are forced into becoming entrepreneurs by factors out of their control, we suggest calling them 'reluctant entrepreneurs'. Their primary goal is to correct hygiene factors and micro-inequities as a pre-requisite to get motivated for their proper entrepreneurial tasks. They said they wanted to avoid corporate unethical business practices or to evade evaluation by their supervisors and personal monitoring by their former employers. They were lacking personal independence and felt uncomfortable with their working environments due to a variety of reasons. Similar to the commercial entrepreneurs, some said they incurred low pay and needed more money to overcome their individual economic problem. However, some also mentioned positive motivations as developing their individual potential to achieve comfort and happiness in a better future, or becoming their own bosses by taking risks in order to reach economic success. As a particular trait of this group of entrepreneurs, from our findings, we interpret that they did not view themselves as becoming entrepreneurs as a natural step to continue their professional careers.

Moreover, we did not find any systematic differences regarding the age of our entrepreneurs or the highest qualifications they had achieved. Neither did we find any systematic variances regarding income variation as regards before-after becoming start-up entrepreneurs. The

majority of all respondents (15) had increased their income in their new self-employed situation whereas 5 said they had reached the same level of income as before and 6 had incurred decreases (1 gave no answer to this question). As a matter of fact however, amongst the group of commercial entrepreneurs a clear majority had increased their incomes while in the other groups this fraction accounted for only half or less of its respondents, respectively.

Conclusions and Recommendations

Guided by our empirical findings, we make several propositions to guide future research in the domain of entrepreneurial emergence and micro-inequities.

Our first proposition concerns the macro level and reflects cultural differences which are inherent in our study over three continents. We therefore suggest that in mature economies (USA, Switzerland) the realization of basic standards of living and individual economic wealth do not intervene in professional career decisions as much as they do in a country where economic development is rapidly catching up. In the latter case, economical drivers to start an entrepreneurial business, such as hygiene factors (Herzberg, 1959), are likely to obtain more relative importance. On the other hand, in the first case, entrepreneurs are rather driven by motivators and the need for self-fulfillment in particular, and view an opportunity to start an own business as a chance to realize their self-sustained concept of life.

Our second proposition concerns the basic job satisfaction model we have used to conceptualize our study. As potentially dissatisfying factors in a given job setting, micro-inequities directly intervene with extrinsic rewards and thus with satisfaction. In comparing the findings from the mature economies with the ones from a developing country, we feel that there are differences in the relative tolerances regarding the levels of dissatisfaction before employees actually decide to quit their jobs. Their decision is mainly based on their perceived opportunities to be economically better off when starting their own venture.

Our third proposition is twofold: it concerns the issue of relevance versus irrelevance of micro-inequities. On the one hand, entrepreneurial personalities that are driven out of their jobs by micro-inequities appear to be a clear loss for the organization. In contrast to the other groups of 'born' and 'commercial' entrepreneurs we conclude that they would stay as members of their employing organization and develop their potential to the advantage of their companies if they were not driven away by discomforting factors such as negative interpersonal communication and work environments (Goffee & Jones, 2007).

As a complement of our third proposition we presume on the other hand that personalities who quit their jobs to become entrepreneurs driven by factors other than micro-inequities and further acknowledged dissatisfiers are much more difficult to retain. Their motivation to become successful entrepreneurs based on their proper vision and on their own accounts might simply be too strong to offer them a reasonable future within the limits of an existing organization.

Finally, we give some recommendations for management of workforce organizations. It is understood that the random application of rules would sometimes be dysfunctional, but there is an aesthetic to the requisite rules that apply to conventional logic in the business workplace which are expected to be enforced by corporations to ensure that their image is appropriately portrayed.

- Co-workers with entrepreneurial mindsets represent tremendous potential if they can be retained by organizations over the long term. From a management point of view, letting them off due to an unfavorable leadership culture or dysfunctional communication rules is a waste of human capital.
- Companies, instead of losing a really good employee should figure out a compromise or a flexible schedule where everybody could win. Have a win-win situation.
- Corporations to remember that the achievements of shared goals depend on some measure of social cohesion, a reasonable balance of individuality, community and corporate ethical culture. Corporations should not be in the grave of nostalgia of looking back to the old comfortable behaviors, but listen to the environment of discontent. The concept of devolution does not mean the total dismantling of things that have brought them to be movers and shakers of business. Corporate restructuring begins with open communication across boundaries.
- Corporations to understand that conflict is a necessary evil, a normal part of human interaction that ensures a healthy outcome through collaborative problem-solving, in a framework of law, custom and beliefs to channel behavior toward purposes deemed acceptable. Try to avoid contemporary fates of rootlessness, hollowness, tyranny and being tone deaf to the workforce.
- Organizations should engage and motivate employees across generational boundaries by expecting and accommodating differences. Avoid insufficient or careless communication; be fair to all, create effective listening spaces and monitor body languages as individuals interpret ideas and actions of other people through a

perspective of largely unexamined values, assumptions, beliefs and attitudes considered a common sense reflection of who we are and what we admire and not tolerate.

- Corporate strategies, structure, processes and people need to be focused on convergence of energies to have individuals to be valued and organizations to be open to change in response to the ideas, perspectives, needs and drives of its individual members; learn a different way of interacting with the workplace; try to cope with a boss you feel is making unreasonable requests.
- The search for harmony over acrimony requires both employees and employers to constantly have honest, open communication to help both sides adapt to circumstances on the fly and glide through “unhealthy” situations with corrective measures.
- While there is the need for in-depth psychographic analyses to measure the life style variables of respondents before and after becoming entrepreneurs in a study herewith presented, it may also be helpful to look at a longitudinal analysis study with “cross-lagged correlation” implications, to look at entrepreneurship vis-à-vis micro-inequities at different times and places.

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