

Movements between Entrepreneurship and Paid Employment: Experiences of Polish Entrepreneurs in the International Context

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The present paper, drawing on qualitative interviews with Polish former and current entrepreneurs based in the Opole region focuses on their experiences as it relates to movements from wage employment to entrepreneurship and from entrepreneurship to wage employment. In so doing, it seeks to find out why they decided to become entrepreneurs or to return to paid employment, what they experience in their new occupations, and how their prior experiences influence the way they run their businesses or work as employees. The interview findings suggest that people become entrepreneurs because they seek to earn more, be autonomous, or to test their “inner mettle.” The interviews also lend credence to the view that running one’s own company is a testing experience and that not everyone can and should be an entrepreneur. Yet, at the same time, the study shows that a spell of entrepreneurship can help one gain skills and develop personal attributes that come in handy in wage employment. As there are lacunae in topical literature, the study seeks to fill some of these gaps and, by this token, make some contributions to the existing body of knowledge.

Keywords: entrepreneurship, entrepreneur experiences, career trajectories, in-depth individual interviews.

Ruchy pomiędzy przedsiębiorczością a zatrudnieniem: doświadczenia polskich przedsiębiorców w kontekście międzynarodowym

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Artykuł wykorzystuje wywiady jakościowe z byłymi i aktualnymi przedsiębiorcami z rejonu opolskiego, koncentrujące się na ich doświadczeniach związanych z przebiegiem kariery zawodowej od zatrudnienia do przedsiębiorczości oraz odwrotnie, aby określić: przyczyny, dla których zostali przedsiębiorcami lub powrócili do zatrudnienia; ich doświadczenia w związku z nowymi zajęciami oraz czy wcześniejsze doświadczenia miały wpływ na sposób prowadzenia firmy lub wykonywanie pracy jako osoby zatrudnionej. Wyniki sugerują, że ludzie stają się przedsiębiorcami, ponieważ pragną więcej zarabiać, chcą niezależności lub sprawdzić swoją „siłę charakteru”. Można również wywnioskować, iż prowadzenie własnej firmy to pewien sprawdzian i nie każdy może lub powinien być przedsiębiorcą. Jednocześnie, badania wykazały, że pewien czas spędzony jako przedsiębiorca pomaga w zdobyciu umiejętności

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oraz w wyrobieniu osobistych cech, które są przydatne przy zatrudnieniu. Artykuł stara się wypełnić niektóre luki w literaturze przedmiotu i tym samym poczynić pewien wkład do istniejącej wiedzy na ten temat.

Słowa kluczowe: przedsiębiorczość, doświadczenia przedsiębiorcy, przebieg kariery, indywidualne wywiady pogłębione.

JEL: J23, L26, M13, M54

1. Introduction

There has been a surge of scholarly interest in the psycho-economic mechanisms underlying various aspects of entrepreneurship over recent years. This should come as no surprise given that entrepreneurship – together with technological progress – is now regarded as a major driver of economic growth and societal advancement in developed and developing economies alike (Drucker, 1994; Acs and Armington, 2006; Reynolds, 2007; Lumsdaine and Binks, 2006; *Global Entrepreneurship Monitor*, 2014). Indeed, the creation of new companies is associated with the “establishment of new market sectors, net job creation, labor productivity, technical and market innovations, economic growth, and social benefits” (Khan et al., 2014, p. 39). Accordingly, there are compelling reasons to deepen our understanding of entrepreneurship-related issues (Shane and Venkataraman, 2000; *Global Entrepreneurship Monitor*, 2014).

Chief among them is the profile of the entrepreneur. Most companies (with high-tech start-ups at the fore) are set up by two or three individuals rather than by a single person. There is also growing recognition of the role played by entrepreneurial teams, especially, those composed of family members (Discua Cruz et al., 2013). Single or plural, the entrepreneur takes center stage in the study of entrepreneurship. Thus, the focus has been on the characteristics and competencies of the successful company founder (McGrath and MacMillan, 2000; Zhao et al., 2010). However, less attention has been paid to the career trajectories of entrepreneurs (Ferber and Waldfogel, 1998; Douglas and Shepherd, 2002).

All this is of special pertinence to Poland – eastern Europe’s largest post-communist economy – which has a short but distinctive tradition of entrepreneurship. A communist country’s economic environment, where market forces and private ownership of the means of production were replaced with central planning and state control, was, *ex definitione*, hostile to entrepreneurial activity. However, there were a few exceptions to the rule – small firms with an entrepreneurial spirit owned by Polish families that tended to look towards their roots and tradition (Nikodemka-Wołowik, 2006). Individual enterprise was not completely throttled and persevered in rudimentary form up to 1989 – the year that marked a turning point in the history of Poland (Zientara, 2014).

The spontaneous outburst of entrepreneurial activity helped propel economic growth during the initial phases of the systemic transformation. However, as time passed the market got saturated, competition intensified, and red tape grew. Consequently, many small businesses went bankrupt, some were taken over by stronger competitors, while others evolved into bigger companies. This means not only that a comparatively large group of Poles experienced a spell of entrepreneurship, but also that some of the entrepreneurs returned to paid employment or, *in extremis*, found themselves unemployed. That aspect is important since in literature it is sometimes assumed that entrepreneurship constitutes a final career destination. The implication is that Poland provides fertile ground for the exploration of movements from wage employment to entrepreneurship and from entrepreneurship to wage employment. Therefore, this paper focuses on the following questions:

Research Question 1: Why and how do employees decide to become entrepreneurs and why do entrepreneurs return to wage employment?

Research Question 2: What do former entrepreneurs experience as paid employees and what do former employees experience as entrepreneurs?

Research Question 3: How does the experience of paid employment (including employment abroad) influence one's work as an entrepreneur and how does the experience of entrepreneurship influence one's work as an employee?

Although an understanding of movements from wage employment to entrepreneurship and *vice versa* is growing (Douglas and Shepherd, 2002; Hyytinen and Ilmakunnas, 2007; Sørensen and Fassiotta, 2011), little of this research work has drawn on data collected in the eastern part of Europe.

2. Literature Review

There is hardly any dispute that “the most basic entrepreneurial activity – creating new firms – has a major role in the economy” (Reynolds, 2007, p. 1). One might *a priori* assume that there is a positive association between a country's overall prosperity and the entrepreneurialism of its citizens. This, in turn, emphasizes the importance of the entrepreneur (McGrath and MacMillan, 2000; Zhao et al., 2010). Research suggests that the average entrepreneur is more likely to be a man, be married, and have offspring (*Global Entrepreneurship Monitor*, 2014). Essentially, attributes seen as characterizing the entrepreneur fall into two basic categories: personal characteristics and managerial competencies. The former are innate and stable (since traits, by and large, are not subject to cursory change), while the latter can be learned and developed (although one can reasonably argue that truly *charismatic* leaders are born rather than made). *Related to the above, some scholars* take the view that entrepreneurship is a matter

of genes and that, by this token, not everyone can – and should – be an entrepreneur (Shane, 2013).

As regards the entrepreneur's personal characteristics, literature distinguishes three main features and five secondary ones. The former include the need for achievement, internal locus of control, and risk taking propensity. The latter encompass the need for autonomy, need for power, tolerance of ambiguity, need for affiliation, and endurance. Yet, it is the concept of self-efficacy that is of key importance. It lies at the core of social cognitive theory and constitutes the key mechanism of personal agency (Wood and Bandura, 1989). Self-efficacy, which denotes people's beliefs in their ability to complete a certain task or achieve a particular objective, determines every aspect of human endeavor. Hence, for instance, people decide to get involved in activities on the basis of their perceptions and assessments of self-efficacy (Townsend et al., 2010). Therefore, if they perceive themselves as being characterized by high self-efficacy, they tend to go for challenging undertakings.

It follows that self-efficacy not only affects one's convictions vis-à-vis the attainment of particular goals, but also underpins one's perseverance and propensity for taking risk. In this context, it is worthwhile to accentuate the implications of goal-setting theory, which is one of the most important theories of motivation (Latham and Pinder, 2005). It holds that in certain circumstances, hard-to-reach goals can actually result in superior performance, compared to badly-defined or easy-to-reach goals. With this in mind, central to goal-setting theory is the notion of goal commitment, which denotes one's determination to achieve a particular objective (Tang, 2008). This is really helpful since, being an entrepreneur is "amazingly difficult work – you have no life balance, no family time, and you will never work harder in your life (Phil Libin, quoted in *Economist*, 2014a, p. 66).

These considerations bear upon entrepreneurial cognitions, which connect mental processes with entrepreneurial conduct. Conceptually, all this falls within the purview of work that explores the cognition of entrepreneurs (Mitchell et al., 2002; Katz and Shepherd, 2003). This area of research focuses, among other things, on cognitive style (Sadler-Smith, 2004), where cognitive style refers to "the characteristic way people process and organize information and hence arrive at judgments and conclusions" (Brigham et al, 2007, p. 30). Crucially, cognitive style is seen as a constant part of one's mentality – a fact that underpins behavioral differences between entrepreneurs. Thus, Fauchart and Gruber (2011) divide entrepreneurs into three main categories – Darwinians, Communitarians, and Missionaries. They argue that, in essence, individuals belonging to these categories differ from each other in terms of self-perceptions and motivations.

Furthermore, according the Cognitive Style Index (Brigham et al., 2007), individuals fall along a continuum with extremes at either end. These extremes are occupied by either intuitivists or analysts. As a rule, the former tend to be nonconformist and prefer an open-ended approach

to problem-solving. In contrast, the latter are more compliant and favor a more structured approach to problem-solving (Allinson and Hayes, 1996). This goes some way towards explaining why managers differ from entrepreneurs. This, in turn, has to do with the concept of a role schema, which refers to “a cognitive structure or mental framework relating to how one’s knowledge is organized about the set of behaviors expected of a person in a certain job or role” (Corbett and Hmieleski, 2007, p. 103). As is widely acknowledged, the role schemas of managers are markedly different from those of entrepreneurs. In practice, this means that managers tend to engage in prevention focus behavior, which is associated with conformity, safety, and risk-aversion, whilst entrepreneurs commit themselves to promotion focus behavior, which evokes dynamism, advancement, and accomplishment. In fact, there are grounds to believe that “a disproportionate number of entrepreneurs may suffer from hypomania, a psychological state characterized by energy and self-confidence but also restlessness and risk-taking” (John Gartner, quoted in *Economist*, 2014a, p. 66).

The above qualities are instrumental in launching and running a new firm. Yet, what is actually at issue here are expert scripts (or schemas) that are crucial to new-venture decision-making. Mitchell et al. (2000) differentiate between arrangement, willingness, and ability scripts. More specifically, arrangement scripts refer to the knowledge people have about the use of the broadly-understood tools at their disposal (be they concrete technological solutions or personal contacts) that starting a new business requires. Willingness scripts denote the knowledge structures that underpin an individual’s commitment to launch a new venture. Finally, ability scripts are the knowledge structures people have about the skills and attitudes necessary to get their venture off the ground (Mitchell et al., 2000, p. 978).

In this context, the question arises of why people decide to establish a new company. There is a general consensus that most (would-be) entrepreneurs are driven by both non-economic and economic motives (Townsend et al., 2010; Carsrud and Brannback, 2011; Sampaio et al., 2012). A need for greater autonomy and personal satisfaction as well as realization of one’s potential and a willingness to test one’s “inner mettle” feature prominently among non-economic motives, whereas higher income and financial success among economic ones (*Economist*, 2014a, p. 66). Not coincidentally, entrepreneurship is considered to be “a major route for social mobility” (Reynolds, 2007, p. 2). In summary, while making a decision to set up their own businesses, people are most strongly motivated by a desire to be their own boss and a desire to earn more than in paid employment.

That aspect brings us to the problem of the career trajectory of the entrepreneur, which, as mentioned in the introductory part, concerns movements from paid employment (or unemployment) to entrepreneurship and from entrepreneurship back to paid employment (or unemployment). At this juncture, it is worth quoting Reynolds (2007), who points out that “by

the time they reach their retirement years, half of all working men in the United States probably have a period of self-employment of one or more years; one in four may have engaged in self-employment for six or more years. Participating in a new business creation is a common activity among U.S. workers over the course of their careers” (p. 13). Even a larger share of young Americans, as reported by Reynolds and Curtin (2008), has seriously considered becoming entrepreneurs.

Moreover, research conducted not only in the United States, but also in different parts of the world (*Global Entrepreneurship Monitor*, 2014) shows that most entrepreneurs have worked for established firms (that is, for someone else) before launching their own businesses (Sørensen and Fasiotto, 2011). It is often assumed that the professional experience, specialist knowledge, and specific skills acquired while working at an established company help a budding entrepreneur found (and run) a new venture. But, interestingly, the actual decision to leave paid employment, as Nanda and Sørensen (2010) found, is often influenced by the social composition of the workplace. At issue is the presence of former entrepreneurs in the workplace, which helps propagate a “He can do it, why can’t I?” attitude. As a result, direct contact with former entrepreneurs positively affects the propensity of co-workers to start a new venture. It follows that those who interact with ex-entrepreneurs are more likely, *ceteris paribus*, to launch a new business than those who do not.

That said, there needs to be a recognition that transition from college straight to entrepreneurship, in particular in the broadly-defined high-tech industry, is increasingly common. Tellingly, some of those young Silicon Valley-based entrepreneurs may actually never experience a spell of paid employment. In fact, there is a growing number of serial founders who follow one venture with another (Hyytinen and Ilmakunnas, 2007) – they sell their businesses to established corporations (or go public) and then set up a new firm, thereby pursuing another promising idea. But recent years have also seen an increase in the number of bankruptcies (small- and medium-sized enterprises across the rich world were hit particularly hard by the financial crisis that erupted in 2008). The implication is that, since then, some of the entrepreneurs who decided to wind down their businesses have returned to wage employment (or even found themselves unemployed). This, in turn, has ambivalent psycho-economic ramifications.

On the one hand, the prospect of working for somebody else is hard to accept for a person who used to be his or her own boss. On the other hand, being an employee (on an open-ended contract) usually means job security, financial stability (regular pay), and, sometimes, lesser strain as well as more free time (Zientara, 2014). Under certain circumstances, all this might improve a former entrepreneur’s quality of life. Likewise, past experience of entrepreneurship – in particular, the skills and competences acquired when working as an entrepreneur – may come in handy in wage employment,

thereby helping an entrepreneur-turned-employee to be more productive (and satisfied with his or her job). It is, therefore, important to acknowledge that there is “life” after entrepreneurship, which, in practice, suggests that, rather than being a final career destination, it may constitute a (temporary, but enriching) phase in one’s professional career. These considerations are germane to Poland, a country that, as mentioned in the introductory section, lends itself well for studying entrepreneurship-related issues.

3. Context of the Study

It was only after 1989 that Poland saw a massive outburst of new company creation (Zientara, 2014). After several years of frenetic entrepreneurial activity, there was a noticeable shift in attitudes towards entrepreneurship. Indeed, with accusations of financial irregularities and employee abuse hitting the headlines in the mid-1990s, Polish entrepreneurs began to be seen by the general public – already tired of the hardships of the transition – as cheats and exploiters. What is more, they bred an undercurrent of distrust of private enterprise that still runs through Polish post-communist society. Not coincidentally, the country’s regulatory environment continues to be unsupportive of entrepreneurial activity. Poland occupies thirty-second place in the ease-of-doing business ranking (World Bank, 2014). Even though, admittedly, it has made systematic progress in this respect, it still fares worse than Estonia, Latvia, or Lithuania.

Given that “growth without entrepreneurship is rare” (Reynolds, 2007, p. 1), making life difficult for Polish entrepreneurs seems short-sighted and self-defeating. After all, Poland, notwithstanding the undeniable socio-economic progress made during the last quarter of a century – “in 1998 GDP per person in Poland was just 28% of that in America” (*Economist*, 2014b, pp. 25) – continues to lag behind all western EU member states in terms of *per-capita* income.

It is important to remember that “across the globe, many individuals pursue a business activity because alternative options for work are limited or non-existent; by having the option to engage in self-employment, they are able to take care of themselves and their families” (*Global Entrepreneurship Monitor*, 2014). Nonetheless, in Poland there is another dimension to self-employment that has more to do with questionable employer practice than with authentic and voluntary engagement in entrepreneurial activity. Many employers are reluctant to offer their employees open-ended contracts (Zientara, 2008). Hence, they make some of their employees set up micro-companies and subsequently give them the same tasks. Thanks to this arrangement, the employer-employee relation is *de facto* preserved, but *de iure* falls within the purview of civil law – rather than the labor code – since it involves transactions between two businesses. In this way, employers circumvent labor-market restrictions, which, in turn, deprives

self-employed individuals (who thus become independent contractors) of the privileges enjoyed by contractual employees. For instance, a Polish employer who wants to dismiss an employee on an open-ended contract has to give him or her three months' notice and severance pay. By contrast, an employer who wants to end cooperation with a self-employed person simply terminates the contract, without having to give him or her formal notice of redundancy or severance pay.

Resorting to self-employment as well as the so-called "junk contracts" (short-term per-piece contracts that offer no protection) is, therefore, seen by some commentators as crucial to ensuring greater organizational flexibility. Others, however, argue that this lies at the core of Poland's labor-market duality, which is a source of abuse and discrimination (Zientara, 2008). It follows that self-employment in Poland should also be associated with an involuntary activity that disguises the employer-employee relationship and has little to do with genuine entrepreneurship.

It is also essential to realize in this context that the nationwide unemployment rate conceals wide regional variations. In December of 2015 it stood at 9.8% nationwide (GUS Central Statistical Office of Poland, 2016), but in some regions and sub-regions – especially in the eastern part of the country – unemployment remains much higher. However, there is something else that sets it apart from other Polish areas, namely, its distinctive ethnic composition (Zientara and Bohdanowicz, 2014). In fact, the Opole region is home to a large German community. It is also noteworthy that under communism many locals moved to the Federal Republic of Germany, but some of them retained Polish citizenship. All this implies is that strong cultural and familial links exist between the Opole region and Germany.

In practice, this means that many small- and medium-sized businesses situated in the Opole region were (and continue to be) set up using German capital and are run either by Poles who have strong ties with Germany or by Polish émigrés who returned from the Federal Republic after the collapse of the communist regime. Accordingly, some local entrepreneurs are not only familiar with the mindset of German society, but also have hands-on experience with – or a deep understanding of – that country's business practice and regulatory environment. Given the German tradition of entrepreneurship – as embodied by the *Mittelstand* – and a Protestant work ethic, that *per se* is noteworthy, this deserves closer scrutiny. In summary, it is fair to say that the region's idiosyncrasy makes it particularly suitable for investigating various aspects of entrepreneurship.

4. Research Method

As indicated in the introduction, this paper draws on a qualitative methodology. The principal method employed for data collection was the semi-structured interview, recommended whenever researchers investigate

complex questions or seek to elicit sensitive information (Nikodemowska-Wolowik, 2008). The interviews referred to in this text were conducted either face-to-face or by telephone in the Opole region in September of 2014. Notes taken during the interviews were written up in full and then translated into English. Subsequently, the text was thoroughly examined with a view to identifying relevant observations and underlying patterns.

As regards the selection procedure, it has to be said that the Central Register and Information on Business Activity (known by its Polish acronym as CEIDG) is a computer database covering existing and wound-down businesses. It is available online and accessible to the general public. In any event, twenty-five existing and twenty-five wound-down firms from the CEIDG database were randomly selected. In total, twenty-two individuals – thirteen current and nine former entrepreneurs – accepted the invitation (the rest either did not reply or explicitly refused to participate). Having fixed a date for a telephone interview, the researchers came up with two interview sheets – one for former and one for current entrepreneurs – containing queries which bore upon **Research Questions 1, 2, and 3**. Examples are as follows: Why did you decide to become an entrepreneur (or to return to wage employment)? How does past experience of working as an employee (or an entrepreneur) influence your behavior in the current occupation? How does familiarity with German business practice and societal values influence the way you run your own company (or work in wage employment)? Crucially, an attempt was made to allow the interviewees to affect the dynamics of the interview by encouraging them to digress and to elaborate on their experiences.

5. Discussion of the Findings from the Interviews

At the outset, it is necessary to point out that the authors were given permission to publish detailed information on all the interviewees but one (the authors make public only the first name of the person who insisted on remaining anonymous). Table 1 shows the profiles of the participants. Significantly, six of them had past experience of working in Germany. One needs to realize, too, that the businesses founded by the former and current entrepreneurs encompassed a wide range of economic activity, from construction and mechatronics to insurance and hospitality.

5.1. Current Entrepreneurs

With respect to current entrepreneurs, all of them had earlier worked for established companies. Asked why they decided to set up their own businesses and move from wage employment to entrepreneurship, they gave slightly different reasons. Some of them – Rafał Toppich, Artur Słowik, and Ewa Weryńska, for example – resolved to become entrepreneurs because they were either laid off or saw their former employers go bankrupt. Others – most

Respondent	Status	Age	Education	Experience with German (workplace) reality
Piotr Bitner	Current entrepreneur (mechatronics)	28	MA degree	Has no links or experience
Marek Dembowski	Current entrepreneur (garage)	32	High school diploma	Has no links or experience
Irena Dudzik	Current entrepreneur (hospitality/eatery)	59	MA degree	Has no links or experience
Marek Duriasz	Current entrepreneur (insurance)	57	MA degree	Has no links or experience
Irena Figiel	Current entrepreneur (insurance)	55	MA degree	Has no links or experience
Izabela Łazuch	Current entrepreneur (handicraft)	36	High school diploma	Has no links or experience
Adam Rębisz	Current entrepreneur (mechatronics)	28	BA degree	Worked in Germany during summer holidays
Artur Słowik	Current entrepreneur (IT)	53	High school diploma	Has no links or experience
Ryszard Szpon	Current entrepreneur (security)	61	High school diploma	Has no links or experience
Rafał Toppich	Current entrepreneur (construction)	40	Vocational school diploma	Has a German passport and worked in Germany
Ewa Weryńska	Current entrepreneur (real estate agent)	53	MA degree	Was employed at a German company
Jerzy Woźniak	Current entrepreneur (hospitality/agro-tourism)	62	MA degree	Has no links or experience
Monika	Current entrepreneur (business office services)	25	BA degree	Has no links or experience
Joanna Ciechańska	Former entrepreneur (insurance)	43	MA degree	Was an entrepreneur in Germany
Krzysztof Kędzierski	Former entrepreneur (retail trading)	44	High school diploma	Has no links or experience

Tab. 1 cont.

Respondent	Status	Age	Education	Experience with German (workplace) reality
Liliana Lachowicz	Former entrepreneur (event management)	53	MA degree	Was employed at a German company
Paweł Łazuch	Former entrepreneur (retail trading)	36	High school diploma	Has no links or experience
Maria Pająk	Former entrepreneur (pharmacy)	58	MA degree	Has no links or experience
Magdalena Paluch	Former entrepreneur (retail trading)	41	MA degree	Has no links or experience
Anna Witczak	Former entrepreneur (insurance)	47	MA degree	Has no links or experience
Marek Zawodniak	Former entrepreneur (construction)	53	high school diploma	Has German and Polish passports and is currently employed at a Germany company
Grzegorz Ziętek	Former entrepreneur (insurance)	27	BA degree	Has no links or experience

Tab. 1. Interviewee Profiles (in alphabetical order by surname). Source: the authors.

notably, Irena Figiel, Piotr Bitner, Marek Dembowski, and Adam Rębisz – were, in essence, motivated by the prospect of independence (autonomy) and higher earnings (financial success). In the words of Marek Dembowski, “I wanted to earn more, to work to my own account, not for someone else [...] I won’t let any employer or co-worker exploit me [...] I’m not going to return to paid employment [...] I’ve got many clients and a lot of work” (personal correspondence, September 20, 2014). Some interviewees were somehow compelled to strike out on their own by harsh labor-market realities. Indeed, Marek Duriasz, Irena Dudzik, and Ewa Waryńska decided to establish their own businesses because, being over fifty, they either saw themselves unemployable or were actually unable to find wage employment. Their experiences imply that ageism might well be common practice in Poland, although there is some evidence to the contrary.

Interestingly, three utterances stood out. First, Monika (who, to reiterate, wished to remain anonymous) observed: “I was made to set up my own firm by my employer. Every manager aged twenty-six or more had to do so” (personal correspondence, September 21, 2014). Her case, in fact, exemplifies the above-mentioned tendency to force (current) employees into self-employment with a view to circumventing onerous labor-code restrictions. Second, Izabela Łazuch remarked bitterly: “I used to work as a shop assistant. I decided to set up my own business because of the employer’s attitude towards his employees – utter lack of respect for the people on whom his company depended [...] I worked very hard all day, but I felt humiliated and exploited” (personal correspondence, September 18, 2014). Arguably, these two statements are indicative of Poland’s fraught employment relations in general and the dubious quality of human resource management in particular. Third, Jerzy Woźniak pointed out that he “wanted to move from the city to the countryside and to live ecologically, in accordance with nature” (personal correspondence, September 18, 2014). This utterance, by contrast, lends credence to the view that a decision to become an entrepreneur is increasingly frequently motivated by a desire to change something in one’s life and to pursue one’s personal interests or to put into practice the ideas one believes in (see also Sampaio et al., 2012).

It is also important to stress that none of the interlocutors said that the presence of ex-company founders at their former workplace had any impact whatsoever on their decision to set up their own businesses (they noted that either they did not know such people or that they were simply unaware that their co-workers were former company founders). This, of course, is not in line with the findings by Nanda and Sørensen (2010). Rather than being inspired (and encouraged) by their colleagues (a sort of exogenous factor), the interviewees, when considering launching their own businesses, tended to rely on their “inner selves.” Indeed, they said that the most important thing was to “believe in oneself” and in “one’s inner capacities,” thereby, in fact, highlighting the significance of self-efficacy.

Nevertheless, some acknowledged that, especially immediately after starting their own firms, they had serious doubts as to whether they would manage as entrepreneurs. To quote Marek Duriasz, “at the beginning, I kept worrying whether I could cope, whether I could earn enough” (personal correspondence, September 18, 2014). This was in spite of an explicit admission that they had a “pretty good” idea of the difficulties associated with being an entrepreneur beforehand. Related to the above, questioned about whether it took any special personal qualities to be a successful entrepreneur, they drew attention to self-discipline, creativity, and a willingness to accept risk. They also underlined the role of managerial competences and interpersonal skills, such as the ability to “get your ideas across well” and to “organize the work of other people.”

Interrogated about the advantages of running a business (compared to paid employment), they underscored autonomy and absence of subordination (“being one’s own boss”), greater flexibility and, last but not least, higher earnings. To quote Piotr Bitner, “the biggest plus is more money, respect from your community, an ability to organize your work, and independence” (personal correspondence, September 19, 2014). As for the disadvantages of being an entrepreneur (compared to paid employment), they pointed to financial instability and lack of the perks of the job (“no paid leave”) as well as to problems with work-life balance (“working long hours”). Still, Piotr Bitner somehow counter-intuitively said that “I can’t see any minuses” (personal correspondence, September 19, 2014).

However, almost all of them noted how difficult it was to cope with Poland’s business-unfriendly environment. They complained about red tape, pointing out that having to comply with complex and ambiguous regulations was a real burden. What they singled out for special criticism were high social-security contributions. The last aspect is particularly important in view of the country’s persistently high unemployment. The interlocutors argued that not only high payroll taxes impeded (much-needed) new job creation, but also that they led to the expansion of the shadow economy (Andrzej Szpon, personal correspondence, September 18, 2014). The following statement by Marek Dembowski, “[...] high social-security contributions make it costly to employ people [...],” encapsulates the point (personal correspondence, September 20, 2014). Nevertheless, none of them, by their own admission, resorted to forcing their own employees to set up one-person companies (so as to turn them into independent contractors). Although discontented with the labor code, they stated that such practices were mainly the preserve of large companies.

Interrogated about whether the knowledge and skills gained in wage employment were helpful in entrepreneurship, the vast majority of them answered in the affirmative. For example, Jerzy Woźniak, who runs an agro-tourism farm that aims to propagate environmental sustainability, noted: “what I learned as a teacher is very helpful. Since we raise Green

awareness among kids, teenagers, and adults, we need to communicate appropriately with each age group. So, given that our ecology workshops need to be tailor-made for visitors of different age, my experience from school comes in handy” (personal correspondence, September 12, 2014). Monika is also worth quoting. She said: “of course, the knowledge and experience gained in wage employment are very useful since I perform the same tasks; after all, it’s the same job!” (personal correspondence, September 21, 2014). This sentence makes it unequivocally clear that such involuntary self-employment *à la polonaise* has little to do with genuine entrepreneurship.

However, three interlocutors – Artur Słowik, Marek Duriasz, and Rafał Toppich – expressed divergent opinions. Referring to the pre-1989 times, they dismissed experience gained in the communist-era workplace as downright useless. Moreover, they asserted that communism, while inducing indolence and unaccountability, warped the work ethic of Poles. Tellingly, Rafał Toppich observed that what he had learned as an employee was “of no use” since at that time his co-workers “skived and drank” (personal correspondence, September 21, 2014). These comments indirectly bear upon the question of whether familiarity with German business practice and societal values influenced the way the interviewees run their businesses. Those concerned – Adam Rębisz, Ewa Weryńska and Rafał Toppich – were unanimous in saying that past experience of working in Germany indeed had an impact. Ewa Weryńska noted that when in Germany she learned to be “conscientious” in her duties and that this helped her “properly address customer needs and expectations” back in Poland (personal correspondence, September 16, 2014). Importantly, Adam Rębisz pointed out that he learned “respect for hard work and other people” (personal correspondence, September 12, 2014).

Concluding, the experiences of the interviewed entrepreneurs are similar, to a large degree, to those shared by other company founders all over the world. Before starting their own businesses, all of them worked for established companies or institutions (schools). Most of them decided to become entrepreneurs because they wanted to earn more and, in equal measure, to be autonomous (although the financial aspect seems to have played a decisive role). Some moved from paid employment into entrepreneurship because they could not find another job (mainly due to ageism). One person was *de facto* forced by the employer to set up her own firm. However, while making a decision to strike out on their own, none of the interlocutors were influenced by the presence of former company founders in their workplace. Rather, when considering starting their own businesses, they were inspired and encouraged by their own (positive) perceptions of themselves. The interviewees acknowledged that being a successful entrepreneur required certain personal characteristics (self-efficacy, self-discipline, and propensity for risk). They also highlighted typical drawbacks associated

with entrepreneurial activity, such as lack of the perks of the job, stress, and the need to work long hours. They decried Poland's regulatory environment, being particularly critical of excessive red tape and high payroll taxes. Interestingly, most of them admitted that, as entrepreneurs, they drew on the knowledge and skills gained in paid employment. Finally, those who had past experience of working in Germany said that this positively influenced the way they run their companies.

5.2. Former Entrepreneurs

Asked about why they decided to wind down their businesses and return to wage employment, most of the interlocutors – with Liliana Lachowicz, Paweł Łazuch, and Grzegorz Ziętek at the fore – pointed to lack of financial stability or downright unprofitability. Some company founders revealed that they were unable to rise to the challenge mounted by the competition. Paweł Łazuch complained about “exorbitant taxes and inordinately high social-security contributions” (personal correspondence, September 17, 2014). Yet, what ran through all the utterances was a palpable sense of weariness and insecurity. Indeed, while explicitly acknowledging that uncertainty and stress are part and parcel of the life of the entrepreneur, they admitted to being “tired of” all that. In the words of Magdalena Paluch, “I was just desperate for peace and quiet” (personal correspondence, September 18, 2014). Marek Zawodniak went as far as to declare that he “does not want to be an entrepreneur any more” (personal correspondence, September 11, 2014).

Interrogated about the advantages of wage employment (relative to entrepreneurship), they highlighted financial stability, regular working hours (and hence less difficulty with work-life balance), a sense of security, less stress, and fewer responsibilities and risks. Most of them emphasized the importance of monthly pay and all the perks of the job. The following statement made by Joanna Cichańska is representative of the opinion held by all the interviewees: “Now, as an employee, my salary and social security contributions are regularly paid; I have health insurance, performance incentives, paid leave and overtime, and access to low-interest loans” (personal correspondence, September 16, 2014). This confirms the above-mentioned longing for “peace and quiet,” while at the same time suggesting that they had somehow felt overwhelmed by the downsides of the life of a company founder. Such an interpretation is also borne out by the fact that a decision to wind down their businesses – which can be seen as *de facto* acknowledgment of failure – did not cause them particularly deep personal sorrow. This contrasts with an increasingly accepted view that “the entrepreneurs who fail frequently go through a process that is similar to grieving after a death or divorce” (Dean Shepherd, quoted in *Entrepreneurs Anonymous*, 2014, September 20). In summary, what it comes down to is the impression that they had had enough of being entre-

preneurs and, accordingly, that it was a relief for them to move to wage employment.

As for the disadvantages of being an employee (relative to entrepreneurship), the interviewees pointed to greater workplace inflexibility (resulting from the standardization of typical procedures and the work organization that ignored employee empowerment), limited participation in decision-making processes and, last but not least, lack of autonomy (“subordination”). Indeed, questioned about whether it was hard for them to accept the status of a subordinate, all of them, with the exception of Marek Zawodniak, answered in the affirmative (some of them even described the experience as “truly traumatic”). As might be *a priori* expected, they said that the thing that vexed them most was the obligation to take orders from someone else. Accordingly, they had difficulty coming to terms with the fact that they were no longer their own bosses. To quote Liliana Lachowicz, “a big minus is being answerable to someone else, working under the control of your superior” (personal correspondence, September 15, 2014). Notwithstanding these comments, it is safe to assume that, in the eyes of the interviewees, job security and financial stability outweighed any potential disadvantages of being a subordinate. Symptomatically, nobody openly regretted having moved from entrepreneurship to wage employment.

Asked about whether the knowledge and skills gained while being entrepreneurs were of help in paid employment, the former entrepreneurs were unanimous in admitting that this, indeed, was the case. In this context, they acknowledged that a spell of entrepreneurship had made them (more) self-reliant, self-disciplined, communicative, and creative, which, in turn, proved useful in wage employment. To cite Joanna Ciechańska again, “as an entrepreneur, I learned self-discipline, work engagement, initiative, and creativity, which is sometimes frowned upon in corporations; besides, I learned how to cope with difficult situations, without having to ask others for help” (personal correspondence, September 16, 2014). Most of them said that they had acquired resilience to stress and that the resulting ability to work effectively under stress turned out to be a great asset in the paid employment.

Ultimately, asked about whether familiarity with German business practice and societal values influenced the way they worked as employees, two out of the three interviewees concerned – Liliana Lachowicz and Joanna Ciechańska – answered in the affirmative. They underlined German (superior) work organization, diligence and dependability – typical qualities associated with a Protestant work ethic. Joanna Ciechańska explicitly admitted that past experience of working in Germany improved her productivity in paid employment (personal correspondence, September 16, 2014). By contrast, Marek Zawodniak remarked that “having worked for so many years at German construction sites, I have come to conclusion that we, Poles, are better workers than Germans; we’re creative and flexible. German workers

tend to shirk and prefer welfare benefits to employment” (personal correspondence, September 11, 2014).

Given the German reputation for industriousness, conscientiousness, and engagement, Marek Zawodniak’s (subjective) statement may come across as puzzling, exaggerated, or even unfair. However, at least partially, it has some grounding in reality. The point about Poles chimes with anecdotal and scholarly evidence suggesting that Polish migrants are excellent workers and that, by this token, they are valued by British and German employers. At this point it is worth quoting a UK recruiting officer from the construction industry, referred to by Somerville and Sumption (2009), who pointed out that “Polish workers won’t be cheaper, they’ll be more productive. You’ll get a cost saving, but not through salary reduction. It’s about productivity, work ethic and commitment” (p. 17). Still, all the interviewees asserted that German employers had “deep respect for one’s hard work.” This observation echoes what Adam Rębisz said about his stay in Germany: “I learned respect for hard work and other people.” Arguably, all this can be interpreted as a suggestion that Polish employers actually show disrespect to employees (which is also borne out by the aforesaid experience of Izabela Łazuch who, as we remember, decided to strike out on her own because of her employer’s “utter lack of respect for employees”).

In light of the above discussion, it is fair to say that all the interlocutors were satisfied with their current status of an employee working for somebody else. It seems that running their own company proved to be both a veritable challenge and a testing experience. As a result, they came to associate entrepreneurship with insecurity, economic instability, and ubiquitous stress rather than personal satisfaction, independence, and financial success. Hence, they did not perceive a decision to wind down their businesses in terms of failure. Nor did they regret it. In fact, it was a relief to move from entrepreneurship to paid employment. Of course, as might be expected, it was hard for most of them to accept a situation, wherein they had to take orders from someone else. Nevertheless, the advantages of wage employment, by and large, outweighed the minuses. At the same time, when working as employees, they readily drew on – and appreciated – the knowledge and skills gained during a spell of entrepreneurship. Finally, past experience of working in Germany had an impact on the way they performed their tasks in wage employment. In particular, adoption of qualities and attitudes conceptually linked to a Protestant work ethic helped them improve their productivity.

6. Conclusions

This paper has set out to explore Polish entrepreneur experiences in moving from wage employment to entrepreneurship and *vice versa*. One of the study’s attributes is absence of anonymity – almost all of the inter-

viewees allowed us to make public their surnames and other sensitive details as well as to cite their utterances – which adds substance to the narrative and, crucially, reinforces the paper’s credibility (although identity disclosure might have affected the interlocutors’ sincerity, see below). Another attribute is related to the fact that the data were collected in the Polish region of Opole. Poland, to reiterate, lends itself well to studying entrepreneurship-related issues due to its recently-accomplished systemic transformation. The same holds true of the Opole region, whose ethnic composition and resultant socio-economic affinity with Germany make it particularly suitable for exploring the cross-cultural aspects of entrepreneurship. This seems to be of special interest since there is relatively little research work that discusses this issue. Therefore, by providing evidence from a former communist country that has a distinctive tradition of entrepreneurship and from a region that has strong cultural, familial, and commercial ties with Europe’s biggest economy, the study expands the existing body of knowledge, making a number of contributions to the literature.

Above all, the paper has presented the commonly-accepted view that individuals decide to strike out on their own for similar reasons. Indeed, it emerges from our interviews that people become entrepreneurs because they seek to earn more, to be autonomous, or to test their “inner mettle.” Some start their own businesses because, having been fired and unable to find a job, they have “no alternative.” It has also confirmed that self-efficacy is central to the decision to launch one’s own firm. However, the paper’s findings do not support Nanda and Sørensen’s (2010) idea that, while considering striking out on their own, people are influenced by the presence of former company founders in their workplace. But it has found – in keeping with prior research – that uncertainty, insecurity, and stress are typical downsides of the life of the entrepreneur.

It has also borne out the widely recognized view that red tape and heavy taxation constitute serious barriers to entrepreneurial activity and that a country’s business climate weighs on the behavior of entrepreneurs. Related to the above, the paper has argued that, under certain circumstances, self-employment may have little to do with genuine entrepreneurship. Indeed, when employers force their employees to establish their own one-person enterprises in order to circumvent onerous labor-code regulations, creation of “something from nothing” is fiction. Granted, it is understandable, from a certain point of view, that employers resort to such practices in a bid to ensure greater organizational flexibility, but the fact remains that “forced self-employment” tends to entrench labor-market duality and to produce several undesirable outcomes.

The study has shown, too, that running one’s own company is a testing experience and that not everyone can and should be an entrepreneur. Yet, at the same time, it has showed that a spell of entrepreneurship can help

one gain skills and develop personal attributes (such as self-discipline and self-reliance), which come in handy in wage employment. The implication is that a return to paid employment, with its stability and security, does not necessarily have to be regarded in terms of personal failure. Therefore, the paper has lent credence to the view that, rather than being a final career destination, entrepreneurship may constitute a (temporary, but enriching) phase in one's professional career. That said, the study has also shown that, for former bosses, accepting the status of an employee – which involves having far less autonomy and being answerable to someone else – is almost invariably hard. It has also added substance to the assumption that past experience of working in a foreign country usually leads individuals to interiorize values characterizing that society.

The paper, nonetheless, is marked by a number of limitations. First, it draws on a relatively small and geographically undiversified sample. Second, it relies solely on self-reports. As is well known, interviewees sometimes do not tell the whole truth, in particular, when they do not speak under conditions of anonymity, as was the case here (with the exception of one interlocutor). Another problem concerns self-selection bias (those who agreed to be interviewed *de facto* “selected themselves” to form our sample). All this suggests that one should remain cautious when generalizing the findings. Accordingly, future researchers might wish to employ different research techniques and base their investigations on larger samples derived from different parts of the country. In view of the idiosyncrasy of the Opole region, it would also be informative to compare evidence from the present study with research carried out elsewhere in Poland. Moreover, exploration of the experiences of Polish immigrants who pursue entrepreneurial activity in the UK (or elsewhere in the EU) might constitute a promising line of (cross-cultural) research. It is well documented that, since Poland's accession to the EU in 2004, a considerable number of Polish émigrés (usually former employees) have also set up their own businesses in Britain, thereby generating employment for native workers.

The above-mentioned limitations notwithstanding, the study offers a deepened understanding of the experiences related to movements between entrepreneurship and wage employment. Given the significance of entrepreneurship for any economy, the authors also hope that this paper will inspire decision-makers in Poland and elsewhere in the EU to make changes to their countries' regulatory environments in order to facilitate entrepreneurial activity. Such a move might also help influence public perceptions of entrepreneurship. This is particularly pertinent to Poland (and other former communist countries), where it is still possible to discern a weak but persistent undercurrent of mistrust of – if not antipathy to – entrepreneurs. After all, society “needs to have more respect for people who put their lives on the line to build something from nothing” (*Economist*, 2014a, p. 66). That said, entrepreneurs, who create jobs and employ others, should not

forget about showing *respect* for employees, whose hard work contributes to the success of their businesses.

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