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Determinants of Hybrid Entrepreneurs' Transitions into Full-Time Entrepreneurship

Lisboa Lisboa Lisboa
University of Lisbon
Instituto Superior Técnico
rui.baptista@tecnico.ulisboa.pt

Murat Karaöz
Süleyman Demirel Universitesi
Ekonometri
mkaraoz@gmail.com

Joao Carlos Leitao
UBI
Management and Economics
jleitao@ubi.pt

Abstract

Hybrid entrepreneurship is often perceived as temporary, stepwise entry into full-time entrepreneurship. However, some studies indicate that hybrid entrepreneurship is a permanent condition for many individuals, as only some hybrid entrepreneurs make the transition into full-time entrepreneurship, while others persist. This paper investigates the factors affecting hybrid entrepreneurs' transition into full-time entrepreneurship using longitudinal data on hybrid entrepreneurs from Portugal. We find that higher wage income and superior job status from employment deter the transition into full-time entrepreneurship. On the other hand, firm growth makes transition more likely. Hybrid entrepreneurs running larger firms are more likely to transition into full-time entrepreneurship, while smaller-sized firms are run for supplementing income. Full-time entrepreneurship experience creates a push factor for transition into full-time entrepreneurship, while hybrid entrepreneurship experience deters the transition. We contribute to the literature by finding that hybrid entrepreneurs are heterogeneous with regard to transition behaviour and are motivated by competing sets of pecuniary and non-pecuniary factors.

DETERMINANTS OF HYBRID ENTREPRENEURS' TRANSITIONS INTO FULL-TIME ENTREPRENEURSHIP

ABSTRACT

Hybrid entrepreneurship is often perceived as temporary, stepwise entry into full-time entrepreneurship. However, some studies indicate that hybrid entrepreneurship is a permanent condition for many individuals, as only some hybrid entrepreneurs make the transition into full-time entrepreneurship, while others persist. This paper investigates the factors affecting hybrid entrepreneurs' transition into full-time entrepreneurship using longitudinal data on hybrid entrepreneurs from Portugal. We find that higher wage income and superior job status from employment deter the transition into full-time entrepreneurship. On the other hand, firm growth makes transition more likely. Hybrid entrepreneurs running larger firms are more likely to transition into full-time entrepreneurship, while smaller-sized firms are run for supplementing income. Full-time entrepreneurship experience creates a push factor for transition into full-time entrepreneurship, while hybrid entrepreneurship experience deters the transition. We contribute to the literature by finding that hybrid entrepreneurs are heterogeneous with regard to transition behavior and are motivated, in particular, by competing sets of pecuniary and non-pecuniary factors.

1. INTRODUCTION

A recent line of empirical studies across the countries have provided the evidence that many individuals maintain their wage-job while simultaneously engaging in self-employment activity. These individuals have been called hybrid entrepreneurs (Folta et al., 2010) or part-time entrepreneurs (Petrova, 2012). However, this reality contradicts the theoretical assumption of entrepreneurship research that an individual is classified either an employee or an entrepreneur, but not both concurrently. The significant reality of hybridity is missing in entrepreneurial studies.

Hybrid entrepreneurship activities have been pointed out by a series of Global Entrepreneurship Monitor (GEM) Reports with cross-country statistical evidence by Reynolds et al., (2003) together with others such as Acs et al. (2004), Minniti et al. (2005) and Bosma and Harding (2006). They exposed that individuals combine their employment and entrepreneurship activities, and 80 percent of those who implement a new business also hold regular wage job (Reynolds et al., 2003). Hybrid entrepreneurship has received its direct long overdue attention in a series of recent academic studies, mostly emerging within the last decade. Earlier studies put together by Wennberg et al. (2006), Folta et al. (2010) and Petrova (2011 and 2012). They found that hybrid entrepreneurship should be evaluated distinctly from the full-time entrepreneurship since the coefficients predicting hybrid entrepreneurs differ significantly. Other than individuals at nascent entrepreneurial phase (Burke et al., 2008), empirical findings also indicates that entrepreneurs may remain in hybrid mode long beyond the startup phase (Petrova, 2012; Thorgren et al., 2014). Recently, GEM 2020 report points for dismantling the "old dichotomy" of entrepreneurship by prioritization of a hybrid approach in public policies and regulations (Bosma et.al, 2020).

In last few decades, a number of structural changes are unfolding in the labor market. Economies witness mixed occupational patterns have been gaining ground due to new economic conditions shaped by revolutions in telecommunications and Internet technologies (Castells 2000; Burke et al. 2008). A growing number of workers have non-standard work arrangements, including temporary or part-time work and self-employment across countries (OECD/European Union, 2017). Overall, occupational dichotomy assumption oversimplifies and creates an inadequate dynamic representation of multidimensional system of economic stratification and mobility (Bögenhold and Klinglmair, 2016). Between the categories of entrepreneurship and wage work there exists a grey zone where individuals are in both categories (Kautonen et al., 2010; OECD/European Union, 2017).

In this paper, we contribute the hybrid entrepreneurship research by investigating the factors affecting hybrid entrepreneurs' transition decision into full-time entrepreneurship. We use longitudinal data on hybrid entrepreneurs from Portuguese economy, covering 1995-1998 period. The data sample includes both the young and existing hybrid entrepreneurs. Using an unbalanced longitudinal data, we particularly focus on the effects of opposing factors that are arising from simultaneous employment and

entrepreneurship practices of hybrid entrepreneur. Financial and non-financial benefits from employment and entrepreneurship make opposing effects on transition decision of hybrid entrepreneur into full-time entrepreneurship. We hypothesized that wage income and existence of superior job status create negative impact on transition decisions. On the other hand, we also tested the hypothesis that high growth in financial returns from business and firm size creates positive impact on transition decision of hybrid entrepreneur. Moreover, the literature proposed learning and experience acquired from running business significantly affect the transition into full-time entrepreneurship. In this regard, we tested the effects of prior accumulated full-time ownership and hybrid experiences on transition decisions. In remainder of the paper, first we discuss the definition of the hybrid entrepreneur. In the second chapter, advantages of entry into hybrid entrepreneurship has been put in perspective by discussing the findings from the literature. Third chapter focuses on hybrid entrepreneur's entry into full-time entrepreneurship. Fourth chapter develops the hypotheses on transitions decisions of hybrid entrepreneurs together with reporting other likely relevant variables. In the last chapter, we explain and report the results of the multinomial Logit data regression analysis using clustered standard errors for our unbalanced panel data. The last section concludes the paper.

2. DEFINITION OF HYBRID ENTREPRENEUR

Hybrid entrepreneur is defined as an individual who runs own business while simultaneously holds a wage job (Folta et al., 2010; Raffiee and Feng, 2014; Solesvik, 2017). The term hybrid entrepreneur captures the dual nature of the entrepreneur's occupational status (Xi et al., 2017). According to OECD/European Union (2017), the hybrid entrepreneurs are those who combine entrepreneurship with employment. Ferreira et al. (2019) points that it is a conscious decision of a hybrid entrepreneur to maintain wage-employment while simultaneously engaging in self-employment. Moreover, the term part-time entrepreneur has also been used to connote hybrid entrepreneur by some research such as Wennberg et al. (2006), Petrova (2011 and 2012), Mungaray and Ramirez-Urquidy (2011) and Schulz et al., 2016. Block and Landgraf (2016) and OECD/European Union (2017) indicates that, unlike hybrid entrepreneurship, the term part-time entrepreneurship is a wider concept since it comprises all the entrepreneurs who devote rest of their time in all types of pecuniary or non-pecuniary activity, including wage job. This suggests that the term hybrid entrepreneurship would be the appropriate term in order to isolate and set boundaries of the group from the rest of the part-time entrepreneurs without confusion and to single out and streamline the emerging literature.

It is common to see that datasets and survey samples that are used for each and every empirical research are different. Then, practical definitions and operationalization of part-time or hybrid entrepreneurship naturally vary across studies depending on the data that is being used (Viljamaa et al., 2017; Xi et al., 2017). Unlike "hybrid" entrepreneurs, definitions involving "part-time" entrepreneurs use hours devoted

for business and employment (Demir et al., 2020). For instance, Yuanita and Indudewi (2015) labels someone as part-time entrepreneur when he works at least 24 hours a week in his paid-job while running business. Petrova (2012) operationalized part-time entrepreneur as an individual who works as an employee for salary for some of the time and run his own business the rest of the time. Wennberg et al. (2006) defines part-time entrepreneur as an individual who earns less than half of total income from his own business. Mungaray and Ramirez-Urquidy (2011) deems part-time entrepreneur as someone who acquires up to 75 percent of his total income from running business. Another type of augmentation is made in some other studies by explicitly pointing the principal activity of hybrid entrepreneur either as running business or working at a job. For instance, Tornikoski et al. (2015) sets hybrid entrepreneur's paid job as his principal activity and self-employment task as his secondary activity. Atherton et al. (2016) sets hybrid entrepreneur's self-employment activity as the principal activity and employment as the secondary activity. Contrary to last two definitions, Xi et al. (2017) does not rank the activities of running business and working as a paid employee as the principle and secondary. Overall, following Folta et al. (2010), Viljamaa et al. (2017) and Schulz et al., (2016), we define hybrid entrepreneur as an individual who simultaneously runs his own business as an entrepreneur and works in another business as a paid employee. As in Viljamaa et al. (2017), we assume that hybrid entrepreneurship is a business strategy that individuals either aim to persist in hybrid mode or to transit into full-time entrepreneurship.

2. HYBRID MODE ENTRY INTO FULL-TIME ENTREPRENEURSHIP

Entrepreneurs are individuals who combine the necessary resources in order to start and run a business. Unlike the other entrepreneurs, hybrid entrepreneur also works as a paid-employee and acquire salary income. Hybrid entrepreneurship occupies a large middle ground between exclusive wage employment and exclusive entrepreneurship, especially for those who have higher risk and uncertainty perception for losing their careers and ending up with exposure to huge switching or opportunity costs (Wennberg et al., 2006). It provides a reduced risk setting for a set of individuals who pursue and test their ideas (Folta et al., 2010; Petrova, 2012) without quitting their job. In this case, wage may provide external income support and security for the hybrid entrepreneur (Lévesque and MacCrimmon, 1997) in three different ways during the early years of startup. First, it creates a ready-to-use income for the entrepreneur to pay for living expenses, since the firm's revenues are usually low and what is earned is put back to business so as to climb to an efficiency level. Second, it may also create extra income that can be transferable to the new venture for short and even for long term financing. Having a stable income from a paid work would also reduce the pressure for immediate success and profit. Lastly, starting a business is risky and surrounded with uncertainties, perhaps leading to failure and exit. In particular, for many people, just leaving a well-paying wage job behind with an exchange for a risky and uncertain business initiative is a challenging decision. Keeping the wage-job during the business entry reduces the opportunity cost of failure of business for many individuals. Hybrid entrepreneurship reduces the fear of failure, as the

business entry is usually made with less resources than full-time ventures. Entrepreneurs with high risk aversion and low core self-evaluation (Raffiee and Feng, 2014) would be less confident with the commercialization of a business idea and might decide to enter entrepreneurship via hybrid mode in order to reduce their possible sunk cost in case of exit. Hybrid entrepreneurs learn about the prospects of their entrepreneurial abilities and their business ideas during the hybrid mode by gaining knowledge and experience about the market, the product, and the customers before possibly committing to full-time entrepreneurship (Folta et al. 2010; Burke et al. 2008; Viljamaa and Varamäki, 2015; Solesvik, 2017). Part-time entrepreneurship broadens the road to entrepreneurship by providing an alternative passage from employment to full-time entrepreneurship for some individuals (Raffiee and Feng, 2014), especially, for those might otherwise not commit entrepreneurship at all (Folta et al., 2010; Landgraf, 2015).

Empirical evidence has underlined that hybrid mode entry has been deemed as a successful start-up strategy and it is common among people starting business (Wennberg et al. 2006; Folta et al. 2010; Petrova, 2012). This approach posits that, although its duration is not known, the hybrid stage is transitory and it is a one-way path to full-time entrepreneurship. Thus, hybrid entrepreneurship has been deemed as a two-stage entry strategy into full-time entrepreneurship, where individuals enter into hybrid stage to start and develop his business so that he can make transition to full-time entrepreneurship at the next stage (Folta et al., 2010; Viljamaa and Varamäki, 2015; Thorgren et al., 2016). Raffiee and Feng (2014) found that the odds of survival are significantly higher for hybrid entrants in comparison to entrants that are making direct full-time entrepreneurship entry.

2.1. REDUCING RISK AND UNCERTAINTY IN BUSINESS ENTRY: HYBRID ENTREPRENEURSHIP AND THE REAL OPTION THEORY

Entrepreneurial activity involves the bearing of risk and uncertainty (Knight, 1921). Kihlstrom and Laffont (1979) formalizes a model that less risk averse individuals more likely to become entrepreneurs, whereas more risk averse individuals more likely to choose paid employment. However, hybrid entrepreneurship provides a ground for testing ideas and for learning their entrepreneurial capabilities for individuals in a lower risk setting through both allowing to have a paid job and run business (Petrova, 2011; Wennberg et al., 2006). Hybrid mode entry creates the opportunity to start a business in smaller scale allowing reduction or even elimination in risk and uncertainty, by lowering the sunk commitments (Wennberg et al., 2006; Folta et al., 2010; Petrova, 2012). Individuals who commit for entrepreneurship may not be able to evaluate the true success chance of their business ideas and the true quality of their entrepreneurial skills and capabilities before starting and running business (Jovanovic, 1982: Folta et al., 2010). This creates the concern that if the new venture is unsuccessful, entrepreneurs face the risk of losing monetary and nonmonetary benefits from employment careers that they already quit before

and also confront sunk cost accrued during the business entry and testing. Not all individuals are eager to bear such a large switching and opportunity costs (Amit et al., 1995). However, hybrid entrepreneurship lessens the risks and uncertainty down to a tolerable level by allowing less of monetary and time commitments for running a business and by keeping the wage-income simultaneously (Folta et al., 2010).

Real options theory suggests that hybrid entrepreneurship tempts more individuals to start a business since it can require smaller initial investment in the form of real options (Wennberg et al., 2006). Under higher risk and uncertainty, individuals are discouraged from making large entry commitments. Small-scale entry via hybrid entrepreneurship may be characterized as a real option to invest especially for risk averse individuals (Raffiee and Feng, 2014). Much like a real option, hybrid entrepreneurship allows individuals to start a business on a smaller scale with less sunk cost (Folta et al., 2010). Hybrid entrepreneurs keep testing their business idea and their entrepreneurial abilities until to a point that next decision would be made. If the results are successful, hybrid entrepreneur makes the decision to switch to full-time entrepreneurship and makes larger investment, or they may decide to exit if the returns on investments are not viable (Wennberg et al., 2006; Folta et al., 2010; Raffiee and Feng, 2014).

2.2. FURTHER MOTIVATIONS FOR HYBRID ENTREPRENEURSHIP

Bögenhold and Klinglmair (2016) points that hybrid entrepreneurs are diverse for their inspirations. People choose hybrid entrepreneurship in order to make stepwise entry into full-time entrepreneurship and maximize their income (Folta et al., 2010). Other than that, Folta et al. (2010) also indicates that individuals become hybrid entrepreneur in order supplement and stabilize their wage income. They may also aim to get non-monetary benefits such as independence, following their passionate business idea and having flexible time schedule.

2.2.1. Supplementing Income

Individuals may run a side business aiming to supplement their wage income out of necessity (Bögenhold, 2019). Research by Bögenhold and Klinglmair (2016) on Austria found that hybrid entrepreneurs run business for additional income to complement their full-time employment earnings. Atherton et al., (2016) found that, in the United Kingdom, some individuals prefer hybrid entrepreneurship in order to meet high housing and living costs. Research indicates that hybrid entrepreneurs are akin to moonlighters (Kimmel and Conway, 2001; Renna 2006) who work in two jobs due to economic reasons to achieve at least to a subsistence level of income. Hybrid entrepreneurship may be particularly attractive since it allows individuals to be flexible and independent in their business efforts (Mungaray and Ramirez-Urquidy, 2011; Schulz et al., 2016). Similarly, individuals running business in niche markets may be pushed into hybrid entrepreneurship (Viljamaa et al., 2017). In this case, business income is complemented with income from a wage job (Block and Landgraf, 2016).

2.2.2. Non-pecuniary Benefits

Hybrid entrepreneurship may be a steady position of occupational choice, or a way of life (Mungaray and Ramirez-Urquidy 2011; Rantamäki-Lahtinen et al., 2018). Individuals may remain in hybrid mode to compliment business profit for non-pecuniary (non-monetary) reasons (Ferreira et al., 2019). Non-monetary benefits are an important determinant of entrepreneurship and hybrid entrepreneurship gives this type of flexibility advantages such as having time for independence, home and family commitments, hobbies, studying or enjoying leisure (Mungaray and Ramirez-Urquidy 2011; Rantamäki-Lahtinen et al., 2018). Non-monetary benefits can be important for entrepreneurs so that it may abide for low income (Hamilton 2000; Mungaray and Ramirez-Urquidy 2011; Croson and Minniti 2012).

Kritskaya et al. (2017) indicates that people with high autonomy in their jobs with high wage may enjoy a dual status of having a high-paid, secure and prestigious job while also deriving some extra income from entrepreneurial activity that can further improve their lifestyle. It has been suggested that the hybrid entrepreneurship enables people to spend time on something they are passionate about (Folta et al., 2010; Viljamaa et al., 2017). Thorgren et al. (2014) searched for the motives behind individuals' choice to combine their wage work with a side business, with a particular focus on passion. Hybrid entrepreneurship entails a suitable ground for individuals who are passionate about their business ideas yet who are still supposed to keep their wage income.

2.3. PERSISTENCE IN HYBRID MODE OR TRANSITION TO FULL-TIME ENTREPRENEURSHIP?

According to a theoretical construct, hybrid entrepreneurship is a stepwise entry strategy toward full-time entrepreneurship (Folta et al., 2010). Such entry involves two steps. As a first step, hybrid entry happens when individual decide to start a business by also keeping his wage employment. In the second step, hybrid entrepreneurs decide whether to drop wage employment and attain full-time entrepreneurship (Raffe and Feng, 2014; Thorgren et al., 2016).

However, the empirical literature indicates that not all hybrid entrepreneurs make the transition into full-time entrepreneurship. Depending on their motivations, a sizable amount of hybrid entrepreneurs persist in hybrid mode and others become full-time entrepreneurs (Solesvik, 2017). This reveals the fact that hybrid entrepreneurs are not homogenous with regard to transition behavior to full-time entrepreneurship (Block and Landgraf, 2016; Solesvik, 2017). In this vein, Viljamaa et al. (2017) classifies the hybrid entrepreneurs within two groups. Those who aim to make a stepwise entry into full-time entrepreneurship are named as transitory hybrid entrepreneurs, and those who remain in hybrid mode are named as persistent hybrid entrepreneurs. It has been emphasized that some hybrid entrepreneurs start business aiming full-time entrepreneurship in order to get more financial benefits. However, this may not be the case for others; hybrid entrepreneurship can be of long duration and some

hybrid entrepreneurs do not necessarily seek further growth and financial benefits which require them to become full-time entrepreneurs (Thorgren et al., 2016; Viljamaa et al., 2017; Ferreira, et al., 2019).

So far, most of the hybrid entrepreneurship research have focused on entry behavior individuals into business. However, transition behavior of hybrid entrepreneurs towards full-time entrepreneurship received little attention. Viljamaa and Varamäki (2014 and 2015) found that a significant number of entrepreneurs persist in hybrid mode with no interest in full-time status and they should be considered separately. Similarly, Block and Landgraf (2016) showed that part-time entrepreneurs are a very heterogeneous and many part-time entrepreneurs do not make transition and remain as small part-time ventures in niche markets .

Then, only looking at the phenomenon from the perspective of transitory hybrid entrepreneurs could be misleading given the existence of persistent hybrid entrepreneurs. So far, little is known about the determinants of transition. Extant empirical evidence is needed if, why and when this transition occurs (Schulz et al., 2016). Findings indicate that persistence in hybrid mode or transition to full-time entrepreneurship is a relatively multifaceted decision and would not take place unless certain conditions met through learning and success in business. It has been found that many of the variables that are important determinants in entrepreneurship research have little explanatory power on transition behavior. It becomes important to investigate the factors influencing hybrid entrepreneur's decision either to remain in a hybrid status or become full entrepreneurs.

3. LITERATURE ON DETERMINANTS OF TRANSTION INTO FULL-TIME ENTREPRENEURSHIP

Wennberg et al, (2006) proposed that individuals utilize a real options theory to manage the uncertainty of the entrepreneurial process. This heuristic shapes the path of entry into and exit from self-employment. They empirically tested their proposed model using data from Swedish knowledge intensive sector of 1997 cohort. In the first step, they tested the determinants of decision to switch from being employee to either full- or part-time entrepreneurship a year later. In the second step, they tested a model of transition into full-time self-employment in 1999 for those who became hybrid entrepreneurs in 1998. Using multinomial Logit model, they tested the hypothesis that entrepreneurs use a real options heuristic due to uncertainty the irreversibility, controlling for individual, industry and regional factors. Their individual level variables included human capital, wealth, gender, family and immigrant status for control though their estimates are not reported. They found that entrepreneurs use a real options heuristic for entry decisions to avoid industry uncertainty and individual irreversibility. Effects of irreversibility had shown partial support only.

Viljamaa and Varamäki, (2015) compared transitory and persistent hybrid entrepreneurs in order to determine their differences by using survey sample of 249 hybrid entrepreneurs in Finland. They

examined hybrid entrepreneurs' likelihood of becoming a full-time entrepreneur during the next three years. The likelihood was about 20%. They searched for the differences between transitory and persistent hybrid entrepreneurs in age, gender, educational background, job and personal characteristics, duration of hybrid activities, business turnover, growth and market condition among few other factors. They found that both groups are a quite similar in background. However, transitory hybrid entrepreneurs were more growth oriented and their interest in increasing their turnover was higher than persistent hybrid entrepreneurs. Gender and age were not significant. Persistent hybrid entrepreneurs were employed more in subordinate levels than transitory hybrid entrepreneurs, yet the difference were not significant. Similarly, education levels of both groups were not significant either, although the transitory hybrids were more educated. Moreover, their job satisfaction level was quite similar.

Thorgren et al. (2016) conceptualized that hybrid entrepreneurship occurs in two steps. As a first-step entrepreneurial choice, an individual chooses to engage in a business without quitting his job. In a second-step entrepreneurial choice, the individual might decide to leave wage employment and become a full-time entrepreneur. Thorgren et al. (2016) point that so far most of the existing research have focused on first-step entrepreneurial engagement of hybrid entrepreneur and the second-step choice has been neglected in hybrid entrepreneurship literature. They examined the second-step entrepreneurial choice using a survey sample from Sweden. According to their findings, only about a quarter of hybrid entrepreneurs become full-time entrepreneurs within two years after start-up. Their special focus was on effect of age on second-step hybrid entrepreneurial choice, controlling for gender, marital status, university degree, unsecure wage employment, entrepreneurial team and hybrid entrepreneurship duration among few other variables. None of the control variables were significant. They found a u-shaped relationship between age and the intention to enter full-time entrepreneurship, suggesting that the younger and older hybrid entrepreneurs are the ones who find more attractive to quit their wage employment for full-time entrepreneurship in comparison to middle-aged group of hybrid entrepreneurs. Their dependent binary variable was individual's intention to transit into full-time entrepreneurship.

Block and Landgraf (2016) pointed that there is little known about the determinants of transition of part-time entrepreneurs towards full-time entrepreneurs. They analyzed the effects of financial and non-financial motives of part-time entrepreneurs to become full-time entrepreneurs by conducting a survey in Germany. The results showed that part-time entrepreneurs are a heterogeneous group with regard to transition behavior. They classified the financial motives of part-time entrepreneurs into two groups. First financial motive is supplementing the wage income. A strong desire for financial success could be another driver of part-time entrepreneurship. Their Logistic regression results showed that the supplementing wage income is negatively associated with the transition behavior. They found partial support for financial success and concluded that the motivation to follow financial success had no effect on transition behavior. Entrepreneurs who considered their enterprise as a hobby were less likely turn

into full time entrepreneurship. Prior experience of ownership and industry found to have no effect on transition behavior.

They used some dummy variables to control for characteristics of the part-time entrepreneur, including age, gender, mother tongue, and marital status. Other further control variables for different types of human capital were education, industry experience, management experience, and entrepreneurship experience. They included dummy variables of venture age, start-up capital, debt vs. equity, venture's location and team entrepreneurship as control variables as well. Firm characteristics of firm's age, start-up capital, location and team entrepreneurship were insignificant. Age was significant for 45 years and older individuals and its effect was negative on transition behavior. Effect of gender on transition behavior was insignificant. They found a significant effects of a part-time entrepreneur's human capital on transition behavior. A college degree has positive effect. On the other hand German A-level diploma had negative effect. The transition behavior of part-time entrepreneurs was not influenced by industry effects.

Viljamaa et al (2017) studied the differences between transitory and persistent 848 academic hybrid entrepreneurs in Finland. Using a linear regression, they examined the effect of background, motives, job satisfaction and entrepreneurial inputs on intention to transition to full-time entrepreneurship. They found that hybrid entrepreneurship seems to be a permanent condition for many academicians as only few of them consider switching to full self-employment within the next three years. They concluded that persistent hybrid entrepreneurship should be deemed as a distinct form of entrepreneurship.

Men were likely to be transitory hybrid entrepreneur than women at 6.8% significance level. Average age of transitory hybrid entrepreneur's found to be smaller than persistent entrepreneur's. Age happens to be inversely related to transition to full-time entrepreneurship, as younger individuals were more willing for transition. They found that growth orientation was higher in transitory hybrid entrepreneurs. Only few of the persistent entrepreneurs aimed for strong growth. Persistent hybrid entrepreneurs found to have longer duration in hybrid entrepreneurship than transitory hybrid entrepreneurs. The duration in hybrid mode was 10.2 years for the persistent hybrid entrepreneurs and 6.2 years for the transitory hybrid entrepreneurs. They found that no significant differences in occupational positions of persistent and transitory hybrid entrepreneurs. Higher levels of income from business had contribution to transition intentions.

Viljamaa et al., (2017) concluded that Hybrid entrepreneurship is not automatically associated with full-time entrepreneurship as only small percentage of hybrid entrepreneurs converted into full-entrepreneurship and it took a long average duration of within three years. Moreover, hybrid entrepreneurs who aim to transit to full-time entrepreneurship likely to do so as soon as they can or otherwise close down the business. The longer they stay in hybrid mode the less likely they persist in hybrid mode.

4. ANALYSIS: HYBRID ENTREPRENEURS' MOTIVES FOR TRANSITION INTO FULL-TIME ENTREPRENEURSHIP

We aim to contribute to the recently emerging literature of hybrid entrepreneurship in that it can be a permanent place or a stable form of entrepreneurship for some significant number of individuals rather than a temporary incubation stage for those who make transition to into full-time entrepreneurship. In this vein, we examine the determinants that make hybrid entrepreneurs transit to full-time entrepreneurship instead of making them persist in hybrid mode.

4.1. HYPOTHESES AND EXPLANATORY VARIABLES

4.1.1. Pecuniary and Non-pecuniary Benefits from Employment

Research indicates that hybrid entrepreneurs are responsive to pecuniary and non-pecuniary benefits coming from employment (Folta et al., 2010; Raffiee and Feng, 2014). Thorgren et al. (2014) argued that satisfaction from salaried employment deters transition to full-employment. This could be due to high opportunity cost created by leaving the high wage income behind with transition to full-time entrepreneurship (Viljamaa at al., 2017). Folta et al. (2010) found that individuals who choose hybrid entrepreneurship, on average, have higher wages than who choose full-time entrepreneurship. Block and Landgraf (2016) found that hybrid entrepreneurs who supplement their wage income with business are less likely to make transition into full-time entrepreneurship.

Individuals who hold superior job positions have the advantage of high autonomy, prestige and relatively higher salary (Gruenert, 1999). Viljamaa et al. (2017) argued that individuals employed in executive or superior positions are likely to remain in hybrid mode. Higher status increases job satisfaction (Thorgren et al. 2014). For instance, a university professor might run a part-time business which offers higher earnings than the main occupation, but still maintain the main occupation, due to its prestige (Folta et al., 2010). The university position can also create advantage to reap synergies with his business. Block and Landgraf (2016) found that being motivated by recognition is negatively associated with transition behavior. Likewise, quitting the wage employment and transition into full-time entrepreneurship implies loss of a stable income and other firm-related monetary and non-monetary benefits (Kritskaya et al., 2017). Hybrid entrepreneurs would prefer to maintain their wage job and delay transition decision as long as the opportunity and switching costs of transition to full-time entrepreneurship outweigh its benefits. Therefore,

H1: Having a higher wage impedes transition to full-time entrepreneurship.

H2: Having a superior job position impedes transition to full-time entrepreneurship.

To test the first hypothesis, we use wage income of hybrid entrepreneur from employment (WAGE) in log form. Second hypothesis has been tested by creating a dummy variable for hybrid entrepreneur's job status (SPJOBD), where its value is equal 1 for those who hold a superior job position, zero otherwise, (Block and Landgraf, 2016; Kurczewska et al., 2020) is constructed in order to capture non-pecuniary benefits from employment of hybrid entrepreneur. We expect that both variables are inversely related to transition to full-time entrepreneurship for hybrid entrepreneurs.

4.1.2. Financial Motives from Entrepreneurship

Financial motive from running business is a key determinant of transition behavior to hybrid entrepreneurship (Block and Landgraf, 2016). There are two types of financial motives reported in the literature. The first one is to supplement wage income with business and the second one is to achieve maximum financial profit with strong desire of financial success. Some hybrid entrepreneurs start and run business aiming to diversify their source of income in order to supplement what is earned from their paid employment. They enter entrepreneurship out of necessity since their wage earnings are not enough to cover living (Solesvik, 2017). Their growth aspirations for their firm are low. The potential size of earnings from their part-time venture are limited due to venture characteristics so that it would not be enough to replace their regular wage income.

On the other hand, there are hybrid entrepreneurs that are driven by a strong desire for financial success (Block and Landgraf, 2016). Entrepreneurship is the risky endeavor yet it has the potential to create wealthy entrepreneurs who can earn far more than wage earners. However financial venture success depends on far larger investments than what part-time ventures have (Petrova, 2012; Rantamäki-Lahtinen et al., 2018). Then larger investments towards minimum efficient scale and beyond typically require full-time attention of entrepreneurs (Raffiee and Feng, 2014). In this case, hybrid entrepreneurs with higher financial aspirations are more likely to quit wage employment for full-employment as the venture gets larger (Block and Landgraf, 2016). Folta et al. (2010) indicates that only hybrid entrepreneurs having larger shares of income from their business are more likely to transit into full-time entrepreneurship. Viljamaa et al., (2017) found that the hybrid entrepreneurs with the highest growth in entrepreneurial activities made the transition to full-time entrepreneurship. It is reasonable to expect that since hybrid entrepreneurs making higher levels of income from entrepreneurial activities are more interested in larger firm and spend more time on their business. They will be the more likely ones to transit to full-time entrepreneurship.

H3: Higher firm growth is positively associated with transition to full-time entrepreneurship.

H4: Larger firm size is positively associated with transition to full-time entrepreneurship

Eurostat - OECD (2007) defines high growth firms as firms that, on average, grow at 20% or at a higher rate during the last three years. Therefore, a firm growth dummy for high growth firms is created (FRGROD). Its value equals to 1 for firms with high growth, zero otherwise. We also create firm

employment size (EMPSIZE) in log form. We assume it encourages transition to full-time entrepreneurship as higher size may be a signal for higher revenues. We also create square of EMPSIZE (EMPSIZE2) in order to see any possible border for supplementing effect of wage income. In this case we expect deterrence of transition to full-time entrepreneurship in lower firm sizes and the opposite in higher firm size, suggesting a u-shaped relationship.

4.1.3. Learning and Experience

Hybrid type entrepreneurial entry is adapted by many individuals since it gives the opportunity to accumulate variety of business experiences in a less risky environment (Kritskaya et al., 2017) and creates ground for learning through experimentation of entrepreneurial abilities (Folta et al., 2010). Folta et al. (2010) found that hybrid entrepreneurship is more likely among entrepreneurs who have longer industry tenure and work experience. Kritskaya et al., (2017) points that ownership and management experiences acquired during hybrid entrepreneurship increases the odds of becoming self-employed. They found that full-time entrepreneurs have more start-up experience then hybrid entrepreneurs. However, Block and Landgraf, (2016) found no effect of prior ownership, industry and management experiences on transition to full-time entrepreneurship. Wennberg et al, (2006) found that prior part-time experience has positive effect subsequent full-time entrepreneurship attempts. Kritskaya et al. (2017) suggests that in order to test the effects of hybrid entrepreneurship experience, one need to distinguish self-employment and hybrid entrepreneurship experiences. Human capital gained through prior experience would lead hybrid entrepreneurs to continue their entrepreneurial career by becoming full-time entrepreneurs. Therefore,

H5: Having more prior hybrid entrepreneurship experience positively affects transition to full-time entrepreneurship.

H6: Having more prior full-time ownership experience positively affects transition to full-time entrepreneurship.

We generate background variables measuring prior full-time ownership experience (OWNEXP) and prior hybrid entrepreneurship experience (HYBEXP) variables by looking at the backgrounds of the hybrid owners for up to eight years in order to understand their effect on full-time entry attempts.

4.1.4. Other Variables

Folta et al. (2010) found that hybrid entrepreneurship is more likely among entrepreneurs who have more education. They indicate that hybrid entrepreneurs tend to be more highly educated due to idea that hybrid entrepreneurs have high degree of specialized knowledge. However, although education leads entry into hybrid entrepreneurship, results in prior studies showed no effect of education on transition to full-time entrepreneurship from hybrid entrepreneurship (Viljamaa and Varamäki, 2015; Block and Landgraf, 2016; Thorgren et al. 2016; Viljamaa et al, 2017). We create a dummy variable for

education level of hybrid entrepreneur (EDUCD), which equals 1 if the hybrid entrepreneur has university education, otherwise zero.

Viljamaa et al. (2017) argued that men are more likely to be interested in growing their business than women. Solesvik, M. (2017) indicates that women could be more interested in hybrid entrepreneurship than man as women are usually less prone to risk and have more parental duties. However, Delmar et al. (2008) reported that the ratio is more or less even between the genders. Similar to education gender was also insignificant in studies of transition to full-time entrepreneurship. We create GENDER variable to see its effect on transition, man equals 1 and woman equals 2.

Prior findings on the first-step entry studies indicates that hybrid entrepreneurship linearly increase with age. Thorgren et al. (2016) examined the second stage entrepreneurial choice of hybrid entrepreneurs with specific focus on age. They find a u-shaped relationship at the second stage of the hybrid entrepreneurship between age and the intention to transit into full-time entrepreneurship. The results demonstrate that younger and older hybrid entrepreneurs are more willing to leave wage employment for full-time entrepreneurship. On the other hand, Block and Landgraf (2016) found that Part-time entrepreneurs who are older than 55 years show a lower likelihood to engage in transition behavior. Similarly, Tornikoski et al. (2015) indicates that retired hybrid entrepreneurs are less likely to plan transition to full-time entrepreneurship. Viljamaa et al. (2017) found that age has significant negative effect on transition. Considering the findings, we expect that age would make negative effect on transition behavior. We create AGE variable of hybrid entrepreneurs in log form to estimate the effect of age on transition to full-time entrepreneurship.

We generate firm and industry level control variables. Earlier years are more critical for entrepreneur's survival (Baptista et al., 2014) and transition to full-time entrepreneurship (Wennberg et al., 2006; Folta et al. 2010). We create a dummy variable (NEWFIRMD) for firms. Its value is equal to 1 if the firm is started within 3 years, 0 otherwise. Viljamaa et al. (2017) found no effect of duration in hybrid entrepreneurship on transition into full-time entrepreneurship. Akin to Folta et al. (2010) PARTNERS variable is created. It shows the number of individuals those who own a firm. In this case, each owner can have less duty and time assigned to run the business so that hybrid partner is able to remain in hybrid mode and continue working for a salary as well. We expect PARTNERS variable to be negatively associated with second stage entry. There are industry level minimum efficient scale (MES) and industry size (LNINDSIZE), both are in log form. LNINDSIZE is the average firm size in industry at two-digit level. Industry dummies were also created. Report of the estimates for industry dummies are omitted.

4.2. DATA AND METHODOLOGY

Our data comprises the hybrid entrepreneurs. We use employer-employee matched longitudinal data set from Portuguese economy provided by Portugal Ministry of Labour, Solidarity and Social Security

covering all the entrepreneurs and employees for 1995-1998 period. We observe if the hybrid entrepreneurs continue to remain in hybrid mode during the next 3 years period, or exit from entrepreneurship or made transition to full-time. We use multinomial Logit regression model (Greene 2018; Hosmer et al., 2013) for our unbalanced panel with clustered standard errors in order to analyze the determinants of hybrid entrepreneurs for transition to full-time employment. Given the alternative choices for the hybrid entrepreneurs, there are three categories of dependent variable (HYBRID) for the analysis. The base category is to remain in hybrid mode (=0). Alternatively hybrid entrepreneur decides to exit entrepreneurship (=1) or make transition to full-time entrepreneurship, (=2). The variables descriptive statistics and correlation coefficients are shown in Tables 1 and 2, respectfully. The distribution of hybrid entrepreneurs in our sample along the years, and the results of their decision within next three years are presented in Table 3. We run fixed effect multinomial Logit regression with clustered standard errors.

4.3. RESULTS

Regression estimation results are presented in Table 4. We have estimated four models. Each model contains two parts. The first part comprises the estimates of variables that makes the hybrid entrepreneurs exit from entrepreneurship, which is only for control purposes. The second parts of the estimates are presented in the lower sections of Table 4, and they are the estimates of variables that make the hybrid entrepreneurs make the transition into full-time entrepreneurship. Considering all the estimates, H1, H2, H3 and H6 of our hypotheses are confirmed. H4 hypothesis is confirmed only for larger firms. Estimation results suggest the opposite of what we have proposed in H5 hypothesis.

Regarding H1 hypothesis, WAGE coefficient is negative and significant. This suggests that higher wages deter departure of hybrid entrepreneurs from their wage work for full-time entrepreneurship. This confirms the findings by Folta et al. (2010) and Block and Landgraf (2016). Wage income seems to be a prominent reason to remain in hybrid entrepreneurship. Similarly, SPJOBD variable has negative and significant estimates. This confirms the H2 hypothesis. Superior job status at employment deters transition into full-time entrepreneurship. This finding is in line with Block and Landgraf (2016). Other than financial reasons, this estimates confirm the proposition made by the literature that desire for non-pecuniary benefits create a major influence on decision to become hybrid entrepreneur.

Estimates of high firm growth of hybrid entrepreneur (FRGRODM) variable is also significant at five percent level, suggesting that increasing revenues entice hybrid individual to quit their job and transit into full-time entrepreneurship. H3 hypothesis has been confirmed. This confirms the finding by Viljamaa et al., (2017) that the hybrid entrepreneurs with the highest growth in entrepreneurial activities made the transition to full-time entrepreneurship. Firm growth seems to be a strong indication of desire for transition. On the other hand, empirical evidence on hybrid entrepreneurs, for instance by Mungaray

and Ramirez-Urquidy (2011), Rantamäki-Lahtinen et al. (2018) and Ferreira et al., (2019) indicate that many hybrid entrepreneurs are less growth oriented. However, hybrid entrepreneurs with desire to become full-time entrepreneur comes with growth orientation. Then, as Wennberg et al. (2006) suggests, growth option has been realized only by hybrid entrepreneur as an attempt for transition. EMPSIZE variable has insignificant coefficient, except for model 4 with its squared value. We cannot always confirm our H4 hypothesis that higher firm size encourages transition into full-time entrepreneurship. This also explains the evidence by Mungaray and Ramirez-Urquidy (2011), Rantamäki-Lahtinen et al. (2018) and Ferreira et al., (2019) among others that hybrid entrepreneurs are less willing to increase the business size. They have shown that many hybrid entrepreneurs remain in hybrid mode in order to supplement wage income. We tested the effect by adding the squared value of firm size (EMPSIZE2) to the model. Estimates of EMPGRO and EMPGRO2 in model four are significant. This suggest a u-shaped relationship between firm size and transition behavior. Behavior of supplementing wage income is in effect in smaller firm sizes, suggesting low business revenue levels do discourage transition behavior. On larger firm sizes, business revenues increase and the opportunity cost of quitting wage employment disappears. Only larger firm sizes seem to encourage transition. However, the coefficient estimate of the squared term of firm size (-0.21) is much larger in comparison to EMPGRO coefficient estimate (0.04), in absolute value. This shows that supplementing wage income effect which create persistence in hybrid entrepreneurship is dominating force up until relatively larger firm sizes among hybrid entrepreneurs.

Prior full-time ownership experience and hybrid experience estimates are significant at one percent level, although their impacts are opposite to each other. We cannot confirm H5 hypothesis that hybrid entrepreneurs with prior hybrid experience history more prone to jump into full-time entrepreneurship. In fact, we acquired opposite sign of what we proposed in H5 for hybrid experience and it is significant at one percent level. This finding suggests that hybrid entrepreneurs with prior hybrid experience are encouraged to remain in their hybrid status. This contradicts the prevalent proposal that accumulated entrepreneurial learning and experience made during the hybrid entrepreneurship phase encourages stepwise entry and transition into full-time entrepreneurship. The pecuniary and non-pecuniary benefits from hybrid entrepreneurship seem to be the dominating factors for transition other than hybrid experience itself. Our estimates confirm H6 hypothesis that prior full-time ownership experience encourages transition into full-time entrepreneurship. Block and Landgraf (2016) found that ownership experience has no effect on transition behavior. Perhaps it is because the ownership experience variable that was used in their work was not distinguished into full-time ownership and hybrid entrepreneurship experiences. Our findings indicate that they should be distinguished as they cast opposing effects on transition behavior. Findings in H5 and H6 suggests that both hybrid entrepreneurship and full-time ownership seem to be a way of life created by preferences of pecuniary and non-pecuniary benefits of individuals and they do not chance easily upon gaining experience.

Estimates of control variables NEWFIRMD, HERF, LNINDSIZE, PARTNERS, MES, EDUCD and GENDER are all insignificant. This findings mostly are in line with prior research. The estimate of young firm dummy variable is insignificant, suggesting firm's age seems to have no impact on transition behavior. This finding confirms finding of Block and Landgraf (2016) and Viljamaa et al. (2017) that firm age or duration is not a significant predictor for transition. Although the significance is relatively weak, estimates of entrepreneur's AGE seems to have a negative impact on transition. This also confirms the findings by Block and Landgraf (2016) and Viljamaa et al. (2017) that elder hybrid entrepreneurs are less likely to attempt into transition. Elder individuals have high opportunity cost from exiting employment in the form of not only wage but also other work-related benefits such as pensions and senior job status.

5. CONCLUSIONS

In this research, we contribute to the recently emerging literature of hybrid entrepreneurship. It has been confirmed by the prevailing research that hybrid entrepreneurship can be a permanent place or a stable form of entrepreneurship for some individuals. For others, it is also a temporary stage for making transition to into full-time entrepreneurship. Using a data from Portuguese economy, we investigated the determinants that make hybrid entrepreneurs transit into full-time entrepreneurship or remain in hybrid mode. Prior research focusing on transition behavior of hybrid entrepreneurs to full-time entrepreneurship is extremely limited.

Our findings confirm the prior studies that hybrid entrepreneurs are heterogeneous group in regard to transition behavior. We have found that benefits from employment in the form of wages and superior job status discourage hybrid entrepreneurs to make the transition. The higher wages and higher firm growth create competing opposite impacts on transition behavior of hybrid entrepreneurs. As suggested by these results, financial motivations seem to be a key driving force behind transition decisions. Yet they can work in opposite directions on transition decisions. Moreover, non-pecuniary benefits from superior job position seems to be another significant driver of persistence in hybrid entrepreneurship. Firm size does not seem to have a clear effect on transition behavior. Its effect is negative for smaller firm sizes while it becomes positive in larger sizes. This suggests that supplementing wage income through remaining in hybrid mode seems to be the prevailing force in relatively smaller firms. It is the high growth of firm creates the positive push effect on hybrid entrepreneurs for making them the transition into full-time entrepreneurship. This suggests that it is not always the high financial returns that are prioritized and targeted by hybrid entrepreneurs. Yet, instead, the passion, independence, work flexibility and other non-pecuniary benefits come into play that makes some hybrid entrepreneurs remain in hybrid mode. It is only the hybrid individuals with aspiration of higher financial returns show their enthusiasm on transition by achieving high growth in business.

We found that full-time ownership experience is a prominent push factor into full-time entrepreneurship. On the other hand, prior hybrid experience makes the opposing effect on transition. These variables work in opposite directions on transition. Findings, in general, suggests that both the full-ownership and hybrid entrepreneurship are way of life for many individuals and they seem remain so in the future. These findings from all hypotheses are also strong indication of uniqueness of hybrid entrepreneurs and that's why they should be treated separately from full-time entrepreneurs. Owner's age creates negative effect on transition. Elder hybrid individuals are less willing to make transition into full-time entrepreneurship as the pecuniary and non-pecuniary benefits that are accumulated along the years from employment create higher switching and opportunity costs. They are also less willing to make their firm grow. Some studies suggest that women hybrid entrepreneurs remain in hybrid mode due to their family responsibilities. However, no impact of gender has been verified on transition behavior so far. We also found that gender and almost all other industry variables have no effect on transition behavior.

Overall, cross country statistical evidence indicate hybrid entrepreneurship has become significant and growing fabric of entrepreneurship and economy. Recent internet and networking revolution further stimulates the individuals to engage in alternative combinations of business and employment activities and careers including hybrid entrepreneurship. Empirical research on hybrid entrepreneur is new and limited. Yet findings have shown that they are a distinct and heterogeneous group of entrepreneurs. Further research is needed on entry, residence and transition activities of hybrid entrepreneurs so that the more inclusive and accurate public policies targeting hybrid entrepreneurs and entrepreneurs in general can be developed for growing economies.

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Table 1 Descriptive Statistics

VARIABLE		OBS	MEAN	STD. DEV.	MIN	MAX
HYBRID	Dependent variable base category is to remain in hybrid mode (=0). Or, hybrid entrepreneur decides to exit entrepreneurship (=1) or make transition to full-time entrepreneurship, (=2).	7236	0.664	0.866	0	2
NEWFIRMD	Hybrid individuals those have young established firms within up to four years =1, otherwise 0.	7236	0.292	0.455	0	1
LNHERF	Log of herfindahl-Hirshman Index	7236	3.942	1.569	0.97	9.21
LNINDSIZE	Log of industry size	7236	1.261	1.441	-6.02	3.99
EMPSIZE	Log of firm size of hybrid entrepreneur	7236	2.004	1.088	0	6.60
FRGROD	Dummy for high growth rate: Three years average growth rate 20% or higher =1, otherwise 0.	7187	0.335	0.472	0	1
PARTNERS	Number of partners in ownership of business	7236	2.059	1.175	1	14
LNMES	Log of industry minimum efficient scale	7236	3.831	1.130	0.69	9.58
GENDER	Male,1 and Female, 2	7236	1.236	0.425	1	2
WAGE	Log of recent wage of individual	7076	6.003	0.770	-4.61	9.03
AGE	Log of age of hybrid individual	6925	3.731	0.266	3.00	4.39
EDUCD	=1 if the individual has university education, otherwise 0.	7236	0.085	0.279	0	1
NQUALD	=1 if individual has superior job status, otherwise 0.	7236	0.490	0.500	0	1
OWNEXP	Full-time ownership experience	7236	1.304	1.934	0	8
HYBEXP	Hybrid experience	7236	1.296	1.769	0	8

Table 2 Correlation Coefficients

	HYBRID	NEWFIRMD	HERF	LNINDSIZE	EMPSIZE	FRGROD	PARTNERS	MES	GENDER	WAGE	AGE	EDUCD	SPJOBD	OWNEXP
NEWFIRMD	0.02	1												
HERF	-0.01	-0.03	1											
LNINDSIZE	0.01	0.00	-0.71	1										
EMPSIZE	-0.03	-0.30	0.19	0.06	1									
FRGROD	-0.02	0.04	0.05	0.01	0.09	1								
PARTNERS	-0.02	-0.13	0.12	-0.03	0.45	0.06	1							
MES	0.00	-0.04	0.47	0.28	0.34	0.08	0.12	1						
GENDER	0.01	0.04	0.01	-0.02	-0.05	-0.02	-0.01	-0.01	1					
WAGE	-0.12	-0.03	0.10	-0.06	0.13	0.04	0.11	0.06	-0.11	1				
AGE	-0.01	-0.30	0.03	-0.03	0.11	-0.08	0.01	-0.01	-0.10	0.07	1			
EDUCD	0.00	-0.01	0.08	-0.04	0.08	0.02	0.01	0.07	-0.03	0.11	-0.04	1		
SPJOBD	-0.09	0.06	-0.04	0.01	-0.10	-0.02	-0.04	-0.05	0.02	-0.01	-0.10	-0.12	1	
OWNEXP	0.21	-0.24	0.02	0.01	0.13	-0.02	0.04	0.05	-0.06	-0.20	0.22	0.01	-0.23	1
HYBEXP	-0.13	-0.32	0.04	-0.04	0.18	-0.02	0.10	0.01	-0.04	0.16	0.25	0.00	0.05	-0.10

Table 3 Distribution of hybrid entrepreneurs after their decisions within next three years

Category	**1995**	**1996**	**1997**	**1998**	**Total**
0, Remained in Hybrid Mode	1010	1008	1136	1184	4338
1, Made exit from entrepreneurship	265	274	258	197	994
2, Made transition to full-time entrepreneurship	519	442	492	451	1904
Total	1794	1724	1886	1832	7236

Table 4 Multinomial Logit Regression, clustered within hybrid entrepreneurs. Estimates for whole sample data.

EXIT FROM EMPLOYMENT ESTIMATES								
	Coef.	Std.Err.	Coef.	Std.Err.	Coef.	Std.Err.	Coef.	Std.Err.
NEWFIRMD	0.57***	0.105	0.576***	0.100	0.57***	0.10	0.57***	0.00
HERF	0.337	0.550	0.335	0.551	0.250	0.538	0.27	0.64
LNINDSIZE	0.270	0.554	0.271	0.554	0.181	0.540	0.21	0.72
EMPSIZE	-0.48***	0.069	-0.48***	0.068	-0.46***	0.07	-0.94***	0.00
EMPSIZE2							0.11***	0.00
FRGROD	-18.5***	0.061	-19.8***	0.061	-19.3***	0.06	-19.5***	0.00
PARTNERS	-0.26***	0.056	-0.26***	0.056	-0.27***	0.06	-0.24***	0.00
MES	-0.219	0.554	-0.209	0.554	-0.131	0.541	-0.16	0.79
GENDER	0.075	0.108	0.049	0.108	0.064	0.106	0.08	0.49
WAGE	0.117*	0.065	0.031	0.063			0.11*	0.10
AGE	-0.31*	0.184	-0.279	0.182	-0.295*	0.18	-0.31	0.09
EDUCD	-0.153	0.180	-0.136	0.180	-0.060	0.176	-0.17	0.35
SPJOBD	-0.142	0.097	-0.24***	0.093			-0.13	0.18
OWNEXP	0.12***	0.030			0.116***	0.03	0.12***	0.00
HYBEXP	-0.08***	0.033			-0.08***	0.03	-0.08**	0.02
CONS	-0.374	1.192	0.048	1.190	0.386	1.112	0.13	0.91
ENTRY INTO FULL-TIME ENTREPRENEURSHIP ESTIMATES								
	Coef.	Std.Err.	Coef.	Std.Err.	Coef.	Std.Err.		
NEWFIRMD	0.092	0.078	-0.001	0.075	0.099	0.076	0.09	0.25
HERF	0.027	0.448	0.002	0.440	0.019	0.435	0.004	0.99
LNINDSIZE	-0.001	0.450	-0.024	0.443	-0.004	0.438	-0.02	0.96
EMPSIZE	-0.026	0.037	-0.003	0.036	-0.026	0.036	-0.21**	0.04
EMPSIZE2							0.04*	0.06
FRGROD	0.136**	0.062	0.14**	0.062	0.129**	0.06	0.14**	0.02
PARTNERS	0.015	0.029	0.009	0.028	0.004	0.028	0.02	0.52
MES	-0.054	0.452	-0.014	0.444	-0.049	0.439	-0.03	0.94
GENDER	0.004	0.074	-0.067	0.074	0.043	0.073	0.003	0.97
WAGE	-0.19***	0.044	-0.35***	0.044			-0.19***	0.00
AGE	-0.24*	0.129	-0.053	0.123	-0.253**	0.12	-0.24**	0.06
EDUCD	0.030	0.115	0.050	0.113	0.032	0.112	0.02	0.85
SPJOBD	-0.25***	0.065	-0.46***	0.063			-0.25***	0.00
OWNEXP	0.24***	0.018			0.276***	0.02	0.24***	0.00
HYBEXP	-0.10***	0.021			-0.12***	0.02	-0.10***	0.00
CONS	0.866	0.896	1.419	0.880	-0.228	0.835	1.10	0.23
Number of obs	6732		6732		6878		6732	

Wald chi2	122418		137306		135827		132692	
Prob > chi2	0.00		0.00		0.00		0.00	
Log pseudolikelihood	-5372		-5508		-5524		-5363.2	
Pseudo R2	0.12359		0.1139		0.1353		0.1373	
(***) significant at 1%, (**) significant at 5%, (*) significant at 10% level.								