

Korotov, Konstantin; Khapova, Svetlana; Arthur, Michael B.

Working Paper

Career Entrepreneurship

ESMT Working Paper, No. 08-009 (R1)

Provided in Cooperation with:

ESMT European School of Management and Technology, Berlin

Suggested Citation: Korotov, Konstantin; Khapova, Svetlana; Arthur, Michael B. (2010) : Career Entrepreneurship, ESMT Working Paper, No. 08-009 (R1), European School of Management and Technology (ESMT), Berlin, <https://nbn-resolving.de/urn:nbn:de:101:1-2013071912587>

This Version is available at:

<https://hdl.handle.net/10419/96572>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

October 25, 2010



ESMT WORKING PAPER

ESMT No. 08-009 R1

Career entrepreneurship

Konstantin Korotov, ESMT

Svetlana Khapova, ESMT Visiting Professor and Associate Professor at VU
University Amsterdam

Michael B. Arthur, Sawyer School of Management, Suffolk University

ISSN 1866-3494

Abstract

Career entrepreneurship

Authors: * Konstantin Korotov, ESMT
Svetlana Khapova, ESMT Visiting Professor and Associate Professor at
VU University Amsterdam
Michael B. Arthur, Sawyer School of Management, Suffolk University

This article introduces “career entrepreneurship,” a rapidly spreading phenomenon in the global knowledge-driven economy. Career entrepreneurship involves taking an entrepreneurial approach to managing our careers. It means doing things that seem “illegitimate” to other people and contradict socially-recognized and accepted sequences of work experiences in terms of age, education, or socio-economic progression. This kind of behavior challenges established norms about typical career development. The evidence presented in this article suggests new possibilities for thinking about the way individuals invest in their careers, new insights for organizations interested in capturing the potential of career entrepreneurship, and new ideas for career and life coaches to support people embracing the phenomenon. The article offers a primer on career entrepreneurship to all three groups of readers, calling for more effective collaborative relationships and more effective leveraging of individuals’ career investments.

Keywords: career entrepreneurship, career success, career investments, three ways of knowing

CAREER ENTREPRENEURSHIP

Have you ever noticed that some people make it to the top of organizations increasingly early in their life and career? That some people enjoy dream jobs instead of being stuck in the corporate rut? That some manage to radically change their career paths in the middle or even late in their chronological age? Newspapers, TV talk shows, and airport books are full of accounts of successful career starts, reinventions, or renewals. Career counselors offer inspirational stories about the amazing things that people achieve in their working lives. Cocktail parties give rise to lively conversation about unlikely career adventures. Career stories featured in the international mass media that pay attention to cases of unusual career success have one thing in common: the people involved have surprised everyone around them with their choice of career steps. Recent examples featured in *The Wall Street Journal*, *Business Week*, or *The Financial Times* have been: "Tech Guru With a Social Vision," "How I Got There," "From Real Estate Developer to Pizza Man," "From Healing to Making a Killing," and "Former TV reporter finds right fit."

One theme underlies most of these stories. The protagonist has done something that is out of the ordinary, different from what others normally do, strange or even not totally "legitimate." This stands in contrast to stories about people who have done everything "right" to attain career progress: from getting the "right" education, starting with the "right" entry-level position, moving through "right" development and progression phases - all to find out at a certain moment that they are stuck. Drawing on our own experience with executive education, MBA and EMBA program participants, in working with career coaches and career counselors, and with the case-studies and stories we have met along the way, we started thinking about the unusual career steps people make and the influence of those steps on people's subsequent careers.

Some examples of unusual career steps that crossed our path include: an American woman of Latin American descent who determined her "high potential" career track was too slow and insisted on more

responsibility; a Russian man in his early sixties giving up his researcher job to become a hard-core capitalist and found a telecommunications company; a Chinese manager taking the position of Head of HR at a large industrial company in Germany, where such a role traditionally would be reserved for Germans; an American professor of Spanish literature becoming a stockbroker after 40; and an Indian with an MBA degree from a leading US business school deciding to use his management skills to set up and lead a political movement in his home country. Other “illegitimate” career steps include dropping out of college to set up a famous IT company, giving up a lucrative investment banking job in London to set up an executive coaching operation in Sweden, or moving from the job of a COO of large auction house in the US to become a professor in a business school in Europe.

There have always been individuals who were entrepreneurial about their careers. However, today this career behavior has become more relevant. On the one hand, individuals are prompted to be more entrepreneurial to survive the hardships and misfortunes associated with economic uncertainty. On the other hand, there are fewer national, industrial or organizational boundaries restricting the movement of the contemporary workforce in seeking new opportunities. Sometimes the boundaries that prevent people from making a step toward success are psychological, sometimes they relate to their employment circumstances or social background. This paper seeks to make the idea of career entrepreneurship more accessible, and to show how people can succeed through selective investments that others may fear to make.

Our focus is on the apparently “illegitimate” career moves individuals make in order to succeed in the contemporary world of work. We refer to such moves as *career entrepreneurship*. The term can be defined in the same way as Harvard Business School luminary Howard Stevenson defines entrepreneurship - that is, as “the pursuit of opportunity beyond the resources you currently control.” However, we apply this definition to the wider behavior of people - that is, to the pursuit of opportunities beyond the resources controlled by or available to the individual - rather than simply to the foundation of new firms. Career entrepreneurship means contradicting socially-recognized sequences of work experiences in terms of for example age, education, level of responsibility, life

stage, cultural or socio-economic background or career progression. Career entrepreneurship is the identification of unexploited opportunities and making career investments in order to obtain a higher objective (externally recognized) or subjective (internally gratifying) career reward.

Successful career entrepreneurship means doing things that seem illegitimate to other people, and by doing so opening new doors of career opportunity. However, it is not only individuals who can benefit from career entrepreneurship. Organizations can take advantage of it, and career coaches can provide support to people who embrace it. We therefore put forward career entrepreneurship as an opportunity for all three parties - individuals, organizations and coaches - and call on these parties to collaborate in developing the possibilities that the phenomenon suggests.

THE NATURE OF CAREER ENTREPRENEURSHIP

The career story of Hakop illustrates the notion of career entrepreneurship:

Hakop is Marketing Director of Creativity for a large global luxury goods company. He has just moved into this position after being Marketing Director for Russia and Central and Eastern Europe. An Armenian refugee from one of the former Soviet republics who fled to Russia in the early 1990s, he studied engineering in a leading Russian technical university, and went to work for an international consultancy as an IT consultant. In 1990s, he went to a leading business school in Europe for an MBA degree, taking advantage of the first loan opportunity offered to MBA candidates from Central and Eastern Europe by a global bank. For most of the Russians at that time paying for education and taking a loan for that was unthinkable. The relatively few Russian MBA students who dared to do so at the time tried to take electives and then find jobs in banking or financial services. At that time a career in such a field was considered to be a sign of personal and professional success for an ambitious and talented Russian. Hakop, unlike his fellow Russian students, geared his efforts towards learning more about marketing.

While working towards his MBA and looking for a job, he also invested in developing relationships with the school's marketing faculty. One of the professors invited Hakop to work on a case study on a fashion industry company. Hakop made the effort despite the

heavy class schedule of a one-year MBA program and job search pressures. The case eventually won a prestigious case-competition award. Hakop also organized the first Russian National Week at that business school with the aim to “market” new Russia to MBA students coming from all over the world. Working on fundraising for and organizing the event he established contacts with an owner-founder of a premium alcohol production and distribution company in Russia, and learned some intricacies of marketing luxury brands. Upon graduation, Hakop went to work for a small marketing consultancy in Paris. This was also a relatively unusual step for a Russian MBA graduate at that time, as most Russians went to work in the UK where getting a work and residence permit was easier for a non-EU citizen.

Hakop’s international experience, alongside his research and case-writing skills, connections with marketing professors, familiarity with the fashion and luxury goods industries, understanding of the alcohol market, and links to the key players in that market eventually allowed him to get a Marketing Director position with a luxury goods company. By his early 30s, he was responsible for all of Russia and Central and Eastern Europe. In his mid-30s, he had taken on a global responsibility for creative marketing in his company. Beyond objective career success, Hakop clearly enjoys the subjective part of his career. He describes “working with beauty” as part of his personal values, and tries to turn every project of his into an artistic experience. He enjoys sharing his skills, views, and values with people working for him.

On the one hand, the career of Hakop is not much different from the careers of many other individuals: it is simply one more evolving sequence of a person’s work experiences over time. On the other hand, it involves identification of an opportunity unexploited by other actors in the labor market and, subsequently, development of a strategy for pursuing the opportunity, investigating the requirements for turning the opportunity into reality, and then finding and mobilizing necessary resources. The entrepreneurial efforts are driven by a potentially high return on personal investments, accompanied by a high propensity for risk-taking.

Hakop’s career steps were unique for a Russian MBA student at the turn of the 21st century. At that time a Russian’s career in banking or finance would clearly benefit from an MBA degree. However, this was not necessarily the case for marketing jobs, as Russian companies were typically not yet sophisticated enough for serious marketing efforts, and multinationals in Russia relied on their foreign

expertise. The hassle of going through bureaucratic procedures was also higher for a Paris-based than for a London- or Moscow-based job. Much of Hakop's success seems to stem from doing something that others did not dare to do - making career moves that in public eyes were not fully "legitimate."

As we have already noted, Akopian's career entrepreneurship conforms with the classical definition of entrepreneurship, that is the pursuit of opportunity beyond the resources currently controlled by the pursuer. However, career entrepreneurship takes into particular account both the individual agency of an entrepreneur and the broader social framework through which opportunities might be pursued. Social changes can create or enhance the emergence of new ways to pursue opportunities, as well as new paths to access resources. The case of Hakop suggests that he was thinking about investing his MBA education to pursue job opportunities in marketing, even though this was not an avenue visible to fellow students concentrating on finance. The same conclusions can be made about the geographical choice of his job search efforts: while London was already a "legitimate" destination for a freshly-minted Russian MBA, Paris was not. Hakop took advantage of opportunities that were not obvious, and that did not appear to lie within his direct control.

From an entrepreneurship perspective, the career is akin to an enterprise run by an entrepreneurial leader. The leader of such an enterprise begins with a new vision, and develops the mission, strategy, resources, and investments to pursue that vision. He or she works on identifying opportunities (or an opportunity field), and then mobilizes resources for the necessary career investments. In career entrepreneurship, the individual is the one who makes sense of how and when to use these approaches to get the highest return on his or her investments, whether those returns reflect objective or subjective career success. It is also the career entrepreneur that chooses to do something unusual, in the sense that he or she moves across boundaries, breaks old assumptions, or explores new territories.

It should be noted that we differentiate the concept of *career entrepreneurship* from related terms. Specifically we differentiate it from two established uses of the term "entrepreneurial careers" to refer to a) personality types or b) a social classification of alternative career trajectories. Our focus is

specifically on a certain kind of *behavior* in response to the situations (and apparent constraints) in which people find themselves. To better understand this behavior, we now turn to examining the range of career investments that can underlie career entrepreneurship.

CAREER ENTREPRENEURSHIP AND CAREER INVESTMENTS

What makes career entrepreneurship investments different from those made in a traditional career? To respond to this question, we draw on the "intelligent careers" framework, recently developed to highlight how careers unfold in the knowledge-based economy. This framework suggests that throughout our careers we invest in three ways of knowing: *knowing-why*, *knowing-how* and *knowing-whom*. Knowing-why investments are concerned with our individual motivation and identity (e.g., in earning recognition, or being valued as a professional). Knowing-how investments are concerned with our skills and expertise (e.g., in becoming a better project manager, or a subject-area specialist). Knowing-whom investments are focused on the people we work with (e.g., mentors, protégés, or professional communities). Our career investments are concerned with attaining greater career success, on our own terms, regarding *why* to go for a particular career opportunity, *how* to get that opportunity, and *whom* to know or contact to follow the opportunity.

The three ways of knowing are also interdependent, and thus career steps can be initiated beginning with any of the three ways of knowing. For example, a decision to take a new job as a project manager because of its potential to provide plenty of learning opportunities regarding technical and managerial sides of business (knowing-why) is likely to lead to the development of new project management skills (knowing-how) and to the development of new contacts both within and beyond one's organization (knowing-whom). Similarly, studying for an MBA degree (making knowing-how investments) will influence unfolding identity and motivation to pursue job opportunities (knowing-why) and bring about new contacts with classmates, teachers and guest speakers (knowing-whom). In the same vein, getting a student internship with the help of family contacts (knowing-whom) may influence further

professional choice (knowing-why) and motivate towards acquisition of relevant qualifications (knowing-how).

In the following sub-sections we discuss examples of career entrepreneurship initiated by investments in each of the three ways of knowing. We show how investing entrepreneurially in any one way of knowing can bring about the generation of resources under the other two ways of knowing (resources not previously under the control of the career actor), leading to the desirable results.

Entrepreneurial Knowing-Why Investments

The example of Jessan, recently reported in mass media, illustrates the role of knowing-why investments in career entrepreneurship.

Jessan, an African-American, was a former programmer who subsequently founded one of the most successful social networking sites in his country. He leveraged his success as an internet executive to become a prominent television celebrity. Then, to the surprise of his friends and collaborators he went back to school at the age of 35 to pursue his PhD in African-American studies and Government. Jessan decided he wanted to be more than a celebrity speaker, and set out to gain enough knowledge to be able to address the issue of the educational achievement gap between black and white kids, and the disproportionately high levels of incarceration of African-American men. The idea of becoming a knowledgeable expert in the field came to him when he realized that it was not enough to make presentations on the topics important to him in order to make a real difference. Pursuing this idea required giving up his previous career and starting on a new one. Naturally, the step taken by Jessan was a surprise for many.

In a different field and country, Cecilia is an example of how a knowing-why investment leads to an important and risky career behavior.

Cecilia is a Scandinavian woman whose job search after graduating from a prestigious doctoral program was not very successful. Instead of accepting an offer from a less reputable university, Cecilia chose to take an unpaid post-doctoral position at one of the world's leading institutions, which meant little more than a desk on the premises and a

chance to use the institution's academic resources. Although from the point of view of her peers she was making a mistake, Cecilia was convinced that it was better for her than taking a tenure-track Assistant Professor position at a less prestigious school. During her post-doctoral time, Cecilia managed to work with a number of famous co-authors and earn an "A" journal publication. She then went again to the job market and got a number of offers for "tenure track" positions, this time at "better" schools than in her previous job search. She ended up taking a visiting Assistant Professor position with a top-notch institution that had been on her dream list. The step paid off handsomely when the visiting job developed into a tenure-track position.

People who pursue an entrepreneurial way of developing their careers or who take unusual career steps seem to identify opportunities that remain unnoticed by others in the labor market. Those opportunities are often seen through the lens of personal beliefs and meaning ascribed to professional activities by the people involved. Jessan, for example, was driven by the need to make a difference and by a belief that as an academic he could have such an influence. Cecilia decided to take a less prestigious position (and even forfeit monetary opportunities) in a pursuit of cooperation with well-known researchers and a chance to quickly publish an "A" journal article (a sign of objective career success in academia), in line with her ideals of what a good researcher is. Knowing *why* to turn down job opportunities that seemed legitimate and reasonable to others led to Cecilia's entrepreneurial step to volunteer her services.

Entrepreneurial knowing-why investments may be compared to the vision of a business leader. Being among the first with the vision and being able to fill the need in the marketplace when it materializes can reward the leader through the success of his or her organization. Similarly, being the first to foresee new needs or new opportunities, and being ready to invest in making a particular step that others do not dare to make, can lead to both objective and subjective career success. However, as with other entrepreneurial steps, there are risks. In particular, an individual may be wrong in his or her view of the future needs or the reaction of the market to the specific steps made. "Illegitimate" steps may remain as such, thus blocking the individual's further career development.

Entrepreneurial Knowing-How Investments

Knowing-how investments are about gaining the skills and competencies that are required for an unusual career step. In particular, gaining access to competencies that may not be easily available to everybody may be a way of getting ahead of other actors in the career marketplace.

Abdula is a Pakistani in his early 30s. He always dreamed of a career with a large investment bank. He knew that one of the ways to banking offices in New York, Hong Kong, London, or Zurich was through obtaining an MBA in a top-notch business school. He managed to get accepted to a number of good schools, but unfortunately, he couldn't afford the tuition and living expenses associated with such education, and he had to make sure that he could provide for his wife and a child. Abdula eventually decided to do something different: he applied for a number of PhD programs in Finance. As the leading schools he applied to provided tuition waivers and decent living stipends for their doctoral students, money was no longer a barrier. Upon graduation, he found that a PhD in Finance from a leading business school was a good pass to the investment banking world, although the road took him longer than the MBA route would have taken.

Abdula's example shows how through investing in knowing-how, i.e., pursuing a PhD in Finance, he achieved the career in investment banking. This career choice required, in Abdula's eyes, significant adaptation. First, he had to choose a longer track toward his dream job. He took the risk of going through an unconventional path of doing a PhD rather than an MBA degree to attain the job he really wanted. Finally, he had to deal with the disapproval of his choice by most of his teachers and some of his fellow PhD students.

Recognizing the set of skills and competencies that will be in demand and allow the person to move ahead and gaining access to those skills may be a difficult task. However, the skills, unless they are packaged and "sold" to the organizations correctly, may remain an underutilized asset. Career entrepreneurs also make themselves and their skills noticeable inside the organization so that when an opportunity arises they are among the first ones considered for it.

Enrico is a Mexican engineer, working for a large multinational company in Europe. From early stages in his career he constantly sought to upgrade his qualifications, volunteering for new courses and educational programs, turning up for meetings with management, and accepting cross-functional assignments. He kept his superiors and HR department informed about the courses he attended, giving detailed feedback on what he learned, and how he planned to use it in his work. Although English is the working language in his organization, he made a serious effort to learn French and German. His investments paid off when the company undertook a serious clean-up of its top management ranks in the aftermath of a corruption scandal. A range of vacancies became available that had to be filled by people uninvolved in the previous scandal, and possessing enough skills to quickly adjust to higher level responsibilities. Enrico ended up in a position several layers higher than his previous one.

Career entrepreneurs go beyond obtaining the necessary competencies and making the organization aware of them. They also work to create opportunities to apply those competencies when those opportunities seem nonexistent, or shape their opportunities to match their own situations.

Laila lives in Malaysia and works for a large multinational organization. She holds advanced university degrees and possesses deep technical knowledge in her field. She successfully led a pilot innovative project in her home market and, as a result, was considered to be a perfect candidate for leading the fully-fledged global project deployment. The only problem for Laila was the need to relocate from Kuala-Lumpur to London. Although running global projects would be perfect in terms of Laila's career development, being unable to care for her elderly parents would contradict both cultural norms and Laila's personal values. It took Laila a number of courageous and open conversations with the headquarters to convince them to run the project from Kuala-Lumpur rather than from London, making it possible for her to use her talent without the anticipated personal sacrifice.

As these examples show, it is not enough to identify the right professional skills and develop those. Career entrepreneurship also involves learning how to successfully make career steps. These might involve, for example, understanding how to go about looking for a job or gaining a career-enhancing opportunity. In Abdula's case, deprived of the resources necessary to earn a degree facilitating admission into investment banking, he found an alternative route to getting his dream job. Enrico knew

that he needed to learn quickly and to make sure that the company knew about his learning success. Laila managed to convince her employer that the skills she possessed could be used with her being in a different geographical location than initially envisaged by her employer. Career entrepreneurship involves new ways of looking for a career opportunity and for ways of using such an opportunity.

We can learn about how to identify and use opportunities from the examples of traditional entrepreneurs. With respect to knowing-how, having a good education and, in some cases, industry specific experience may provide such opportunities. The level of education of entrepreneurs has been persistently found to predict their firm's performance and profitability. Furthermore, entrepreneurs' industry specific experiences, especially in a prominent firm, give rise to more innovative new ventures. The founders of Starbucks Coffee, Coffee Connection and other key firms in the coffee industry offer a prominent example of how ex-employees have learned from Alfred Peet, founder of Peet's Coffee and Tea Company. In turn, they have been able to select, define, roast, and distinguish specialty coffees in establishing successful new firms.

Entrepreneurial Knowing-Whom Investments

Knowing-whom investments are about developing and using the social capital - the connections and relationships that we have - for the purposes of achieving career success. These investments are not only about using the ties and connections that we already have, but also seeking new ones. These are also about using professional and personal encounters that we have for the purposes of challenging our views on what career opportunities might be available to us.

Rebecca, an American whose case was recently reported in the media, grew up with a sewing machine as part of her life. Using the skills learned from her mother, she managed to get herself through college without debt. Rebecca worked in a small town in Florida where she met touring female players from a famous European symphony orchestra. From those she found out that it was difficult to find suitable stage outfits. She then found out that female executives in London were also complaining about lack of suitable business outfits. Convinced by her new acquaintances that there could be an opportunity for her, Rebecca went to London and started to work for one of the famous

craftsmen of the Saville Row, the traditional center of tailoring expertise. She eventually expanded to become a freelancer for many well-known tailors. She learned not only the intricacies of the trade, but also the habits of the clients, including those who were considered to be too demanding. No wonder that eventually many of those extremely demanding clients became hers.

Career entrepreneurs use various ways of gaining success in their working lives, including contacts that can help them identify the right opportunities. In the example above, Rebecca explored opportunities through a casual acquaintance with Europeans coming to the US, and then established and expanded her connections within a professional community, and finally explored and established relationships with her entrepreneurial niche client group.

Career entrepreneurs explore various opportunities in terms of investment in knowing-whom. They also recognize that they have something to offer to the people that they are interested in, and they are making attempts at establishing relationships that may require going an extra mile.

Susan joined a large American financial institution after completion of her MBA at an Ivy League university. She had heard a lot during her Organizational Behavior classes about the importance of mentoring for career success. Moreover, her organization offered a structured mentoring program. Susan soon realized, however, that the program was more wishful thinking than reality, and that many of her colleagues considered it to be a waste of time. She decided that she needed to take care of her own mentoring. She put together a list of people she wanted to have as a mentor, researched their past, and finally found a person who had come from the same university many years earlier. She then approached that individual, asking to spend a working day in his department. The risky and unusual approach taken by Susan raised interest and gained the prospective mentor's attention. Susan then used the fact that they both went to the same university to make bonds with the person concerned, and demonstrated what she wanted from mentoring relationships. While the formal mentoring program may have been a failure, Susan managed to get an informal and extremely useful mentor by taking an entrepreneurial step.

Similar to Rebecca's example, Susan invested in developing a special relationship with her mentor. She disregarded limitations of the structured program offered to her, and negative attitudes toward the program by her peers. Instead, she proactively and entrepreneurially approached the mentor she wanted. Through using her understanding of the psychology of human connection, she managed to get the person on her side. Rebecca, too, won appreciation and loyalty from her demanding clients.

Traditional entrepreneurship teaches us that knowing-whom, including the depth, intensity, and positive nature of interpersonal relationships has been found to be one of the most significant predictors of new ventures success. Connections provide access to valuable resources, and open doors to new opportunities. Having a mentor, as in the example of Susan, not only means being able to receive emotional support and understanding. It can also provide instrumental support in providing access to valuable information, and opening doors professionally. Social connections also contribute to building one's reputation and serve as a measure of status, which in turn provides legitimacy and makes it easier for a career entrepreneur to attract other people's attention.

In this section, we have shown how an individual's investments in a particular way of knowing - knowing-why, knowing-how or knowing-whom - can create fresh trajectories that open new opportunities for further involvement of the other two ways of knowing. Our examples also suggest that career entrepreneurship is becoming an increasingly widespread behavior. As this article goes to press, much of the global economy is unstable, and more and more employees will feel the pressure to engage in entrepreneurial career behavior. This has widespread implications for individuals themselves, their employing organizations, and for career coaches.

CONSEQUENCES OF CAREER ENTREPRENEURSHIP FOR INDIVIDUALS, ORGANIZATIONS, AND CAREER COACHING

Career entrepreneurship can be a helpful strategy for dealing with economic crises. However, it is not only economic crises that concerns us today, but also the continued emergence of the knowledge-based, global economy, and the rapid transformation of many world economies towards more openness - in terms of both new market opportunities and societal expectations regarding careers. These offer new possibilities for individuals to make career choices that could potentially lead to greater career success. Similar to entrepreneurial businesses, individuals can find new opportunities by leveraging distinctive competencies, moving to new market sectors, moving into a new niche, or creating a new need, thereby differentiate themselves on their way to career success. This individual differentiation also has implications for organizations and for career coaching. We now turn to discussing how all three parties can benefit by realizing the potential of the entrepreneurial career behavior.

Career Entrepreneurship for Individuals

Benjamin, a UK citizen, started work on the trading floor of a large financial institution, and had mixed success in moving up the organizational hierarchy. For example, once a long-expected promotion to a Managing Director's position failed to materialize due to adverse market conditions. Moreover, his manager delivered the negative news through a hastily-arranged telephone call instead of face-to face. Although Benjamin eventually became a Managing Director, he kept thinking about the role of people skills in such a cut-throat business as investment banking. Having had a chance to meet some executive coaches, Benjamin started thinking about offering coaching support to other professionals in his industry. He managed to convince his company to send him to a part-time Master's program in coaching and, upon graduation, to create an internal coaching position with the human resources division of his bank. He gave up the active trading floor job and immersed himself in his new job. Several years later he had enough self-confidence to launch his own private coaching practice. He even made his move at a time of economic distress, both for himself and the financial industry.

Turbulent times and unstable economic situations, in which old rules of accepted behavior cease to function and new rules have yet to settle in, provide particular opportunities for career entrepreneurship. On the one hand, there is an opportunity to escape the negative consequences of burgeoning unemployment. On the other hand, there is an opportunity to find one's true "calling." Research shows that for many individuals times of crisis help to get rid of the job they did not enjoy previously and to engage in a new *why* of being employed. For one person this knowing-why may be a new challenge, for another balance between family and work, for still another it may be prestige and affiliation with important people or organizations. Individual purpose underlies the type of investments people make, and the type of career they aspire towards feeling both objectively and subjectively successful.

However, career entrepreneurship is also a risky undertaking. Unusual steps may lead to derailment or increased illegitimacy of the career actor in the eyes of organizations, decision-makers or resource-providers. A major challenge for career entrepreneurs is to deal with *liminality* (from *limen* - Latin for threshold) denoting the state a person is in when making a social transition. However the discomfort of liminality (e.g., living with a job loss, or social upheaval), may also be seen as an opportunity for radical moves, as the societal norms and coordinates or self-defining connections are no longer in play. Liminality also means that a person is neither totally behind one's past, nor yet in any new, future state, and that there are opportunities for experimentation in one's work-related identity. It is important to mention that career entrepreneurship is a phenomenon that responds to opportunities (e.g. globalization) as well as to barriers (e.g. gender gaps) in our contemporary world of employment. It is also a response to organizations' skepticism about long-term planning, including career planning. Career entrepreneurship can mean doing your own planning instead.

As a learning point for individuals, we would recommend to practice looking beyond the obvious in their career plans. Asking yourself what else you could do may be a good starting point. Talking to people from other professions, social groups, or nations may suggest combining and recombining competencies in new ways, just as entrepreneurs often combine and recombine features of products and services.

Going back to school (or even browsing educational catalogs) may also suggest new ideas. Learning to discuss with the organization various ways of developing a career, finding a mentor with whom it is psychologically safe to engage in personal visioning exercise, and maintaining a network of people with whom ideas can be explored are all good practices for career entrepreneurship. Browsing through jobs pages of companies in your industry and beyond may suggest new combinations that you may not have imagined in the past. Finally, we recommend to our students, executive participants and coaching clients to ask themselves, particularly in cases where they worry about trying something new, if the negative voices inside their heads are their own or those of someone from their surroundings or their past trying to push them away from a career entrepreneurship path.

Career Entrepreneurship and Organizations

Karsten, a German, has been working in the sales organization of a large multinational IT company. In parallel to his work in sales, he developed a particular interest in the human side of organizations. Through studies undertaken at his own time and expense, he advanced his knowledge of organizational behavior and started entertaining an idea to invest in research, writing, and teaching on the subject. At the same time, while still enjoying his work in the sales function (and all the benefits related to his long-term tenure with the organization), he was disappointed to learn in his performance appraisal that there were no further career growth opportunities for him in the company, although it would like to keep him. Karsten thought over his situation together with a colleague from human resources, and with contacts at universities he had developed through his professional development courses. He then approached the organization with an unusual proposition: Karsten would stay, but slightly reduce his working hours in the organization. The time freed up would be used for teaching opportunities whereby Karsten would be able to use his knowledge of human behavior and the practical experience of being a sales person in a large organization.

Over the past years organizations, too, have been dealing with increasing individual career self-management. On the one hand, organizations can provide little in the way of employment security or promises of career progress to their employees. On the other hand, organizations have been desperately trying to keep the in-house talent that they have. The headlines of popular human resource magazines have been full of topics suggesting ways of retaining employees. Recently, though,

organizations have begun to see benefits in their employees' mobility in developing industry and business-to-business contacts. Research, too, has begun to examine the positive side of employment mobility, as in a recent study showing that law firms significantly profit from their employees moving to client organizations. Those employees brought new assignments to their old employers.

Career entrepreneurship helps organizations to view employees' career behavior in a new light. On the one hand, the entrepreneurial nature of one's career behavior suggests that it is the individual him- or herself who undertakes entrepreneurial steps. He or she identifies the opportunity (or an opportunity field), and then mobilizes the resources for the necessary career investments. On the other hand, organizations, through their career management efforts, can assist the individual in identifying new opportunities or even provide resources for necessary career investments. One way to approach career entrepreneurship inside the organization is to offer accelerated career development opportunities in changing economies, and create conditions that attract entrepreneurs and facilitate their investment processes. Organizations can also make special efforts to encourage career entrepreneurs to join up, and to enjoy the organization's support in developing new resources, knowledge or connections.

Just as individuals need to learn to speak to organizations about careers, so organizations need to create environments in which it is safe to stage experiments about entrepreneurial career behavior. Employees ought not to be afraid to talk about unusual ideas for their career futures, or to apply for internal vacancies even if they don't completely "fit" to the job description. Thinking about the combination and recombination of competencies needs to be front and center in organizational conversations about careers and career planning. Companies may want to offer accelerated career growth opportunities not only to fresh university or MBA graduates, but also to the people who have been in the company for some time, and who are ready to experiment with more responsibility despite being beyond the "young potential" age boundaries. Finally, companies may want to see how they can help people exercise career entrepreneurship outside the company, while still being employed and utilized by the organization.

Career Entrepreneurship and Career Coaching

Paul graduated from a UK university with a degree in Geography, and joined a large London-based consumer goods company as a marketing trainee. It quickly became clear to Paul that a traditional career path would be long and, to his mind, boring. However, the framework of his trainee program offered a number of tools to its incumbents, including career coaching sessions. Although Paul was initially cautious, he eventually developed enough trust with his coach to share his thoughts. The coach helped Paul to verbalize his desire for accelerated career development, and worked with him in helping identify the ways to bypass some traditional steps. The company had a problem filling out positions in some of its new markets, particularly in Africa, and the work would mean a sacrifice in Paul's quality of life, social connections, and even the feeling of personal security. However, when the coach, having played the devils' advocate, eventually said "It feels like you are ready to do it", Paul had no further reservations. Excellent results in Africa led to quick promotions and further appointments to other regions worldwide with higher levels of responsibility. Although Paul hasn't yet returned to the comfort of his life in London, he jokes that he can finally put his Geography degree to use: knows what the climate will be like in his next location!

As Paul's example suggests, individuals may be ready for an entrepreneurial career step in principle. They may, however, be afraid to discuss this with their organization, or to ask for help in identifying possible opportunities. Importantly, they may lack a confidant who will bounce back ideas, and challenge them about their readiness to take entrepreneurial career steps. The role of a career coach is to create an equivalent of a "business incubator" for career entrepreneurs: to allow for exploration of opportunities and offer support and protection from steps that may lead to a mistake.

As the previous two sections showed, career entrepreneurship suggests people's independence from rather than dependence on employing organizations. Career entrepreneurship suggests an individual career trajectory, and a series of individual choices. While for many people career entrepreneurship may be an opportunity to experiment with their careers on their own, there are plenty of people who need psychological support and guidance to engage in personal tryouts. A rapid increase in career coaching services may be seen as a response to this societal demand. Career coaches may want to add helping career entrepreneurs to the repertoire of services they provide. They may also want to gear

their efforts not just towards an individual person, but also towards organizations, helping the latter learn how to use the career entrepreneurship phenomenon productively.

THE RISKS OF CAREER ENTREPRENEURSHIP

Scotswoman Mary graduated from a UK university in the early 1990s, and found a job in a Central European country where her knowledge of several Slavic languages was helpful. She met another Scot who had just been assigned a task of establishing presence of a professional services firm in the region, and Mary was asked to be a “jack of all trades” in helping with the office setup. As her boss’s “right hand help” Mary invested in mastering her language skills and learning the intricacies of the local labor legislation. She was successful in supporting the partner group, mostly expatriates, in dealing with the country’s hiring and firing procedures, compensation challenges, and in training local staff to meet international standards. She rapidly built a reputation as one of the best and most expensive, human resource managers around. Over time, though, the partner group changed, and newer partners were no longer expatriates, but local professionals who had been hired years before with Mary’s help. Given the development of capable local human resource professionals, and a greater concern about cost-cutting, the question arose whether it was time for Mary to move on. Unfortunately, she was too expensive for companies in her adopted country, and lacked the professional credentials sought by the UK market.

Any entrepreneurial activity is risky. The same can be said about career entrepreneurship. Taking shortcuts, violating rules, and bypassing traditional learning steps can be exciting, but nevertheless dangerous. Mary’s example suggests that she had made some successful early career investments (taking a risk, and developing relationships with the right people who could help her in her role), but failed to adapt to changing circumstances, and circumstances caught up with her.

We have touched above upon some of the risks associated with over reliance on one type of investment and underinvestment in other ones. Underinvestment in knowing-why can lead to a lack of commitment to one’s work and difficulty in withstanding any social or task-related setbacks along the way. Getting a job on the basis of social connections (knowing-whom) without supplementing those with adequate

skills and competencies (knowing-how) can lead to loss of respect and failure as a leader. Conversely, failure to expand one's network can lead to being deprived of information and support that could lead to further opportunities. Investing in new learning (knowing-how) without respective investments in knowing-why and knowing-whom may lead to gaining skills which end up not being in demand.

Making successful career entrepreneurship steps requires constant assessment of risk factors associated with such a career strategy. Once again, the role of coaches becomes particularly important in this case, as coaches, not being affected by the excitement felt by a career entrepreneur who senses a fresh opportunity, can provide a more balanced view, see red flags, or make suggestions on periodic risk management tactics.

CONCLUSION

In this article we have explored the phenomenon of the career entrepreneurship, looking beyond the resources you presently control and doing things that others don't dare to do. We have unveiled parts of a larger picture where people create something new and distinctive. Despite the individuality of each career move, however, there are regularities in what career entrepreneurs do. These include using unusual connections, going for new professional fields, and operating in transitional or unusual environments. People who are changing the rules for gaining success in their own working lives invite us to reconsider our personal assumptions about careers. Career entrepreneurship suggests new possibilities not only for individuals investing in their careers, but also for organizations and career coaches. Career entrepreneurship is here to stay. What would you like to do about that?

SELECTED BIBLIOGRAPHY

The intelligent career framework was recently described in Arthur, M. B., DeFillippi, R. J. & Lindsay, V. J. (2008). On being a knowledge worker, *Organizational Dynamics*, 37(4), 365-377, and in DeFillippi, R. J., Arthur, M. B. & Lindsay, V. J. (2006). *Knowledge at Work: Creative collaboration in the global economy*. Oxford: Blackwell Publishing.

Our examples of career entrepreneurship behaviors were partially adopted from such publications as The Wall Street Journal and Financial Times, and Business Week that regularly publish interesting accounts of careers. We also borrowed from Herminia Ibarra's (2003) book *Working Identity* published by Harvard Business School Press and ideas from the article by Khapova, S. N. & Korotov, K. (2007). Dynamics of western career attributes in the Russian context. *Career Development International* 12(1): 68-85.

Howard Stevenson's work on Entrepreneurship includes Nash, L. and Stevenson, H. H. (2004). Success that lasts. *Harvard Business Review*, February: 102-109; Stevenson, H. H. and Jarillo-Mossi, J. C. (1990). A paradigm of entrepreneurship: Entrepreneurial management, *Strategic Management Journal* 11: 17-27; Roberts, M. J., Stevenson, H. H., Sahlman, W. A., Marshall, P. and Hamermesh, R. g. (Eds.) (2006) *New business ventures and the entrepreneur*. 6th ed. New York: McGraw-Hill/Irwin; Stevenson, H. H. (1985) The heart of entrepreneurship, *Harvard Business Review*, March-April, pp. 85-94. .

We distinguish our concept of career entrepreneurship from the entrepreneurship as an individual career preference described in Schein, E. H. (1996). *Career Anchors*, Jossey-Bass Pfeiffer, and from the concept of an alternative career trajectory "entrepreneurial career" described in Kanter, R. M. (1989). Careers and the wealth of nations: A macro-perspective on the structure and implications of career forms. In M. Arthur, Hall, T., and Lawrence, B. (Eds.) (Ed.), *Handbook of Career Theory* (pp. 506-521). New York: Cambridge University Press.

More examples on "why to be employed" choices of contemporary employees may be found in Mainiero, L.A. and Sullivan, S.E. (2006), *The Opt-out Revolt: Why People are Leaving Companies to Create Kaleidoscope Careers*, Davies-Black, Palo Alto, CA.

The authors

Konstantin Korotov is Associate Professor of Leadership and Organizational Behavior at ESMT - European School of Management and Technology in Berlin, and a founder of the ESMT Center for Leadership Development Research. He is a co-author or co-editor of the books *The New Russian Business Leaders* (2004), *Coach and Couch: The Psychology of Making Better Leaders* (2007), and *The Coaching Kaleidoscope: Insights from the Inside* (2010). His work was also published in *Academy of Management Learning and Education*, *Organizational Dynamics*, *International Journal of Human Resource Management*, *Training and Management Development Methods*, *Career Development International* and many edited books (e-mail: konstantin.korotov@esmt.org).

Svetlana N. Khapova is Associate Professor of Career Studies at VU University Amsterdam. She is co-founder and Director of Doctoral Education at Amsterdam Business Research Institute VU. She is also a Visiting Professor at ESMT - European School of Management and Technology in Berlin. Svetlana's research concerns careers and career investments of contemporary employees. She is particularly interested in career behavior implications for organizational outcomes. Her work has been published in the *Journal of Occupational and Organizational Psychology*, *Journal of Organizational Behavior*, *Career Development International*, and a number of edited volumes (e-mail: skhapova@feweb.vu.nl).

Michael B. Arthur is a Professor of Management at Suffolk University, Boston. His books include *The Boundaryless Career* (1996), *The New Careers* (1999) and *Knowledge at Work* (2006). In 2006 he received the Academy of Management's Everett Hughes Award for his contributions to the field of career studies (e-mail: marthur@suffolk.edu).

Recent ESMT Working Papers

	ESMT No.
Career entrepreneurship Konstantin Korotov, ESMT Svetlana Khapova, ESMT Visiting Professor and Associate Professor at VU University Amsterdam Michael B. Arthur, Sawyer School of Management, Suffolk University	09-008 (R1)
Corporate social responsibility and competitive advantage: Overcoming the trust barrier C. B. Bhattacharya, ESMT	10-006
Pricing payment cards Özlem Bedre-Defolie, ESMT Emilio Calvano, Bocconi University	10-005
Profiting from technological capabilities: Technology commercialization strategy in a dynamic context Simon Wakeman, ESMT	08-008 (R2)
Conditional cooperation: Evidence for the role of self-control Peter Martinsson, University of Gothenburg Kristian Ove R. Myrseth, ESMT Conny Wollbrant, University of Gothenburg	10-004
Reconciling pro-social vs. selfish behavior: Evidence for the role of self control Peter Martinsson, University of Gothenburg Kristian Ove R. Myrseth, ESMT Conny Wollbrant, University of Gothenburg	10-003 (R1)
Estimating critical mass in the global cellular telephony market Michał Grajek, ESMT Tobias Kretschmer, Ludwig-Maximilians-Universität München	08-004 (R1)
Marketing social responsibility Sumitro Banerjee, ESMT Luc Wathieu, Ferrero Chair in International Marketing, ESMT	10-002
Quantification of harm in damages actions for antitrust infringements: Insights from German cartel cases Hans W. Friederiszick, ESMT CA Lars-Hendrik Röller, ESMT	10-001
A framework for monitoring relational quality in B2B technology partnerships Francis Bidault, ESMT Manfred Lüth, University of Nice Olaf Plötner, ESMT	09-008
Enjoy! Assertive language and consumer compliance in (non)hedonic contexts Ann Kronrod, Tel-Aviv University Amir Grinstein, Ben-Gurion University of the Negev Luc Wathieu, Ferrero Chair in International Marketing, ESMT	09-007
ISO 9000: New form of protectionism or common language in international trade? Joseph A. Clougherty, University of Illinois at Urbana-Champaign Michał Grajek, ESMT	09-006



ESMT Faculty Publications

ESMT
European School of Management
and Technology GmbH

Schlossplatz 1
10178 Berlin
Germany

Phone: +49 (0)30 212 31-1279
E-mail: publications@esmt.org

www.esmt.org