

EXPLORING INDONESIAN NEW ENTREPRENEURS CAREER SUSTAINABILITY DURING AN ECONOMIC CRISIS

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Purpose: An economic crisis can create a career shock that triggers job change, such as a job change from paid work to entrepreneurship. Prior studies show that during some major crises, there was the rise of switching to entrepreneurship by individuals previously worked as paid employees. However, despite its prevalence, little is known about the impact of starting a career as an entrepreneur during a crisis on career sustainability which refers to the pattern of continuity and its meaning to the individuals. Therefore, the aim of this paper is to reveal explore the long-term implication of a job change from paid employment to entrepreneurship

Study design/methodology/approach: This study relied on the Indonesia Family Life Survey (IFLS) data to look at the changes in the job status of individual before and after the 1998 Asian financial crisis. I use descriptive statistics to reveal the career patterns of individuals who started a new job as an entrepreneur during the crisis and examined the changes in their incomes by using data from 1997, 2000 and 2007 survey.

Findings: The findings showed that about 49% of new entrepreneurs survive in their new career for up to eight years since it was started. Further, the findings showed that 78% had persistent career patterns. The rest displayed mixed results with some episodes of going back to paid employment or even to unemployment. In addition, the findings which estimate the treatment effects indicate no meaningful gains from the new career. Entrepreneurs showed similar income changes with paid employees who persisted in their jobs during the period of observations.

Originality/value: Our study answers the call to study entrepreneurial career particularly during the crisis. Our study reveals that in a challenging time when employment opportunities are scarce, a career change to entrepreneurship may be seen as desirable, however, it may not be sustainable in the long run.

Research limitations/implications: This study is not without limitation. First, the problem with re-contacting rate in a longitudinal survey have affected our ability to assess career sustainability in a longer time horizon. Second, given that the datasets is not specifically designed to study entrepreneurial career, we are unable to measure the meaningfulness of entrepreneurial career by using subjective measures. Nonetheless, our study may inform aspiring entrepreneurs of the career implications of starting a new job as an entrepreneur during the crisis. With less than a half of those who switch to entrepreneurship survive in the long term and its effect on income that relatively not meaningful, aspiring entrepreneurs will need to make a better career preparation to ensure their survival and success in the new career.

Keywords: entrepreneur, career sustainability, economic crisis

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