

Chapter 4

Late Career Transitions of Retired People in Uganda: Is Entrepreneurship a Risky Career?

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ABSTRACT

Age is an important factor in the decision to undertake or not of an entrepreneurial project. On the other hand, entrepreneurship does not take place in a vacuum, but in a cultural context. This chapter examines the age-culture nexus in entrepreneurship in a developing collective country context, Uganda. Anchored on the theory of planned behavior as its theoretical framework, this review of the literature examines how the cultural factor in Uganda influences the transition from paid employment to late career entrepreneurship. Specifically, the chapter argues that late career path may be a risky option for senior people who lack experience in entrepreneurship, given the cultural context. Other barriers besides culture are investigated, and recommendations are provided.

1. INTRODUCTION

Empirical studies have proved that late career transitioning in general may be beneficial (Dingemans & Hinkens, 2014). In particular, switching to entrepreneurship (by people over 50) is viewed as quite beneficial not only to the new entrepreneurs, but also society at large (Kibler et al., 2015). In the western world, this strategy is “*advocated as part of the portfolio of policy measures to tackle the grand challenge*

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of population ageing” (Kulik et al., 2014). Late career entrepreneurship is important because it extends the careers of aged people since they retire much later than those in employment (Tervo, 2014), public resources in form of pension allowances are saved, thereby reducing demands on welfare that result from having an increased number of older people in the population (Curran & Blackburn, 2001) while the new entrepreneurs continue to be useful as part of the nations’ human capital (Botham & Graves, 2009). Tervo (2014 p. 172) puts it very well “*though the population is ageing, it is still needed for productive work*”.

Kautonen et al., (2017) indicate that late-career individuals who cross to entrepreneurship gain a significant improvement in quality of life, measured as the satisfaction of the central psychological needs of control, autonomy, self-realization, and pleasure. The increase in quality of life is also significantly greater than that experienced by individuals who switch to other organizational jobs. More importantly, late career entrepreneurship enables these people to pursue self-realization. In terms of policy development, late-career switches to entrepreneurship can be socially desirable and sustainable because they transform older workers “*from aging models that emphasize economic inactivity and dependence on pension benefits toward active aging models that are better suited to address the personal needs of aging individuals*” (p.319).

Research shows that a transition to late-career entrepreneurship can satisfy fundamental psychological needs and thus improve quality of life (Deci & Ryan, 2000; Hyde et al., 2003). Entrepreneurship can increase a late-career worker's autonomy and control in life by allowing them to choose how much, when, and where to work (Curran & Blackburn, 2001; Wainwright & Kibler, 2014). It can also provide opportunities for self-realization and the flexibility in work–life balance necessary to engage in and maintain enjoyable social relationships at and outside work (Mallett & Wapshott, 2015).

In light of these and other benefits, understanding the antecedents and dynamics of starting a business at an old age is important (Kautonen et al., 2014). Age has been found to be an important determinant of entrepreneurship among individuals (Lévesque & Minniti, 2006; Gibb & Ritchie, 1982), thus age differences are a key issue as determinants of career decisions (Kooij et al., 2011), including self-employment (Parker, 2009). This aspect has been given little attention by scholars (Minola et al., 2016). It is important to understand how age relates to self-employment motivation, given that motivational aspects represent the central antecedents of intentions and actions (Krueger et al., 2000). Studies on individual and entrepreneurial cognition, including motivational factors (Shane et al. 2003), provide an explanation of how individuals evaluate opportunities (Mitchell & Shepherd, 2010) and how they form intentions for developing and pursuing these ideas. Thus, self employment motivations are important predictors of a broad set of career decisions, including both entry

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