The Job Characteristics Model: An Extension to Entrepreneurial Motivation

John H. Batchelor  
University of West Florida

Kristie A. Abston  
University of West Florida

K. Blaine Lawlor  
University of West Florida

Gerald F. Burch  
Tarleton State University

This article is designed to enhance understanding about how job characteristics motivate entrepreneurs. This is an important area of research because entrepreneurs invest so much time and money into the creation and development of their business ventures and it is important to understand how the work they do relates to their motivation. We applied the organizational behavior concepts of the Job Characteristics Model developed by Hackman and Oldham (1975) to entrepreneurship in order to better understand the work of entrepreneurs and raise awareness of this important gap in the literature. Our hope is that the proposed research agenda will spark interest in and contribute to the legitimacy of entrepreneurship as a field of research.

Entrepreneurship continues to be a popular research area with a number of academicians studying the differences between entrepreneurs and traditional business managers (e.g., Blanchflower, 2004; Hamilton, 2000; Schjoedt, 2009). As reflected in the opening quote from The Body Shop Founder, Anita Roddick, entrepreneurs often appear to be motivated by some of the same job characteristics as business managers, such as task significance and autonomy. This study examines entrepreneurs and their work using a job characteristics, or “work itself” (Hackman & Oldham, 1980, p. 4), perspective of entrepreneurship. Hackman and Oldham (1975) developed the job characteristics view as an alternative to job design for conceptualizing traditional jobs as well as the utility of certain aspects of work in achieving positive outcomes, such as motivation and satisfaction. We extend this work to the realm of entrepreneurship, specifically to the work performed by the entrepreneur him or herself. We propose that the characteristics of entrepreneurial work are unique as compared to that of others performing similar duties within traditional organizations (business managers). Further, we propose that although the work of entrepreneurs is unique, the conceptual framework of the Job Characteristics Model, originally designed for traditional workers, still applies in an entrepreneurial setting. Finally we argue that the work performed by the entrepreneur has the potential to influence their feelings and behaviors to a greater extent than that of business managers.

Previous findings on job characteristics, with samples of those employed by others, show that certain job characteristics can lead to desirable outcomes such as high levels of motivation, performance, and satisfaction (Fried & Ferris, 1987). Research within the field of entrepreneurship has shown that the promise of more desirable job characteristics can motivate those currently employed by others to start their own ventures (Cromie, 1987). Further, Schjoedt (2009) was the first to test whether the job characteristic findings of previous studies concerning managers were generalizable to entrepreneurs. His findings were that while the job characteristics of entrepreneurs and business managers were significantly different from one another, they still were significant predictors of job satisfaction for entrepreneurs. The purpose of this paper is to develop a theory that builds and extends upon previous findings regarding the unique job characteristics of entrepreneurs. First, we recommend that researchers verify previous findings showing that certain job characteristics (skill variety, task identity, autonomy, and feedback) are significantly different for those working for others than those engaging in entrepreneurial activities. Second, we explore how these characteristics may predict entrepreneurial internal work motivation, and finally, we suggest that entrepreneurs may experience higher levels of internal work motivation than business managers. The conceptual model is shown in Figure 1. A list of JCM milestones relevant to the current study is found in Table 1. Propositions are offered to guide research, and implications for research and practice are discussed.
Figure 1: Conceptual Model

Table 1: Brief List of JCM Milestones Relevant to the Current Study

<table>
<thead>
<tr>
<th>Author</th>
<th>Year</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hackman &amp; Oldham</td>
<td>1974</td>
<td>Job Diagnostic Survey (Assessment tool for JCM)</td>
</tr>
<tr>
<td>Hackman &amp; Oldham</td>
<td>1975</td>
<td>Model for diagnosing job</td>
</tr>
<tr>
<td>Hackman &amp; Oldham</td>
<td>1976</td>
<td>Motivating Potential Score – Score for motivating potential of a job</td>
</tr>
<tr>
<td>James &amp; Tetrick</td>
<td>1986</td>
<td>Established temporal relationship for job characteristics and satisfaction</td>
</tr>
<tr>
<td>Fried &amp; Ferris</td>
<td>1987</td>
<td>Stronger relationship between job characteristics and psychological outcomes than behavioral outcomes (meta-analysis)</td>
</tr>
<tr>
<td>Behson, Eddy, &amp; Lorenzet</td>
<td>2000</td>
<td>Two stage model of JCM without critical psychological states results in better fit than three stage model (SEM)</td>
</tr>
<tr>
<td>Humphrey, Nahrgang, &amp; Morgeson</td>
<td>2007</td>
<td>Proposed expanded JCM</td>
</tr>
<tr>
<td>Schjoedt</td>
<td>2009</td>
<td>Extended JCM research into the field of entrepreneurship</td>
</tr>
</tbody>
</table>
THE ENTREPRENEUR

Early studies of entrepreneurs tried to identify the personality characteristics that differentiate entrepreneurs from the general public. This trait approach, focusing on the entrepreneur, has proven unfruitful (Gartner, 1988) with most researchers abandoning efforts to identify the personality traits of those likely to become entrepreneurs. The behavioral approach is offered as an alternative to the failed trait approach (Gartner, 1985). This method’s primary focus is on new organization creation from the perspective of the venture; hence, the entrepreneur is viewed as a catalyst for the creation process (Gartner, 1985, 1988). When viewing entrepreneurs from this perspective, the question changes from “What are the characteristics of an entrepreneur?” to “What causes an individual to create a new venture?” To answer the latter, investigating the job characteristics of the entrepreneur may be a logical step (See Schjoedt, 2009). Specifically, we encourage researchers to study the characteristics of entrepreneurial activity that leads someone to seek self-employment.

When most people think of entrepreneurs, they conjure thoughts of successful, famous, highly intelligent, and extremely wealthy individuals such as Bill Gates and Mark Zuckerberg who started their entrepreneurial journey in their early twenties after dropping out of college. Reality paints a different picture: the typical entrepreneur is a man in his forties who has no intentions of obtaining great wealth and is married to someone who works. The typical entrepreneur is just trying to make a living (Shane, 2008). This second, more factual portrait of what an entrepreneur is should lend itself well to the framework of the Job Characteristics Model proposed by Hackman and Oldham (1975).

JOB CHARACTERISTICS MODEL

As the names imply, the Job Characteristics Model (JCM), and more specifically the Job Diagnostic Survey (JDS), were designed to evaluate and improve the “jobs” of those employed by others. The primary purpose is to diagnose existing jobs and evaluate the effects of job changes on employees for outcomes such as motivation, productivity, and satisfaction (Hackman & Oldham, 1975). This approach focuses on the work of the job itself as opposed to other job design focused perspectives (Hackman & Oldham, 1980). The JCM is identified as one of the key employee motivation theories for organizations (Ramlall, 2004). The tenets of this approach are that the characteristics of a job lead to critical psychological states which lead to personal and work outcomes with each step being moderated by one’s need for growth. The core job characteristics are skill variety, task identity, task significance, autonomy, and feedback. Critical psychological states are “experienced meaningfulness of work”, “experienced responsibility for outcomes or work,” and “knowledge of results.” Personal and work outcomes are high internal work motivation, high quality work performance, high satisfaction with work, and low absenteeism and turnover (Hackman & Oldham, 1975, 1976). While these characteristics were originally designed for the jobs of those employed by others, they also apply to the self-employed. In particular, autonomy is identified as a primary motivator by entrepreneurs for creating their own venture (Kuratko, Hornsby, & Naffziger, 1997).

APPLICATION TO ENTREPRENEURS

The JCM is used primarily within existing organizations, focusing on those employed within them. This concept is still new to the field of entrepreneurship. Schjoedt (2009) is one of the few entrepreneurship researchers to use the JCM to understand the job characteristics of entrepreneurs. His analysis focused on one outcome measure: satisfaction. The results of Schjoedt’s study found that the mean differences of job satisfaction and four job characteristics did differ significantly between entrepreneurs and managers. Further, he found that autonomy, variety, and feedback were significant predictors of job satisfaction. One goal of the current paper is to build upon the foundation laid by Schjoedt (2009) by further extending the application of the JCM to entrepreneurship through examination of the additional outcome measure of motivation. To do so, we begin with an explanation of how the five job characteristics of the JCM specifically apply to entrepreneurs.

Batchelor, Abston, Lawlor and Burch - 3
PROPOSITIONS

When developing the JDS, Hackman and Oldham (1975) described skill variety as the “degree to which a job requires a variety of different activities in carrying out the work, which involve the use of a number of different skills and talents of the employee” (p. 161). As the job characteristics model shows, the variety of skills necessary to perform a job is one of three factors, along with task identity and task significance, that leads to desirable personal and work outcomes through the mediating psychological state of experienced meaningfulness of work. Thus, all else being equal, increased skill variety should lead to individuals experiencing higher levels of key outcomes such as motivation and satisfaction. Chandler (1996) found that a broad variety of skills are necessary for entrepreneurs to achieve growth, and a diversity of skills are necessary for flexibility and growth. He further suggests that entrepreneurs who were previously business managers may be entrenched in their previous job specific behaviors thus inhibiting the performance of their new venture. Thus, to be effective, entrepreneurs must break the reliance on a narrow array of task competencies developed while working for others. Additionally, empirical findings indicate that entrepreneurs do report higher task variety than do business managers (Schjoedt, 2009). Taken as a whole, this discussion indicates that skill variety is a concept that applies to both entrepreneurs and business managers. While entrepreneurs seem to experience higher levels, the effect of the characteristic is similar enough to extend the JCM to apply to entrepreneurs, hence:

Proposition 1a: Skill variety will have a positive relationship with internal work motivation for entrepreneurs.

Task identity is conceptualized as “[t] The degree to which the job requires completion of a ‘whole’ and identifiable piece of work – that is doing a job from beginning to end with a visible outcome” (Hackman & Oldham, 1975, p. 161). Finishing a task is inherent in the “completion of a whole.” For the most part, entrepreneurship is a never ending struggle for survival. Entrepreneurship is the discovery, evaluation, and exploitation of opportunities (Shane & Venkataraman, 2000; Venkataraman, 1997), each of which can provide a sense of completion. While entrepreneurship itself is not a specific task, there are specific tasks required when engaging in entrepreneurship, such as filing for incorporation. At the base level of analysis, for example, in task specific industries such as accounting, completion of a tax season may allow entrepreneurs to experience a sense of completion. Other entrepreneurs may view themselves as having only one task, a never ending struggle to stay in business. Here we see that the perspective taking of the entrepreneur should determine their level of task identity. A parallel is easily drawn to business managers. They may perceive each day as a struggle to maintain employment or view each project as a separate task with a beginning and end.

Proposition 1b: Task identity will have a positive relationship with internal work motivation for entrepreneurs.

Task significance reflects the “degree to which the job has a substantial impact on the lives or work of other people – whether in the immediate organization or in the external environment” (Hackman & Oldham, 1975, p. 161). There is a dirth of research investigating this conceptualization of task significance to entrepreneurship. In Schjoedt’s (2009) study, applying the JCM to entrepreneurs, the job dimension of task significance was omitted from consideration. Pull theory is one of the few avenues of entrepreneurial research that is applicable to how Hackman & Oldham’s conceptualization of task significance applies to entrepreneurs. This theory contends that entrepreneurs may be pulled into entrepreneurship because they are attracted to desirable outcomes such as self-fulfillment (Keeble, Bryson, & Wood, 1992; Segal, Borgia, & Schoenfeld, 2005). Thus, if an entrepreneur is driven by a desire to help others either within or peripheral to his or her organization, task significance will serve to motivate their actions. Indeed, Burch, Batchelor, and Humphrey (2013) propose that the lack of organizational restrictions on entrepreneurial behavior allow them the freedom to conduct themselves in a way that provides greater benefits to society than business managers. From this perspective,
entrepreneurs have greater latitude in how their jobs impact those around them than do business managers, allowing them to mostly choose tasks they deem significant. At first, it seems that this latitude will result in strong range restriction for entrepreneurs. However, while entrepreneurs are generally not assigned tasks by others, they do have stakeholder obligations that result in performing what they perceive to be low-significance tasks, such as filling out bank forms and other mundane but necessary paperwork.

Proposition 1c: Task significance will have a positive relationship with internal work motivation for entrepreneurs.

Within the context of the JCM, autonomy is characterized as the “degree to which the job provides substantial freedom, independence, and discretion to the employee in scheduling the work and in determining the procedures to be used in carrying it out” (Hackman & Oldham, 1975, p. 162). Autonomy is one of the most widely researched characteristics of entrepreneurial activity. Research has identified autonomy as an important factor for becoming an entrepreneur (Utsch, Rauch, Rothfufs, & Frese, 1999). Many entrepreneurs mention issues related to autonomy such as inflexible schedules and supervisors as influential reasons for pursuing self-employment (Shane, 2008). Thus, the perception of greater autonomy pulls many individuals into entrepreneurship.

Lumpkin, Cogliser, and Schneider (2009) argue that autonomy is a key element to maintaining an entrepreneurial orientation. They describe an entrepreneurial orientation as practices allowing decision makers to focus on customer needs, industry changes, and opportunity identification in order to increase performance. Further, they point to how the autonomy inherent in entrepreneurship has made this concept the envy of many firms causing them to adopt an entrepreneurial orientation toward their managers. Lim and Seers (1993) found that future orientation, autonomy of time use, and allocation of time, together predicted performance. While this study focused on business managers, it is clear that these three predictors are characteristic of entrepreneurial activity. This discussion highlights that autonomy is a key job dimension of entrepreneurship that further justifies extending the JCM to this field of research.

Proposition 1d: Autonomy will have a positive relationship with internal work motivation for entrepreneurs.

Feedback identified as the “degree to which carrying out the work activities required by the job results in the employee obtaining direct and clear information about the effectiveness of his or her performance” (Hackman & Oldham, 1975, p. 162). Again, this concept was originally conceptualized for employees working for others but can easily be extended to entrepreneurs. Entrepreneurs receive feedback from the outcomes that result in construction and maintenance of their firms (Aldrich & Martinez, 2001). Because this feedback occurs while procedures are being developed, it can be viewed as feedback of the process. This feedback may range from the first sale, revenue growth, available cash flow, and debt structure. The primary goal of any entrepreneur is survival. From this perspective, merely staying in business is a form of feedback.
There is a growing body of entrepreneurial research investigating entrepreneurial legitimacy, which can be viewed as a form of feedback. The main tenants of entrepreneurial legitimacy are that until stakeholders view a venture as a legitimate firm, the venture will have difficulty obtaining the resources needed to survive, such as capital, customers, and employees (Rutherford, Buller, & Stebbins, 2009). Customers play an especially important role in legitimizing a firm as they use familiarity with the new venture’s product(s) and experience with or awareness of the firm itself and those who manage it to make buying decisions (Shepherd & Zacharakis, 2003). Thus, customers provide critical feedback for the entrepreneur because they are providing assessments on the outcomes of the entrepreneur’s product, firm, and management team. Although the mechanism of supervisor compared to stakeholder feedback is different, the concept still applies in the same sense that they both send a clear message to the recipient of the effectiveness of their performance.

Proposition 1e: Feedback will have a positive relationship with internal work motivation for entrepreneurs.

The preceding discussion places the five core job characteristics in the context of entrepreneurship. Next, we look at internal work motivation, which is the outcome variable of interest in this study. Hackman and Oldham’s (1975) definition of this construct pertaining to employees is the “degree to which the employee is self-motivated to perform effectively on the job – that is, the employee experiences positive internal feelings when working effectively on the job, and negative internal feeling when doing poorly” (p. 162). At its very base, performing effectively for an entrepreneur is surviving. When investigating motivation from an entrepreneurial perspective, Shane, Locke, and Collins (2003) first outline the stages of the entrepreneurial process: recognition of opportunity, development of an idea, evaluation of feasibility, development of a product for customers, assembly of resources, organizational design, and finally, pursuit of customers. They outline these steps to point out that entrepreneurs are performing effectively, thus demonstrating internal work motivation, when they are moving through this process. Here it seems reasonable that entrepreneurs will experience positive feelings when moving through this process and negative feelings when the process stalls, indicating that high internal work motivation is an important outcome for entrepreneurs.

PRECURSORS TO INTERNAL WORK MOTIVATION OUTCOMES

The original JCM proposed by Hackman & Oldham proposes “a set of features that should be built into jobs in order that they be satisfying and motivating” (Ramall, 2004: 57). The features are the job dimensions elaborated upon in the previous section. James and Tetrick (1986) found empirical support that these job characteristics are precursors for job satisfaction. This process is further mediated by what they term “critical psychological states,” specifically, experienced meaningfulness of work, experienced responsibility for work outcomes, and knowledge of results.

While there is clear empirical support that covariation exists between the core job characteristic and outcomes (Fried & Ferris, 1987; Loher, Noe, Moeller, & Fitzgerald, 1985), support for the mediating effects of the critical psychological states is sparse (Hogan & Martell, 1987). Hackman and Oldham (1976, 1980) show that the critical psychological states may only partially mediate the entire model, which leaves open the possibility that they do not mediate the specific relationship between the five core job dimensions and the focus of this study, internal work motivation. Additionally, a meta-analysis by Behson, Eddy, and Lorenzet (2000) find that a two-stage JCM, without the critical psychological states, may provide a better fit than the original three-stage model. For this reason, we follow the lead of other entrepreneurial researchers, such as Schjoedt (2009), investigating the effects of job characteristics on other outcomes identified in the JCM and looking at the direct effects of the job characteristics on internal work motivation for entrepreneurs.
Prior research shows that both male and female entrepreneurs are motivated by influences such as autonomy, achievement, and other non-economic rewards (this list is very similar to that of the JCM) (Cromie, 1987). This research shows that entrepreneurs are not only motivated to perform their work because of these desires but also that these desires caused them to initially become business proprietors. Thus, since most entrepreneurs were previously employees of others (Shane, 2008), the characteristics of being employed by another must not have satisfied their needs. Thus we propose that the nature of entrepreneurial activity may provide a more conducive environment for internal work motivation than comparable work in the employment of others.

Proposition 2: Entrepreneurs will experience more internal work motivation than business managers.

In his book, Shane (2008) states many times that the reason most people choose to become self-employed is because they do not like working for others. He points out that entrepreneurs generally earn less than they would if employed by someone else. If money is not what draws them into entrepreneurship, it may be the characteristics of entrepreneurship itself. Motivating Potential Score (MPS), an index where the overall potential of a job to influence an individual’s feelings and behaviors, is an equation built from the five job characteristics: skill variety, task identity, task significance, autonomy, and feedback (Fried & Ferris, 1987). This index was created by Hackman & Oldham (1975) and used in conjunction with the JCM in the evaluation of work design. Thus, someone employed at a job with a high MPS should experience high levels of outcomes such as internal work motivation and job satisfaction. Building upon the proposition that entrepreneurs experience higher internal work motivation than business managers and upon previous research showing that entrepreneurs experience higher levels of job satisfaction than business managers, it follows that if these two outcomes are higher, the values used to determine their score (MPS components) will also be higher. Therefore, we propose that, on average, entrepreneurs will experience higher overall levels of the job characteristics than business managers as reflected by relative MPS (Hackman & Oldham, 1975).

Proposition 3: Entrepreneurs will experience higher overall MPS than business managers.

DISCUSSION

A recent Gallup poll found that business owners experience higher levels of well-being than any other occupation (Pelham, 2009). Yet, entrepreneurs earn less (Hamilton, 2000) and work more hours (Blanchflower, 2004) than those working for others. Contemporary research in entrepreneurship has found that the job characteristics of entrepreneurs do significantly differ from those of managers who work for others (Schjoedt, 2009). The authors believe that the characteristics of business ownership lend themselves to more desirable outcomes. Hackman and Oldham’s (1975, 1976) Job Characteristics Model (JCM) is relevant in the field of entrepreneurship. We use the extant literature as a foundation for further illustrating how this highly regarded organizational behavior model can be applied to entrepreneurs. Additional research in testing propositions identified in this paper can add to our understanding entrepreneurial internal work motivation. We will have a better understanding of job characteristics and how these characteristics differ between an entrepreneur and a business manager. We will have a better understanding of which of the job characteristics is a more significant contributor to work motivation. The testing of the propositions will provide additional insights on the similarities and differences between job motivation between an entrepreneur and a business manager.

IMPLICATIONS FOR RESEARCH AND PRACTICE

Our research propositions encompass the relationships between the factors in the JCM (skill variety, task identity, task significance, autonomy, and feedback) and the entrepreneur’s internal work motivation. We suggest that entrepreneurs pursue these types of opportunities because the
entrepreneurial environment is more conducive for internal work motivation than environments offered to business managers who work for others. We conclude the proposed research agenda by positing that entrepreneurs will experience overall MPS than business managers who work for others.

Completion of this research agenda would guide future research in several ways. First, results would help with theory building in the area of entrepreneurial motivation. Second, examining the relationship between job characteristics and internal work motivation for entrepreneurs would likely yield additional areas of future research. Specifically, researchers should engage in endeavors that measure the MPS of both entrepreneurs and business managers and then compare the results. Finally, academic researchers could use these findings to further enrich the learning experience for students who are interested in pursuing entrepreneurship as a degree program.

Since small businesses are credited with generating more jobs (Neumark, Wall, & Zhang, 2008), additional research into this important area is warranted. These research findings could be converted into a survey (such as MPS) and/or a questionnaire that could be utilized by agencies, such as the Small Business Administration, to help entrepreneurs understand the “why” of their need to become an entrepreneur. The relationships between the job characteristics and motivation could also be used to provide entrepreneurs with tools on how to be more successful in his/her field of endeavor. Existing entrepreneurs could further benefit from understanding how job characteristics affect their interest in business ownership as well as the importance of these characteristics in jobs within their own small business environment. The research agenda proposed here can provide researchers and practitioners alike with valuable tools and information. These findings would extend our understanding of the field of entrepreneurship.

CONCLUSION

A better understanding about how job characteristics motivate entrepreneurs to invest so much time and dollars into the creation of new business ventures is an important area of research. We intended to apply accepted theoretical models from organizational behavior to entrepreneurship in order to raise awareness of this important gap in the literature. Our hope is that the proposed research agenda will spark interest in and contribute to the legitimacy of entrepreneurship as a field of research.

REFERENCES


