

Examining the Different Career Paths of Hybrid Entrepreneurs in China

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Abstract

This thesis provides a longitudinal, exploration of hybrid entrepreneurship in China, defined as the simultaneous pursuit of salaried employment and entrepreneurial activity.

Adopting an interpretivist paradigm and abductive reasoning, the study employs a qualitative design. Three rounds of in-depth interviews were conducted with nine hybrid entrepreneurs between 2020 and 2024. Participants were purposefully selected to represent three pathways: persistent hybrid entrepreneurship, transition to full-time entrepreneurship, and return to full-time employment. Thematic analysis, informed by Self-Efficacy (SE) and Entrepreneurial Self-Efficacy (ESE) theory, examined how beliefs, contextual pressures, and perceived opportunities shaped career trajectories over time. Findings reveal that hybrid entrepreneurship in China is not merely a precursor to autonomy but a strategic, context-contingent response to institutional uncertainty, sectoral constraints, and shifting macroeconomic conditions. Entrepreneurial pathways were influenced by mastery experiences, social persuasion, emotional status, and negotiations of risk. Guanxi and regulatory ambiguity emerged as critical in sustaining hybrid activity where formal entrepreneurial channels remain restricted or culturally marginal.

The study contributes by: (1) proposing a dynamic typology of hybrid entrepreneurial pathways that incorporates persistence and re-entry, alongside transition; (2) extending SE/ESE theory by embedding efficacy within institutional and cultural contexts; and (3) repositioning hybrid entrepreneurship in transitional economies as a legitimate and enduring career form. Practical implications for policy and entrepreneurial support are outlined, with a call for more longitudinal, contextually grounded research.

Author's Declaration

I declare that this thesis is a presentation of original work and I am the sole author. This work has not previously been submitted, either in whole or in part, for any degree or other qualification at this University or at any other institution. All sources are acknowledged as references.

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Table of Content

Chapter 1: Introduction	1
1.1 Background to the Study	1
1.2 The Research Aims and Questions	3
1.3 Significance of the Study	4
1.4 Structure of the Thesis	8
 Chapter 2: Context	 13
2.1 Introduction	13
2.2 Economic and Policy Context	15
2.2.1 From State-Controlled Employment to Market-Driven Entrepreneurship	15
2.2.2 The COVID-19 Shock	17
2.2.3 Post-Pandemic Economic Uncertainty	19
2.2.4 Summary of Economic and Policy Context	21
2.3 Social and Cultural Context	22
2.3.1 The Role of GUANXI in Entrepreneurial Careers	22
2.3.2 The Embedded Nature of Hybrid Entrepreneurship in Collectivist Norms	24
2.3.3 The Role of Social Legitimacy in Hybrid Career Choices	25
2.3.4 Summary of Social and Cultural Context	26
2.4 Institutional and Regulatory Context	27
2.4.1 Labour Market Regulations and the Legality of Hybrid Work	28
2.4.2 The Rise of Platform-Based Work and Its Impact on Hybrid Entrepreneurs	29
2.4.3 Industry-Specific Policy Shocks: The Case of the Double Reduction Policy in Education	29
2.4.4 Summary of Institutional and Regulatory Context	30
2.5 Summary of the Chapter	31
 Chapter 3: Literature Review	 32
3.1 Introduction	32
3.2 Who Are Hybrid Entrepreneurs and What Do They Do?	33
3.2.1 Conceptualising Hybrid Entrepreneurship	33
3.2.2 What Do Hybrid Entrepreneurs Do?	36
3.2.3 Challenges and Limitations of Hybrid Entrepreneurship	37
3.2.4 Summary	38
3.3 Why Do Individuals Choose Hybrid Entrepreneurship?	39
3.3.1 Push Factors: Necessity-Driven Motivations	40
3.3.2 Pull Factors: Opportunity-Driven Motivations	42
3.3.3 The Role of Self-Efficacy and Entrepreneurial Self-Efficacy	43
3.3.4 Self-Efficacy Theory	44
3.3.4.1 Mastery Experience	45
3.3.4.2 Social Modelling	45
3.3.4.3 Social Persuasion	46

3.3.4.4 Emotional and Physiological States	47
3.3.5 Entrepreneurial Self-Efficacy (ESE)	48
3.3.5.1 Cultural and Institutional Environment	49
3.3.5.2 Firm Characteristics	51
3.3.5.3 Education and Training	52
3.3.5.4 Work Experience	53
3.3.5.5 Role Models and Mentors	54
3.3.5.6 Individual Differences	55
3.3.6 Limitations of Existing Research on Motivations	57
3.4 Different Types of Hybrid Entrepreneurs	58
3.4.1 Persistent Hybrid Entrepreneurs	59
3.4.2 Transitory Hybrid Entrepreneurs	62
3.4.3 Exit Hybrid Entrepreneurs	64
3.5 Research Gaps and Research Questions	66
3.5.1 Gaps in the Literature	66
3.5.2 How This Research Fills These Gaps	67
3.5.3 Research Questions	69
Chapter 4 Methodology	71
4.1 Introduction	71
4.2 Research Philosophy	72
4.2.1 Ontology	73
4.2.2 Epistemology	74
4.3 Research Approach	76
4.4 Research Design	78
4.5 Ethical Consideration	80
4.6 The Research Method: Interview	82
4.7 Data Selection	85
4.8 Research Process	87
4.8.1 Organising Interview Recordings and Familiarising with the Data	90
4.8.2 Coding and Data Collation	91
4.8.3 Mapping, Evaluating and Revising the Themes	92
4.8.4 Thematic Interpretation and Reporting	93
4.8.5 Reflexivity	93
4.9 Summary of the Chapter	95
Chapter 5 Participant Profiles	96
5.1 Introduction	96
5.2 Details of Participants	97
5.2.1 Persistent Hybrid Entrepreneur 1 - BJY	98
5.2.2 Persistent Hybrid Entrepreneur 2 - MXH	103
5.2.3 Persistent Hybrid Entrepreneur 3 - WY	108
5.2.4 Transitory Hybrid Entrepreneur 4 - LXP	113
5.2.5 Transitory Hybrid Entrepreneur 5 - SK	118
5.2.6 Transitory Hybrid Entrepreneur 6 - GYX	123
5.2.7 Exit Hybrid Entrepreneur 7 - LPY	129
5.2.8 Exit Hybrid Entrepreneur 8 - LCS	134

5.2.9 Exit Hybrid Entrepreneur 9 – DYQ	139
5.3 Summary of Participants	144
Chapter 6: Exploring Pathway Changes – Findings from Second and Third Rounds of Interviews	149
6.1 Introduction	149
6.2 Reasons for Career Pathway Decisions	157
6.2.1 Theme 1: External Environment	158
6.2.1.1 The Post-Pandemic Recovery	159
6.2.1.2 Economic Pressures	163
6.2.1.3 Structural Constraints and Evolving Consumer Behaviour	165
6.2.1.4 Summary: The Interplay of External Factors	169
6.2.2 Theme 2: Personality Traits	170
6.2.2.1 Risk Propensity	171
6.2.2.2 Ambition	174
6.2.2.3 Passion	177
6.2.2.4 Fear of Uncertainty	179
6.2.2.5 Adaptability	180
6.2.3 Theme 3: Industry Perception	181
6.2.3.1 Work Experience	183
6.2.3.2 Industry Experience	184
6.2.3.3 Opportunity Recognition	185
6.2.3.4 Summary	187
6.2.4 Theme 4: Social Influences	187
6.2.4.1 Role Models and Mentors	188
6.2.4.2 Social Persuasion and Feedback	189
6.2.4.3 Guanxi (Relationships)	190
6.2.4.4 Summary	193
6.2.5 Theme 5: Financial Aspects	193
6.2.5.1 Family-Oriented Financial Responsibilities	195
6.2.5.2 Financial Stability	197
6.2.5.3 Financial Aspirations	199
6.2.5.4 Summary	200
6.3 Summary of the Chapter	201
Chapter 7 Discussion and Implications	205
7.1 Introduction	205
7.2 Revisiting the Research Objectives: A Longitudinal Perspective on Hybrid Entrepreneurship	207
7.3 Discussion of Key Findings	208
7.3.1 How Do Self-Efficacy and Entrepreneurial Self-Efficacy Shape Hybrid Entrepreneurs' Decisions to Remain in Hybrid Status Persistently?	209
7.3.1.1 Personality Traits: Risk Aversion and Fear of Uncertainty as Stability-Reinforcing Mechanisms	209
7.3.1.2 Industry Experience as a Longitudinal Enabler of Hybrid Persistence	210

7.3.1.3 Guanxi as a Dual Resource: Entrepreneurial Legitimacy and Employment Stability	215
7.3.1.4 Summary	216
7.3.2 How do self-efficacy and entrepreneurial self-efficacy drive hybrid entrepreneurs to transition to full-time entrepreneurship (Transitory Hybrid Entrepreneurs)?	220
7.3.2.1 Opportunity Recognition Enabled by Industry Experience	221
7.3.2.2 Risk-Taking and Growth-Oriented Personality Traits	222
7.3.2.3 Social Persuasion from Customer Validation	226
7.3.2.4 Summary	228
7.3.3 How do self-efficacy and entrepreneurial self-efficacy influence hybrid entrepreneurs' decisions to exit entrepreneurial activities (Exit Hybrid Entrepreneurs)?	231
7.3.3.1 Emotional and Physiological States	231
7.3.3.2 Personality Traits	233
7.3.3.3 Guanxi as a Dual Safety Net and Enabler of Career Mobility	235
7.3.3.4 Summary	236
7.4 Theoretical Contributions	239
7.4.1 Challenging the Linear Transition Model: Longitudinal Evidence of Career Fluidity	239
7.4.2 Self-Efficacy, Entrepreneurial Self-Efficacy, and the Dynamic Adjustment Mechanism in Hybrid Entrepreneurial Careers	242
7.4.3 The Influence of External Market Shocks: The Role of COVID-19 in Entrepreneurial Trajectories	246
7.4.4 The Role of Social Capital (GUANXI) in Shaping Hybrid Entrepreneurial Career Transitions	250
7.5 Practical, Managerial and Policy Implications	254
7.5.1 Recognising Hybrid Entrepreneurship as a Long-Term Career Model	254
7.5.2 Tailoring Entrepreneurial Support to Pathway Diversity	255
7.5.3 Strengthening Entrepreneurial Resilience and Time Management Capacity	256
7.5.4 Guanxi as a Dual Resource for Market Access and Exit Security	257
7.6 Limitations and Future Research Directions	259
7.6.1 Sample and Generalisability: Expanding the Scope of Hybrid Entrepreneurship Research	259
7.6.2 Longitudinal Tracking of Hybrid Entrepreneurs: Examining Career Trajectories Over Time	261
7.6.3 Industry-Specific Variations: Understanding How Sectors Influence Hybrid Career Paths	262
7.6.4 Cultural and Institutional Comparisons: Hybrid Entrepreneurship in Emerging and Developed Economies	264
7.6.5 Summary	265

Chapter 8 Conclusion	266
8.1 Re-engaging with the Research Questions	266
8.2 Summary of Key Findings and Theoretical Contributions	267
8.3 Practical Implications	268
8.4 Future Research Directions	270
8.5 Final Reflections: Rethinking Hybrid Entrepreneurship in Uncertain Times	272
References	274
Appendices	292
Appendix 1: First Round Interview Questions	292
Appendix 2: Second Round Interview Questions	295
Appendix 3: Third Round Interview Questions	298
Appendix 4: Data Matrix Example	302

Chapter 1 Introduction

This chapter introduces the research study by outlining its purpose, significance, and contribution to the field of hybrid entrepreneurship. It begins by discussing the background and broader context of hybrid entrepreneurship, highlighting the growing complexity of career pathways in contemporary labour markets. It then presents the research aims and questions, explaining the rationale for investigating the psychological mechanisms that shape hybrid entrepreneurs' career decisions over time. It also highlights the study's significance in addressing critical gaps in the literature. The chapter concludes by outlining the overall structure of the thesis and summarising the contribution each chapter makes towards building a coherent understanding of hybrid entrepreneurial careers.

1.1 Background to the Study

The traditional dichotomy between full-time employment and full-time entrepreneurship has long shaped both academic discussions and policy frameworks (Folta et al., 2010; Petrova, 2011). This binary view assumes that individuals either dedicate themselves entirely to salaried work or pursue entrepreneurship as a full-time commitment. However, contemporary career landscapes have become increasingly fluid, driven by technological advancement, socio-economic shifts, and evolving labour market structures (Bruton et al., 2008; Welter and Smallbone, 2011).

One important phenomenon emerging from this shift is hybrid entrepreneurship—the simultaneous engagement in both paid employment and self-employment (Schulz et al., 2016; Thorgren et al., 2016). Hybrid entrepreneurship offers individuals a strategic way to manage financial risk, experiment with entrepreneurial ideas, and balance competing career aspirations without immediately relinquishing the security of salaried employment (Campbell and De Nardi, 2009; Raffiee and Feng, 2014). Despite its increasing prevalence across global contexts, hybrid entrepreneurship remains

underexplored in the literature, particularly regarding the factors that drive individuals to persist, transition, or exit over time (Stockhaus, 2022).

While previous research has largely framed hybrid entrepreneurship as a temporary or transitional phase leading to full-time self-employment (Tornikoski et al., 2015; Nordström et al., 2016), emerging evidence suggests that career pathways within hybrid entrepreneurship are far more complex and multifaceted (Viljamaa et al., 2017; Kritskaya et al., 2017). Some individuals sustain their hybrid status indefinitely, leveraging it as a stable and strategic career choice, while others transition into full-time entrepreneurship (Folta et al., 2010; Petrova, 2011). However, while studies have explored persistence and transition, there remains a notable gap in research concerning those who disengage from entrepreneurial activities altogether. The motivations and mechanisms underpinning these divergent career trajectories remain insufficiently explored, particularly within non-Western contexts, where institutional, economic, and cultural factors further complicate entrepreneurial decision-making.

Existing literature on hybrid entrepreneurship primarily classifies motivations as either push factors (necessity-driven) or pull factors (opportunity-driven) (Dzomonda and Fatoki, 2018; Thorgren, Nordström, and Wincent, 2016). While these external motivators offer valuable insights into why individuals engage in hybrid entrepreneurship, they fail to fully account for the internal psychological mechanisms influencing long-term career decisions. Notably, research has yet to comprehensively examine how psychological constructs, such as self-efficacy (SE) and entrepreneurial self-efficacy (ESE), shape hybrid entrepreneurs' decisions to persist, transition, or exit (Bandura, 1977; Chen, Greene, and Crick, 1998). The influence of SE and ESE on hybrid entrepreneurship is particularly relevant in contexts like China, where career pathways are deeply intertwined with socio-cultural expectations, regulatory constraints, and economic uncertainties (Carlisle and Flynn, 2005; Dubey and Sahu, 2022).

This study addresses this gap by investigating the psychological determinants of hybrid entrepreneurial career pathways, with a particular focus on the role of SE and ESE in shaping individuals' decision-making processes. By integrating a longitudinal perspective, this research challenges linear models of entrepreneurial transition and provides a context-sensitive examination of hybrid entrepreneurship. Specifically, it explores how self-efficacy influences hybrid entrepreneurs' confidence in balancing dual careers, their risk perceptions regarding full-time entrepreneurship, and their responses to external shocks such as economic downturns and policy changes. Given the growing prevalence of hybrid entrepreneurship in China, this study contributes to both theoretical and practical understandings of how psychological and contextual factors interact to shape career trajectories over time.

1.2 The Research Aims and Questions

Building on the background discussion, this study aims to contribute to the growing body of literature on hybrid entrepreneurship by critically examining the psychological mechanisms that shape hybrid entrepreneurs' career trajectories. Specifically, this research adopts self-efficacy (SE) and entrepreneurial self-efficacy (ESE) as analytical lenses to explore how hybrid entrepreneurs navigate decisions to persist, transition, or exit their entrepreneurial activities. While prior studies have acknowledged that SE and ESE play a role in entrepreneurial behaviour (Miao et al., 2017), little research has examined how these psychological constructs influence career dynamics over time, particularly in hybrid entrepreneurial contexts.

Furthermore, while the existing literature often assumes that hybrid entrepreneurship is a temporary phase leading to full-time entrepreneurship (Folta et al., 2010; Raffiee and Feng, 2014), this study challenges such linear assumptions by demonstrating that hybrid entrepreneurial careers are fluid, evolving, and shaped by an interplay of internal and external forces. By adopting a longitudinal qualitative approach, this research captures how SE and ESE

fluctuate over time, influencing hybrid entrepreneurs' persistence, transition, or exit from entrepreneurship.

The overarching aim of this study is to explore how self-efficacy (SE) and entrepreneurial self-efficacy (ESE) influence the career trajectories of hybrid entrepreneurs over time. This is operationalised through the following research questions:

1. How do self-efficacy and entrepreneurial self-efficacy shape hybrid entrepreneurs' decisions to remain in the hybrid status persistently (Persistent Hybrid Entrepreneurs)?
2. How do self-efficacy and entrepreneurial self-efficacy drive hybrid entrepreneurs to transition to full-time entrepreneurship (Transitory Hybrid Entrepreneurs)?
3. How do self-efficacy and entrepreneurial self-efficacy influence hybrid entrepreneurs' decisions to exit entrepreneurial activities (Exit Hybrid Entrepreneurs)?

By answering these research questions, this study seeks to contribute to both theoretical and empirical understandings of hybrid entrepreneurship, offering insights into how psychological constructs interact with career decision-making processes. The findings hold important implications for entrepreneurial support systems, policymaking, and career development strategies, particularly in contexts where hybrid entrepreneurship serves as a mechanism for career flexibility and risk management.

1.3 Significance of the Study

This study offers both theoretical and practical contributions to the field of hybrid entrepreneurship, addressing key gaps in existing research and providing new

insights into the dynamic nature of career pathways. By focusing on self-efficacy (SE) and entrepreneurial self-efficacy (ESE) as analytical lenses, the research advances entrepreneurship theory, challenges linear models of entrepreneurial progression, and informs policy and practice to better support hybrid entrepreneurs by providing a longitudinal, context-sensitive analysis of hybrid entrepreneurial careers. Through empirical evidence from Chinese hybrid entrepreneurs, the study highlights three distinct career pathways: Persistent Hybrid Entrepreneurs (PHEs), Transitory Hybrid Entrepreneurs (THEs), and Exit Hybrid Entrepreneurs (EHEs). By doing so, it extends the understanding of hybrid entrepreneurship beyond simplistic transitional models, offering new insights into the interplay between psychological, economic, and social factors in entrepreneurial career decision-making.

The study's findings contribute to existing knowledge in multiple ways. First, it advances the theoretical understanding of self-efficacy (SE) and entrepreneurial self-efficacy (ESE) as dynamic, rather than static, constructs in hybrid entrepreneurial decision-making. Much of the prior literature treats SE and ESE as relatively stable personality traits that predict entrepreneurial persistence or success (Miao et al., 2017; Rauch & Frese, 2007). However, the findings of this study illustrate that self-efficacy is fluid and fluctuates over time, shaped by a complex interplay of internal and external influences. For instance, some participants in this study experienced a decline in ESE following external shocks—such as economic downturns or policy changes—leading them to reconsider their entrepreneurial ambitions or exit entirely. Others, in contrast, saw their confidence grow due to market validation, social recognition, or successful business pivots, reinforcing their commitment to hybrid or full-time entrepreneurship.

Second, this study extends hybrid entrepreneurship research by incorporating the Chinese socio-economic and institutional context. While previous studies have primarily examined hybrid entrepreneurs in Western settings, where self-employment decisions are largely driven by individual agency and market

conditions, this study highlights the structural and cultural factors that shape entrepreneurial career pathways in China. For instance, Guanxi (social capital) emerged as a critical resource that enabled hybrid entrepreneurs to access business opportunities, navigate regulatory uncertainties, and sustain hybrid careers while maintaining salaried employment. However, Guanxi also imposed obligations, reinforcing risk-averse behaviours among those who feared that full-time entrepreneurship would undermine their social and professional standing. This nuanced understanding of how social capital both facilitates and constrains entrepreneurial transition adds depth to existing debates on the role of networks in entrepreneurship.

Furthermore, the study's longitudinal design captures the evolving impact of institutional and regulatory shifts on hybrid entrepreneurship. Unlike prior research that primarily focuses on entrepreneurial decision-making as an individual choice, this study demonstrates that career trajectories are also profoundly shaped by external policy interventions. The Double Reduction policy in the education sector, for example, significantly disrupted hybrid entrepreneurs in private tutoring, generating uncertainty about long-term business viability. Similarly, shifting labour policies and regulatory oversight in platform-based work created both opportunities and constraints for hybrid entrepreneurs operating in digital and gig economy sectors. By tracing how these external shocks influenced individual decision-making over time, this research provides a more comprehensive and context-sensitive understanding of hybrid entrepreneurial careers.

In addition to its theoretical and empirical contributions, this study holds important practical implications for policymakers, educators, and organisations. Traditional entrepreneurship policies and support mechanisms tend to focus on full-time entrepreneurs, offering funding, training, and regulatory support primarily to those who commit entirely to self-employment. However, this research highlights that a growing number of individuals engage in hybrid entrepreneurship not as a transitory phase, but as a long-term career strategy. As

such, policies should be designed to better accommodate the needs of hybrid entrepreneurs, such as offering more flexible tax structures, enabling regulated hybrid work arrangements, and providing support services tailored to those balancing multiple career commitments.

From an organisational perspective, employers need to rethink traditional employment models, as hybrid entrepreneurship is no longer a marginal phenomenon but an increasingly common career choice. Instead of viewing hybrid entrepreneurs as a threat to employee retention, organisations may leverage their entrepreneurial skills by offering intrapreneurial roles or flexible contracts that allow employees to maintain external business interests while contributing to innovation within the company. Recognising the changing nature of work, companies can adopt more inclusive policies that align with the evolving career aspirations of hybrid professionals.

Moreover, this study underscores the importance of entrepreneurial education and career development programmes that address hybrid entrepreneurship as a distinct career path. Most entrepreneurship training remains focused on traditional business startups and full-time self-employment, failing to account for the specific challenges and opportunities hybrid entrepreneurs face. By incorporating hybrid entrepreneurship into business education curricula, career coaching, and startup incubator models, institutions can better equip individuals with the skills and strategies needed to navigate hybrid career paths effectively.

1.4 Structure of the Thesis

The thesis is organised into eight chapters, each building progressively towards addressing the research aims and questions. The structure reflects a logical flow from the contextualisation of the research problem through to theoretical framing, methodological design, empirical findings, and critical discussion of implications. Below is a summary of each chapter:

Chapter 1: Introduction

This chapter sets the context for the study by introducing the phenomenon of hybrid entrepreneurship and situating it within broader changes in contemporary labour markets. It outlines the research problem, presents the study's aims and research questions, highlights the significance of investigating psychological mechanisms in hybrid entrepreneurial decision-making, and provides an overview of the thesis structure.

Chapter 2: Context

This chapter situates the study within its broader socio-economic, institutional, and cultural environment, with a particular focus on the Chinese context. It discusses the evolving nature of work, regulatory frameworks, and the role of social capital (*guanxi*) in shaping entrepreneurial decision-making. The chapter also examines industry-specific challenges and economic conditions that influence hybrid entrepreneurship, ensuring that the study is positioned within a nuanced and context-sensitive framework. By detailing these contextual elements, this chapter provides the necessary background for understanding the external factors that interact with self-efficacy and entrepreneurial self-efficacy in shaping hybrid entrepreneurs' career pathways.

Chapter 3: Literature Review

The literature review critically evaluates existing research on hybrid entrepreneurship, self-efficacy, and entrepreneurial career pathways. It highlights the limitations of the prevailing push-pull framework for explaining hybrid

entrepreneurship and argues for a more dynamic understanding that incorporates psychological factors. The chapter introduces self-efficacy theory and entrepreneurial self-efficacy as key theoretical lenses for analysing hybrid entrepreneurial career trajectories. It also reviews prior studies on career decision-making, entrepreneurial motivation, and resilience, identifying gaps in the literature that this study seeks to address. The chapter concludes by developing a conceptual framework that integrates SE and ESE with external contextual influences, setting the stage for the empirical investigation.

Chapter 4: Methodology

This chapter outlines the research design and methodological approach adopted in the study. It justifies the selection of a qualitative longitudinal research design to enable an in-depth exploration of how hybrid entrepreneurial career pathways evolve over time. The chapter details the sampling strategy, participant recruitment, and data collection methods, which involved three rounds of semi-structured interviews with hybrid entrepreneurs in China. It discusses the application of a theoretical framework informed by self-efficacy theory to guide the data analysis, and explains how the initial coding approach was refined following the first phase of interviews. Ethical considerations, issues of rigour, and methodological limitations are also addressed to ensure transparency and credibility in the research process.

Chapter 5: Participant Profiles

This chapter presents detailed profiles of the nine hybrid entrepreneurs who participated in the study, highlighting their demographic, professional, and entrepreneurial backgrounds. These profiles provide important contextual grounding for the findings chapters.

Chapter 6: Findings

This chapter presents the empirical findings, organised around the three hybrid entrepreneurial pathways identified: Persistent Hybrid Entrepreneurs (PHEs), Transitory Hybrid Entrepreneurs (THEs), and Exit Hybrid Entrepreneurs (EHEs).

It traces how self-efficacy, entrepreneurial self-efficacy, social capital, and external factors interacted over time to shape participants' career decisions. It is structured around five key thematic areas. These themes reflect both the theoretical underpinnings of self-efficacy and entrepreneurial self-efficacy (SE/ESE) frameworks, and additional contextual insights that emerged inductively from the data. The themes are organised into two groups to reflect this distinction:

Themes related to SE and ESE constructs:

Social Influences: This theme examines how role models, social persuasion, and guanxi networks impact entrepreneurial self-efficacy development and career decision-making, aligning closely with established sources of SE such as social modelling and social persuasion (Bandura, 1997).

Personality Traits: This theme explores individual psychological characteristics such as risk propensity, adaptability, ambition, and fear of uncertainty, highlighting how internal dispositions interact with self-efficacy beliefs to shape hybrid entrepreneurial trajectories.

Themes emerging beyond SE and ESE frameworks:

External Environment: This theme analyses how macro-level forces, including economic volatility, regulatory changes, and the COVID-19 pandemic, influence hybrid entrepreneurs' perceived risks, opportunities, and career decisions.

Industry Perception: This theme investigates how participants' industry-specific knowledge, sectoral opportunities, and work experiences inform opportunity evaluation and entrepreneurial transitions.

Financial Aspects: This theme assesses how financial motivations—including family responsibilities, financial security needs, and wealth accumulation goals—affect hybrid entrepreneurial persistence, transition, or exit decisions.

Each theme is supported by direct participant quotations and analytical interpretations, demonstrating the dynamic interplay between psychological mechanisms and contextual factors over time. The chapter also adopts a longitudinal perspective, tracking changes in participants' career trajectories across the study period and illustrating how self-efficacy fluctuations, contextual shocks, and personal experiences collectively shape decisions to persist in hybrid entrepreneurship, transition to full-time self-employment, or exit entrepreneurial activity altogether.

Chapter 7: Discussion and implication

This chapter critically analyses the findings of the study within the broader literature, offering both theoretical contributions and practical implications. Rather than treating hybrid entrepreneurship as a linear transition towards full-time self-employment, the study demonstrates that career trajectories within hybrid entrepreneurship are highly dynamic, influenced by a complex interplay of psychological, economic, and social factors. The discussion is structured around the study's research questions, analysing the factors that shape pathway changes among different types of hybrid entrepreneurs rather than simply categorising them into static career stages.

Chapter 8: Conclusion

This chapter re-engages with the research questions, summarises the key findings and theoretical contributions, and outlines directions for future research. The study challenges linear assumptions about hybrid entrepreneurship, conceptualising it as a dynamic and adaptive career pathway shaped by fluctuating self-efficacy, relational networks, and contextual pressures. It extends entrepreneurial theory by highlighting the evolving nature of entrepreneurial self-efficacy (ESE) and the dual role of guanxi as both a business enabler and a career safety net.

Building on the study's contributions, future research should adopt more intensive longitudinal designs, explore cross-cultural comparisons, examine

industry-specific variations, and further investigate the identity work of hybrid entrepreneurs. The chapter concludes by reflecting on the importance of embracing hybridity as a legitimate and strategic career model in increasingly uncertain global labour markets.

Drawing on Self-Efficacy Theory (Bandura, 1997) and Entrepreneurial Self-Efficacy (ESE) (Newman et al., 2019), the chapter examines how self-efficacy evolves over time and interacts with external conditions to shape hybrid entrepreneurs' persistence, transition, or exit decisions. The findings highlight that entrepreneurial career trajectories are not solely driven by internal motivation but are influenced by a combination of self-efficacy fluctuations, external market shocks (such as COVID-19), industry-specific constraints, and socio-cultural factors like Guanxi.

Rather than treating hybrid entrepreneurs as distinct groups (Persistent, Transitory, and Exit), the discussion chapter explores how these pathway changes occur over time, capturing the nonlinear, iterative nature of entrepreneurial career decisions. The study reveals that hybrid entrepreneurs engage in adaptive decision-making, constantly evaluating and adjusting their entrepreneurial engagement based on evolving self-efficacy beliefs and external conditions.

Finally, the chapter discusses the theoretical and practical implications of these findings. It argues that self-efficacy should be understood as a dynamic and evolving construct rather than a fixed predictor of entrepreneurial persistence. The research also highlights the need for entrepreneurial education, policy interventions, and organisational strategies that better support individuals engaged in hybrid entrepreneurship, particularly in uncertain economic environments.

Having introduced the study's rationale, research aims, and theoretical positioning, the next chapter shifts focus to the broader contextual landscape that shapes hybrid entrepreneurship in China.

Chapter 2 Context

2.1 Introduction

Understanding the contextual factors shaping entrepreneurship is crucial for developing robust theoretical insights and practical policy recommendations (Welter, 2011). While early entrepreneurship research largely focused on individual agency, economic rationality, and market-driven incentives, contemporary studies increasingly highlight the role of social, institutional, and cultural environments in shaping entrepreneurial careers (Baker and Welter, 2020; Gaddefors and Anderson, 2017). Contextualising entrepreneurship research ensures that findings reflect the realities of diverse economic systems and labour market structures, rather than assuming universal applicability of Western-centric models (Aldrich, 2000).

Existing hybrid entrepreneurship studies primarily examine Western economies, where hybrid careers often emerge in response to portfolio employment, gig economy structures, and flexible work arrangements. The gig economy, characterised by short-term contracts and freelance work mediated by digital platforms, has contributed to a shift away from traditional full-time employment models (Bruton et al., 2008; Terjesen et al., 2013). However, China's hybrid entrepreneurship landscape is shaped by a distinct set of macroeconomic, institutional, and social capital dynamics (Huang et al., 2019). Factors such as state-driven economic transitions, shifting employment policies, and cultural expectations regarding career security significantly influence why and how individuals engage in hybrid entrepreneurship.

For example, historically, employees in China's state-owned enterprises (SOEs) were restricted from engaging in private business ventures due to strict regulations on employment and business ownership (Chen et al., 2019). However, policy changes in the early 2000s and 2010s gradually relaxed these restrictions, encouraging professionals to pursue entrepreneurial activities alongside paid employment (Zhang and White, 2016). Additionally, the rise of platform-based

work and digital entrepreneurship has lowered entry barriers for hybrid entrepreneurs, allowing individuals to engage in freelancing, e-commerce, and consultancy businesses while maintaining salaried jobs (McMullen et al., 2020).

China presents a complex and evolving entrepreneurial landscape, making it an ideal setting for understanding hybrid entrepreneurship in a highly dynamic, state-influenced economy. The unique interplay between government policies, market forces, and social expectations creates conditions that influence entrepreneurs' career decisions, including their persistence, transition, or exit from hybrid entrepreneurship.

To understand how hybrid entrepreneurs navigate career decisions, this chapter explores four contextual dimensions shaping hybrid entrepreneurial pathways in this study: the economic and policy environment, the social and cultural landscape, the institutional and regulatory frameworks, and sector-specific factors. In doing so, it provides important background for addressing the study's research questions concerning how self-efficacy and entrepreneurial self-efficacy influence hybrid entrepreneurs' decisions to persist, transition, or exit, by highlighting how external conditions interact with internal psychological mechanisms.

Economic and Policy Context: Examining the evolution of China's entrepreneurial environment, including state-owned enterprise (SOE) reforms, labour market transformations, post-pandemic economic recovery, and the impact of policy interventions on hybrid entrepreneurship.

Social and Cultural Context: Analysing the influence of GUANXI (social capital networks) in shaping entrepreneurial decision-making, business sustainability, and risk management, particularly in how hybrid entrepreneurs leverage social ties to navigate career transitions.

Institutional and Regulatory Context: Assessing how shifting labour policies and platform-based gig work regulations influence hybrid entrepreneurs' career

trajectories. The chapter also considers the impact of the "double reduction" policy on the broader education sector, which introduced significant disruption to entrepreneurial opportunities within this industry.

2.2 Economic and Policy Context

Entrepreneurial activity does not occur in isolation but is deeply embedded within broader economic structures and policy environments that define opportunities, constraints, and strategic decision-making for individuals (Welter, 2011). China's unique economic trajectory, shaped by state-led industrial policies, shifting labour market dynamics, and regulatory interventions, has created a highly distinctive setting for hybrid entrepreneurship. While hybrid entrepreneurship is often discussed in Western contexts as a strategic career choice for risk-averse professionals (Raffiee and Feng, 2014; Folta et al., 2010), the Chinese case reveals a more complex and dynamic interplay between economic uncertainty, institutional transformation, and individual agency (Huang et al., 2019).

The purpose of the longitudinal methodology is to capture how macroeconomic conditions and policy shifts reshape the decision-making processes of hybrid entrepreneurs over time. There will be three rounds of interviews, which will enable the examination of how hybrid entrepreneurs navigate evolving economic realities. Particular attention will be paid to how external changes influence decisions to persist in hybrid entrepreneurship, transition to full-time self-employment, or exit entrepreneurial activity altogether.

2.2.1 From State-Controlled Employment to Market-Driven Entrepreneurship

China's economic reforms since 1978 have dramatically reshaped its labour market and entrepreneurial ecosystem. Under the planned economy (1949–1978), employment was predominantly within state-owned enterprises (SOEs), where lifetime job security was guaranteed under the "iron rice bowl" system (Huang et al., 2019). During this period, private entrepreneurship was highly restricted, and

hybrid entrepreneurship—balancing formal employment with private business activities—was practically non-existent.

However, the introduction of market-oriented reforms in the 1980s and 1990s dismantled the state-controlled employment model, leading to mass privatisation of SOEs and a significant shift towards self-employment and private business ownership (Zhou, 2020). Notably, the 2002 reform of SOE employment policies formally removed restrictions that previously barred SOE employees from engaging in entrepreneurial activities. This policy shift significantly contributed to the rise of hybrid entrepreneurship, as employees could now explore self-employment opportunities without forfeiting their salaries, social benefits, or career stability (Bian, 2002). Yet, despite these policy shifts, social and structural barriers continued to shape entrepreneurial activity. Many state-employed professionals hesitated to fully transition into self-employment, fearing income instability, loss of employment benefits, and the enduring stigma associated with leaving a stable job (Wang, 2016). As a result, hybrid entrepreneurship emerged as a strategic compromise, allowing individuals to pursue business ventures while maintaining the security of formal employment.

This structural shift is particularly relevant to the study of hybrid entrepreneurship, as deregulation in sectors such as finance and engineering may enable individuals to pursue entrepreneurial activities alongside salaried employment without breaching prior contractual restrictions. Such policy changes are likely to influence hybrid entrepreneurs' career decisions, potentially encouraging engagement in hybrid activities as a pragmatic means of financial diversification, while also sustaining caution towards full-time entrepreneurial transitions due to ongoing uncertainties around job security, regulatory ambiguities, and sector-specific constraints.

Alongside policy changes, China's rapid digital transformation further fuelled the growth of hybrid entrepreneurship, particularly among younger professionals in platform-based and technology-driven industries (Zhang and Zhao, 2021). The

rise of e-commerce platforms, social media monetisation, and digital freelancing created low-cost entry points into self-employment, reducing the financial risks typically associated with business ownership.

The increasing accessibility of digital entrepreneurship, particularly through online consulting, content creation, and education services, has created new opportunities for individuals to combine salaried employment with entrepreneurial activities. The absence of overhead costs and the ability to incrementally scale business operations may make hybrid entrepreneurship particularly appealing to professionals facing time and financial constraints that render full-time entrepreneurship less feasible. An analysis of how these sectoral shifts influenced hybrid entrepreneurs' decision-making processes is discussed in Chapter 7.

Similarly, by 2020, hybrid entrepreneurship was becoming more widely perceived as a rational and calculated career strategy in response to China's evolving economic landscape. However, subsequent external shocks, particularly the COVID-19 pandemic, radically altered economic stability and disrupted career trajectories, creating new pressures on hybrid entrepreneurs. The dynamic implications of these changes for entrepreneurial persistence, transition, and exit decisions are explored further in the Discussion chapter.

2.2.2 The COVID-19 Shock

The COVID-19 pandemic (2020–2023) had a profound global impact on economies and employment structures, disrupting entrepreneurial ecosystems worldwide. Hybrid entrepreneurs in many countries faced heightened uncertainty, sectoral contractions, and shifting opportunity landscapes. However, the pandemic's effects were particularly pronounced in China due to the country's stringent lockdown measures, prolonged restrictions on mobility, and targeted regulatory interventions in certain sectors.

In the Chinese context, service-oriented industries such as tourism, hospitality, fitness, and education were disproportionately affected (National Bureau of Statistics of China, 2023), leading to significant sectoral contractions. While hybrid entrepreneurship was initially perceived by some as a proactive strategy for career diversification, the pandemic forced others into hybrid or exit pathways out of necessity, exposing the precariousness of entrepreneurial decision-making under extreme external pressures. The specific ways in which these external shocks interacted with hybrid entrepreneurs' self-efficacy beliefs and career strategies are explored further in the subsequent findings and discussion chapters.

Economic shocks tend to affect industries unevenly, and the COVID-19 pandemic significantly intensified sectoral disparities. Service-based sectors such as tourism, hospitality, and fitness were particularly vulnerable, experiencing substantial revenue declines and business closures in China between 2020 and 2022 (Xie et al., 2021; Chen et al., 2021).

These sector-specific disruptions are likely to have generated divergent pressures on hybrid entrepreneurs, potentially affecting their ability to persist, pivot, or exit from entrepreneurial activity. It will be important to examine how such industry-specific shocks may have shaped hybrid career pathways, which will be explored in detail in Chapter 7.

In addition to domestic service industries, global supply chain disruptions and trade restrictions disproportionately affected export-reliant businesses. China's stringent pandemic controls—including port shutdowns, customs backlogs, and disruptions to international logistics—resulted in widespread stagnation across the import-export sector. Research indicates that China's foreign trade sector contracted by 7.7% in 2020, with small-scale exporters—many of whom operated with limited financial buffers—bearing the brunt of the losses (Huang and Wang, 2022).

The COVID-19 pandemic revealed the fragility of entrepreneurial careers, highlighting how industry-specific vulnerabilities shape hybrid entrepreneurs' decision-making under economic stress. The next Section 2.2.3 will examine post-pandemic economic reconfigurations, exploring how hybrid entrepreneurs adapted to shifting macroeconomic conditions and employment structures beyond the crisis years.

2.2.3 Post-Pandemic Economic Uncertainty

The post-pandemic economic landscape in China has been marked by slowed GDP growth, reduced consumer spending, and increased uncertainty across both traditional and emerging industries (National Bureau of Statistics of China, 2024). These evolving macroeconomic conditions have created a complex and volatile environment for entrepreneurial activity, reshaping how individuals perceive risks and opportunities associated with hybrid careers. This section focuses on two critical post-pandemic macroeconomic trends that are widely cited in current literature as shaping entrepreneurial sustainability in China: intensified labour market competition and shifting consumer spending patterns (Liu and Zhang, 2022; Li and Wang, 2022). These dynamics have significantly influenced self-employment choices and the viability of hybrid career models in a transitional economy where flexibility and adaptability are increasingly valued. The following sub-sections examine each trend in turn, highlighting their broader implications for the hybrid entrepreneurship landscape in China.

Intensified Labour Market Competition and the Expansion of Hybrid Entrepreneurship

China's labour market has become increasingly competitive, characterised by slower economic growth, corporate downsizing, and rising unemployment rates. Official statistics indicate that China's GDP growth rate slowed to 5.2% in 2023, reflecting a weaker-than-expected economic recovery following the pandemic (National Bureau of Statistics of China, 2024). In parallel, youth unemployment reached record highs, exceeding 21% in mid-2023, exacerbating employment pressures across various sectors (Li and Zhang, 2024). These conditions have

contributed to greater employment uncertainty, particularly for early-career professionals and white-collar workers.

Within this broader economic context, hybrid entrepreneurship has emerged as a pragmatic response to job market volatility. As formal employment opportunities become increasingly precarious, many individuals have adopted hybrid entrepreneurship as a strategy for income diversification and risk management (Wang and He, 2023). Unlike pre-pandemic perceptions of hybrid entrepreneurship as a preparatory stage before full-time self-employment, there is now a growing trend of individuals choosing to sustain hybrid careers indefinitely, as economic uncertainty reduces their willingness to leave stable employment (Xu, 2023). This trend reflects a shift in entrepreneurial intent, where hybrid entrepreneurship is no longer viewed solely as a stepping stone but rather as a long-term career adaptation to external economic conditions.

Shifting Consumer Spending Behaviour and Entrepreneurial Sustainability

Another significant economic shift influencing hybrid entrepreneurship is the transformation of consumer spending habits in the post-pandemic era. While the initial economic rebound following COVID-19 led to short-term growth in discretionary spending, long-term financial insecurity has made consumers increasingly cautious. Several key trends highlight this shift:

- **Weakened Purchasing Power and Savings Prioritisation:** Despite government-led stimulus efforts, household savings rates remain high, reflecting broader financial anxieties and a reluctance to spend on non-essential goods and services (Yang and Zhao, 2024). Research suggests that Chinese consumers are adopting a more risk-averse financial strategy, prioritising stability over consumption (Li, 2023).
- **Reduced Demand for Non-Essential Services:** Hybrid entrepreneurs operating in consulting, wellness, and lifestyle-related sectors have faced declining demand, as consumers delay or reduce discretionary expenditures.

- **Increased Price Sensitivity:** Entrepreneurs have reported greater pressure to lower prices or offer discounts, reducing overall profit margins and challenging long-term business viability.

The decline in consumer spending power following the COVID-19 pandemic has had widespread impacts on entrepreneurial activity across various industries in China, particularly affecting the sustainability and growth potential of small and hybrid businesses (National Bureau of Statistics of China, 2023; OECD, 2023). These broader sectoral trends have created challenging conditions for entrepreneurial persistence, with many entrepreneurs reconsidering their business models or exiting entrepreneurial activity.

2.2.4 Summary of Economic and Policy Context

The post-pandemic economic context has reinforced hybrid entrepreneurship as both a necessity-driven and an opportunity-driven model, reflecting the complex interplay of economic constraints and emerging market possibilities. Unlike pre-pandemic assumptions that hybrid entrepreneurship primarily serves as a transitional phase toward full-time self-employment, macroeconomic conditions have diversified the motivations behind hybrid career pathways.

Emerging evidence suggests that while some individuals continue to adopt hybrid entrepreneurship as a financial safeguard in uncertain economic environments, others perceive it as a strategic response to evolving market opportunities (OECD, 2023). This divergence highlights the importance of contextualising hybrid entrepreneurship within broader economic and structural realities, moving beyond simplistic classifications of entrepreneurial intent.

As China's economy continues to experience slower growth and evolving labour market dynamics, hybrid entrepreneurship will likely remain a multifaceted career strategy—balancing security and opportunity, risk mitigation and strategic market entry. This dual dynamic is crucial for understanding how hybrid

entrepreneurs navigate their careers over time, reinforcing the need for longitudinal and context-sensitive research in entrepreneurship studies.

2.3 Social and Cultural Context

The social and cultural context plays a pivotal role in shaping hybrid entrepreneurship in China, influencing entrepreneurial decision-making, risk tolerance, access to resources, and career trajectories. Unlike Western entrepreneurial ecosystems, where individualism and venture capital networks dominate (Ahlstrom and Bruton, 2010; Terjesen et al., 2013), Chinese entrepreneurship is deeply embedded in relational networks, or GUANXI (Huang et al., 2019). This section examines how GUANXI, social expectations, and broader cultural norms impact hybrid entrepreneurs' persistence, transition, or exit decisions, offering a context-sensitive understanding of hybrid career pathways.

2.3.1 The Role of GUANXI in Entrepreneurial Careers

GUANXI, often translated as social capital or interpersonal connections, is one of the most defining features of the Chinese business environment (Luo et al., 2012; Xiao and Cooke, 2020). It can operate as a double-edged sword for hybrid entrepreneurs: it facilitates access to financial capital, business partnerships, and market entry, yet it can also impose reciprocal obligations that constrain career autonomy. Research highlights that Chinese entrepreneurs heavily rely on GUANXI networks to obtain resources, secure trust in business dealings, and navigate regulatory challenges (Zhang and Chun, 2018). Unlike Western economies, where entrepreneurial success is often attributed to individual risk-taking and venture capital access, China's business landscape prioritises relationship-based trust, long-term social obligations, and informal support networks (Huang and Wang, 2022).

For hybrid entrepreneurs, GUANXI—the system of social capital and reciprocal ties embedded in Chinese culture—plays a critical role in reducing uncertainty when balancing salaried employment with entrepreneurship (Chen and Chen,

2004; Welter and Smallbone, 2011). Strong social networks enable hybrid entrepreneurs to leverage industry contacts from their primary jobs for business development, an advantage less commonly observed in Western economies (Welter and Smallbone, 2011). However, maintaining reciprocal obligations within GUANXI ties may restrict career mobility, as individuals may feel compelled to remain in specific business or employment arrangements to maintain social harmony and relational expectations (Chen et al., 2013). For hybrid entrepreneurs, GUANXI serves multiple functions, influencing various stages of their entrepreneurial careers:

- **Business Initiation** – Many entrepreneurs secure their first clients, suppliers, or funding through personal or professional networks rather than formal business channels (Chen and Xin, 2021). In the Chinese context, relationship-based referrals—often facilitated through professional networks and former colleagues—commonly substitute for market-based client acquisition, particularly in service-oriented entrepreneurial sectors such as digital marketing (Chen and Chen, 2004; Zhang and Wong, 2012). This highlights the continued relevance of GUANXI in structuring entrepreneurial opportunity access.
- **Risk Mitigation** – Those maintaining salaried employment often rely on social capital to access business opportunities without sacrificing financial security (Huang et al., 2020). This is particularly relevant in industries where personal trust and credibility outweigh purely transactional relationships, such as education and private tutoring.
- **Career Transitions** – Entrepreneurs who experience business failure often leverage GUANXI to re-enter stable employment, softening the risks of entrepreneurial failure (Su et al., 2022).

Social capital plays a critical role in hybrid entrepreneurship globally, with personal and professional networks often influencing opportunity recognition, business development, and career resilience (Anderson et al., 2007; Jack, 2010). In China, this phenomenon is particularly pronounced through the culturally

embedded system of GUANXI—interpersonal relationships based on trust, reciprocity, and mutual obligation. GUANXI not only facilitates resource access but also confers legitimacy and market credibility, especially in service-based industries.

While the importance of social networks is widely acknowledged across entrepreneurial contexts, GUANXI in China tends to be more deeply institutionalised, relational, and enduring compared to the often transactional nature of social capital in Western economies (Batjargal, 2007; Chen et al., 2013). This context-specific feature of GUANXI shapes how hybrid entrepreneurs navigate both salaried employment and entrepreneurial activities.

2.3.2 The Embedded Nature of Hybrid Entrepreneurship in Collectivist Norms

Cultural norms play a significant role in shaping entrepreneurial motivations and career decisions globally. In China, the collectivist orientation of society (Hofstede, 2001) creates distinctive patterns in hybrid entrepreneurship compared to Western economies that emphasise individual autonomy and risk-taking. Within the Chinese context, familial expectations, social respectability, and intergenerational obligations often influence how individuals approach career risk, financial planning, and entrepreneurial engagement (Wang and Altinay, 2012).

For many Chinese hybrid entrepreneurs, salaried employment serves not only as a financial safety net but also as a way to fulfil social and familial responsibilities. Maintaining access to employment-linked benefits, such as pensions, healthcare, and housing subsidies, remains a key consideration, particularly for mid-career professionals supporting dependents (Zhao, 2020; Ding and Wang, 2022). Consequently, hybrid entrepreneurship is often pursued as a way to balance entrepreneurial aspirations with the culturally ingrained need for stability and respectability.

It is important to recognise, however, that generational shifts are gradually reshaping career attitudes in China. Younger cohorts, particularly millennials and Generation Z, are more receptive to portfolio careers and flexible work arrangements (Zhang et al., 2022), indicating a cultural evolution that is progressively legitimising hybrid entrepreneurial models.

A more detailed analysis of the cultural and institutional factors influencing hybrid entrepreneurship is provided in Chapter 3. These dynamics form an important part of the contextual backdrop against which hybrid entrepreneurial behaviours can be interpreted later in the thesis.

2.3.3 The Role of Social Legitimacy in Hybrid Career Choices

Closely linked to GUANXI is the concept of social legitimacy—the extent to which an entrepreneurial career is considered acceptable and respectable within Chinese society. Unlike in Western economies, where entrepreneurship is often valorised as a sign of risk-taking and innovation, in China, professional legitimacy remains closely tied to salaried employment in reputable institutions (Welter and Smallbone, 2011; Ahlstrom and Bruton, 2010). In this context, maintaining formal employment can help entrepreneurs retain social acceptance and minimise reputational risk. This partly explains why many hybrid entrepreneurs opt to sustain dual careers over longer periods, viewing hybrid entrepreneurship as a strategic and legitimacy-preserving choice, not merely a transitional phase (Folta, Delmar and Wennberg, 2010; Spence et al., 2011).

A key reason why salaried employment continues to be favoured over entrepreneurship in China is that professional identity is closely tied to institutional affiliation rather than individual business success (Welter and Smallbone, 2011). Unlike in the United States, where entrepreneurship is often seen as an independent, merit-based career path, in China, one's employment status at a reputable organisation signals stability, trustworthiness, and professional credibility (Huang et al., 2019). As Spence et al. (2011) note,

institutional affiliation in collectivist cultures can function as a form of symbolic capital, enhancing social legitimacy and access to opportunity networks. This perspective suggests that hybrid entrepreneurship may, in part, reflect a strategy to retain professional identity while pursuing entrepreneurial activity.

Moreover, business failure carries a higher social stigma in China than in Western contexts, discouraging individuals from fully committing to entrepreneurship (Ahlstrom and Bruton, 2010). Unlike in the U.S., where failure is often reframed as a learning experience, Chinese entrepreneurs tend to view failure as a loss of face (MIANZI) and a weakening of social credibility (Hofstede, 2001; Zhang and Chun, 2018). Against this backdrop, hybrid entrepreneurship has been characterised as a culturally appropriate strategy that allows individuals to pursue entrepreneurial activity while retaining the reputational safeguards of salaried employment (Folta et al., 2010; Liu and Lin, 2021).

2.3.4 Summary of Social and Cultural Context

Social and cultural factors profoundly shape the hybrid entrepreneurial experience in China, distinguishing it from Western models. While GUANXI enables access to entrepreneurial resources, it also imposes relational obligations that influence career choices. Collectivist cultural norms mean that hybrid entrepreneurs often balance self-employment with salaried work to maintain social legitimacy and financial stability. The gradual shift in entrepreneurial perceptions, particularly among younger and urban professionals, signals a growing acceptance of hybrid careers, though industry-specific constraints persist.

Understanding these social and cultural dynamics is essential for contextualising hybrid entrepreneurship in China, as it helps explain why individuals persist, transition, or exit hybrid careers beyond purely economic motivations. The next section in this chapter will explore how government policies, industry structures, and institutional frameworks further shape hybrid career pathways.

2.4 Institutional and Regulatory Context

China's regulatory and institutional environment plays a critical role in shaping hybrid entrepreneurship, influencing who can engage in hybrid work, under what conditions, and for how long. Unlike in some Western economies, where hybrid entrepreneurship is often facilitated by flexible employment contracts and pro-business policies, China's regulatory landscape remains highly industry-specific, state-influenced, and often restrictive (Huang et al., 2019).

Over the past two decades, a series of labour market and entrepreneurship policies have directly impacted hybrid entrepreneurs, creating both opportunities and barriers. While some policies have actively encouraged small business development and self-employment as part of China's economic restructuring agenda, others—particularly those governing labour rights, taxation, and industry-specific work arrangements—have constrained the ability of individuals to engage in dual employment. These conflicting policy signals create a complex institutional environment that hybrid entrepreneurs must navigate carefully.

This section examines three key regulatory factors affecting hybrid entrepreneurship in China:

1. Labour Market Regulations and the Legality of Hybrid Work
2. The Rise of Platform-Based Work and Its Impact on Hybrid Entrepreneurs
3. Industry-Specific Policy Shocks: The Case of the Double Reduction Policy in Education Entrepreneurship

2.4.1 Labour Market Regulations and the Legality of Hybrid Work

China's labour laws and employment contracts traditionally discourage dual employment, particularly in industries where workers are formally employed by state-owned enterprises (SOEs) or large multinational corporations. Until the early 2000s, employees in SOEs were explicitly prohibited from engaging in entrepreneurial activities due to concerns about conflicts of interest and resource misallocation (Huang and Cao, 2018). While these restrictions have gradually eased with economic liberalisation, many corporate employers still impose strict non-compete clauses, preventing employees from legally pursuing side businesses or external consulting roles.

Although legal restrictions on dual employment have softened over time, ambiguity persists in the enforcement and interpretation of labour regulations. While Chinese Labour Law does not explicitly forbid multiple job-holding, many employment contracts—particularly in state-linked sectors—continue to include exclusivity clauses (Chen and Qian, 2020). Furthermore, the implementation of non-compete agreements has expanded beyond senior executives to include mid-level employees, limiting opportunities for parallel entrepreneurial activity (Lu and Zhang, 2021).

In practice, this creates a regulatory grey zone where hybrid entrepreneurs must navigate informal arrangements or rely on discretion at the organisational level. The lack of consistent legal frameworks regulating hybrid work contributes to unequal access, with private-sector employees often facing fewer institutional constraints than their counterparts in government-affiliated or highly regulated industries (Wang, 2022). These legal uncertainties reinforce the reliance on informal mechanisms, such as GUANXI, to engage in entrepreneurial activity while under formal employment contracts.

2.4.2 The Rise of Platform-Based Work and Its Impact on Hybrid Entrepreneurs

One of the most significant institutional changes shaping hybrid entrepreneurship in China is the rise of platform-based work. The gig economy and digital labour platforms (e.g., Meituan, Douyin, Xiaohongshu, and WeChat mini-programs) have provided low-barrier entry points for individuals seeking flexible, part-time, or hybrid work opportunities (Chen and Thompson, 2022).

For hybrid entrepreneurs, digital platforms serve as an alternative to traditional business models, enabling informal operation, reduced bureaucratic burden, and low-risk experimentation (Zhang and Liu, 2021). These platforms lower entry barriers for aspiring entrepreneurs by removing the need for formal business registration, upfront capital, or physical infrastructure (Chen and Thompson, 2022). Compared to conventional employment or formalised self-employment, platform-based work offers a flexible interface between salaried roles and entrepreneurial activity, making it particularly attractive in transitional labour markets (Li, 2023). However, the unregulated nature of digital entrepreneurship has also drawn increasing policy attention.

Recent regulatory efforts—such as the 2021 crackdown on gig economy labour violations and enhanced tax enforcement for digital freelancers—have introduced greater legal scrutiny (Luo et al., 2023). These interventions have created uncertainties for platform-based hybrid entrepreneurs, especially those operating in informal or grey-market segments, where abrupt regulatory shifts can pose financial and legal risks.

2.4.3 Industry-Specific Policy Shocks: The Case of the Double Reduction Policy in Education Industry

Perhaps the most striking example of how policy changes affect hybrid entrepreneurs is the Double Reduction policy, a sweeping reform introduced in 2021 aimed at reducing the financial and academic burden of private tutoring on

Chinese families (Wang and Li, 2022). The policy specifically targeted for-profit tutoring in core academic subjects within the nine-year compulsory education system (primary and junior secondary school), leading to mass closures of private tutoring businesses and widespread layoffs in the sector.

Although initially focused on core education services, the Double Reduction policy generated broader uncertainty across the education industry, affecting even those hybrid entrepreneurs operating outside the regulated frameworks, such as those specialising in high school and university entrance exam preparation. The far-reaching implications of such sector-specific interventions created heightened unpredictability for entrepreneurs navigating hybrid careers in the education sector.

2.4.4 Summary of Institutional and Regulatory Context

China's institutional and regulatory landscape presents both opportunities and constraints for hybrid entrepreneurs, depending on industry sector, employment status, and policy changes. Labour market regulations continue to restrict hybrid entrepreneurship in formal corporate sectors, forcing individuals to operate informally or seek employer approval. The rise of digital platforms has created new hybrid career opportunities, but increased government oversight over online work is introducing new regulatory challenges. Industry-specific policy shifts—such as the Double Reduction policy—demonstrate how sudden regulatory interventions can significantly disrupt hybrid entrepreneurial trajectories.

Over recent years, the Chinese regulatory environment has become increasingly dynamic, presenting entrepreneurs with both new opportunities and heightened compliance pressures. Initially, hybrid entrepreneurship benefited from relatively relaxed oversight, particularly in emerging sectors such as digital education and freelance consulting (Zhou and Wu, 2020; Chen et al., 2021). However, subsequent waves of policy reforms, including tighter regulations on platform-based work and increased scrutiny of private education and financial services sectors, have introduced greater levels of uncertainty and institutional risk (Wang and Li, 2022;

Xinhua News Agency, 2022). These evolving institutional conditions form an important backdrop to understanding how hybrid entrepreneurs evaluate career options, manage risk, and adapt over time, particularly in an environment where policy shifts can rapidly alter business viability.

2.5 Summary of the Chapter

This chapter has outlined the key economic, social, and institutional conditions that shape the emergence and evolution of hybrid entrepreneurship in China. It has situated hybrid entrepreneurship within the country's distinct labour market context, policy environment, and cultural landscape—highlighting how these features contrast with Western settings where hybrid careers are often enabled by flexibility and individualism. These contextual foundations provide an important backdrop for understanding hybrid entrepreneurial pathways explored in this thesis.

Having established the broader structural conditions that shape hybrid entrepreneurship in China, the next chapter (the Literature Review) will move on to examine theoretical aspects and existing scholarship on hybrid entrepreneurship.

Chapter 3 Literature Review

3.1 Introduction

Hybrid entrepreneurship—defined as the simultaneous engagement in paid employment and self-employment—has emerged as a prominent subject within entrepreneurship research, reflecting the growing complexity of career trajectories in contemporary labour markets (Folta, Delmar, and Wennberg, 2010). This form of entrepreneurship offers individuals a platform to pursue entrepreneurial ambitions while maintaining income security through salaried work, thus enabling experimentation, risk mitigation, and personal development.

Although the phenomenon is increasingly recognised in the literature, hybrid entrepreneurship remains conceptually and empirically fragmented. Scholars have identified multiple behavioural trajectories—most notably persistent hybrids who maintain dual roles over time, transitory hybrids who transition to full-time entrepreneurship, and exit hybrids who disengage from their ventures and return to employment (Raffiee and Feng, 2014; Viljamaa and Varamäki, 2015; Ardianti et al., 2022). However, research tends to prioritise the first two categories, leaving the exit pathway significantly under-theorised despite its practical relevance.

This chapter provides a critical review of the literature on hybrid entrepreneurship with the aim of constructing a more nuanced and psychologically grounded understanding of hybrid entrepreneurial pathways. It is structured into four main sections. First, it introduces the key definitions and conceptual debates surrounding hybrid entrepreneurship, clarifying its distinction from related terms such as part-time entrepreneurship or freelancing. Second, it examines motivational factors, particularly the interplay between push (necessity-driven) and pull (opportunity-driven) dynamics. Third, it interrogates the psychological mechanisms underlying hybrid entrepreneurial behaviour, with a focus on self-efficacy (SE) and entrepreneurial self-efficacy (ESE) as central explanatory constructs. Finally, the chapter identifies key research gaps—both

conceptual and methodological—and outlines how the current study seeks to address them through an integrated theoretical framework and qualitative inquiry.

In doing so, this chapter identifies the research gap and this sets the foundation for the empirical investigation that follows.

3.2 Who are Hybrid Entrepreneurs and What do they do?

3.2.1 Conceptualising Hybrid Entrepreneurship

Hybrid entrepreneurship, as conceptualised by Folta et al. (2010), refers to individuals who engage in entrepreneurial activities while retaining paid employment. This dual-role status enables individuals to pursue entrepreneurial aspirations while benefiting from the financial security of traditional paid employment. As a career model, hybrid entrepreneurship has been widely discussed in the literature, though its definition and scope remain contested, with scholars adopting varying perspectives (see Table 3.1, which presents the varied definitions of hybrid entrepreneurship), highlighting key features such as its dual-role structure, financial stability, strategic potential, and differentiation from related concepts like part-time entrepreneurship or freelancing.

Table 3.1: Definitions of Hybrid Entrepreneurship in the Literature

Author(s)	Definition	Key Features Highlighted
Folta, Delmar & Wennberg (2010)	Individuals who engage in entrepreneurial activities while maintaining paid employment.	Dual-role structure; risk mitigation.
Miller & Le Breton-Miller (2011)	A lifestyle choice driven by intrinsic values, combining salaried work with entrepreneurial aspirations.	Intrinsic motivations; long-term equilibrium.
Petrova (2011)	Part-time entrepreneurship involving concurrent employment and business activity.	Time allocation focus; overlap with other jobs.
Raffiee & Feng (2014)	A portfolio of options where individuals leverage wage jobs to fund entrepreneurial ventures.	Financial stability; strategic business testing.
Viljamaa & Varamäki (2015)	Sustained occupational choice where individuals combine employment and entrepreneurship over time.	Persistence in hybrid status; work-life balance.
Schulz et al. (2016)	Hybrid entrepreneurship as part-time entrepreneurship where salaried work coexists with entrepreneurial effort.	Emphasis on dual sources of income.
Demir et al. (2020)	Reflects contemporary career dynamics, including flexible work arrangements and patchwork careers.	Modern labour market relevance; multi-job identities.
Duvoletý & Bögenhold (2022)	A distinct subgroup of self-employed who maintain a dual occupational identity.	Identity differentiation from gig work or freelancers.
Biggiero (2024)	Hybridisation as part of cooperative entrepreneurial forms, blurring employment and innovation roles.	Emphasis on collective and adaptive enterprise.

Source: generated by the author

One dominant conceptualisation positions hybrid entrepreneurship as a "portfolio of options," enabling individuals to leverage the stability of their primary jobs to mitigate entrepreneurial risk and finance their business ventures (Raffiee and Feng, 2014). This framing emphasises the strategic use of paid employment as a resource base, particularly in contexts where access to external capital is constrained. For instance, Wennberg, Folta, and Delmar (2006) describe hybrid entrepreneurship as an ideal testing ground for nascent ventures, allowing individuals to experiment with business models without committing to full-time self-employment.

Conversely, other scholars regard hybrid entrepreneurship not merely as a transitional phase but as an intentional and sustainable career choice. Miller and Le Breton-Miller (2011) argue that hybrid entrepreneurship is often driven by intrinsic motivations, such as creative fulfilment and autonomy, rather than financial necessity. From this perspective, hybrid entrepreneurship represents a viable long-term occupational choice for individuals seeking to balance the security of paid employment with entrepreneurial pursuits.

There is significant conceptual overlap between hybrid entrepreneurship and related terms such as part-time entrepreneurship, multiple jobholding, and freelancing. Petrova (2011) and Schulz et al. (2016) categorise hybrid entrepreneurship under the broader umbrella of part-time entrepreneurship, focusing on time allocation between entrepreneurial and employment activities. However, this approach risks conflating hybrid entrepreneurship with other forms of self-employment that lack the dual-role structure of hybrid entrepreneurship, such as casual freelancing or gig work (Demir et al., 2020; Ferreira et al., 2019).

It is suggested that the current literature fails to differentiate hybrid entrepreneurship sufficiently from part-time entrepreneurship, leading to conceptual ambiguity. For instance, Block and Landgraf (2016) contend that hybrid entrepreneurship is fundamentally distinct from part-time entrepreneurship, as the former entails the strategic integration of salaried employment and entrepreneurial activities, whereas the latter lacks a stable employment component. Dvouletý and Bögenhold (2022) further assert that hybrid entrepreneurship represents a distinct occupational identity within the broader self-employment category, necessitating clearer conceptual delineation.

For the purposes of this thesis, hybrid entrepreneurship is conceptualised as the simultaneous engagement in both paid employment and entrepreneurial activity. This working definition draws upon and integrates prior scholarly conceptualisations, which typically highlight the temporal overlap between wage work and self-employment (Folta, Delmar and Wennberg, 2010; Petrova, 2012). In this study, particular emphasis is placed on how individuals leverage the resources, networks, and capabilities derived from their salaried roles in the development of their ventures. Notably, this definition excludes freelancers and gig workers who lack the relative institutional stability and organisational embeddedness characteristic of formal employment. This distinction allows for a

more focused exploration of the unique challenges and strategic decisions faced by hybrid entrepreneurs operating within dual professional contexts.

3.2.2 What Do Hybrid Entrepreneurs Do?

Hybrid entrepreneurs engage in activities that span both traditional paid employment and entrepreneurial ventures, leveraging their dual occupational identities to achieve diverse objectives. Their unique position enables them to combine the financial stability of paid employment with the autonomy and creativity of entrepreneurship, creating synergies that enhance both roles. These activities encompass a wide range of functions, including entrepreneurial learning, opportunity recognition, and business experimentation, while simultaneously fulfilling the responsibilities of paid employment.

Boundary Spanning and Resource Transfer

Hybrid entrepreneurs frequently function as "boundary spanners," transferring knowledge, skills, and resources between their paid employment and entrepreneurial ventures (Marshall et al., 2019). This transfer facilitates the cross-pollination of expertise, enabling hybrid entrepreneurs to capitalise on the advantages of both roles. For instance, a corporate software developer might apply technical skills and project management expertise acquired from their salaried role to enhance the efficiency and scalability of their start-up, while their entrepreneurial experiences provide innovative insights for their corporate work.

Risk Mitigation and Entrepreneurial Experimentation

The dual-role structure of hybrid entrepreneurship enables individuals to mitigate risks and access financial resources unavailable to full-time entrepreneurs. Schulz et al. (2017) highlight that hybrid entrepreneurs often use their stable income to finance business operations, thereby reducing dependence on external funding sources. This financial advantage is particularly significant for individuals with limited access to venture capital or entrepreneurial ecosystems, as observed in emerging economies (Dzomonda and Fatoki, 2018). Raffiee and Feng (2014) similarly emphasise that paid employment provides a financial safety

net, allowing hybrid entrepreneurs to experiment with business models, refine their strategies, and test market responses without the immediate pressures of scaling their ventures.

Sectoral Diversity and Flexibility

Hybrid entrepreneurs operate across a broad range of sectors, spanning high-tech industries, creative fields, and small-scale service enterprises (Alyavi and Schulz, 2024; Ribeiro et al., 2023). For example, a graphic designer employed in a marketing firm may simultaneously run a boutique design studio, while a high-tech engineer might develop software applications in their spare time. This diversity underscores the adaptability of hybrid entrepreneurship, yet it also reveals sector-specific challenges. For instance, hybrid entrepreneurs in labour-intensive industries may struggle to reconcile the competing demands of their salaried and entrepreneurial roles.

3.2.3 Challenges and Limitations of Hybrid Entrepreneurship

Despite its advantages, hybrid entrepreneurship presents distinct challenges that may impede entrepreneurial success and sustainability. These challenges often stem from role conflicts, resource constraints, and contextual limitations, which influence the feasibility and long-term viability of hybrid entrepreneurship.

Role Conflicts and Time Constraints

One of the most salient challenges of hybrid entrepreneurship is managing competing demands between salaried employment and entrepreneurial ventures. Viljamaa and Varamäki (2015) found that these competing demands frequently result in role strain, emotional exhaustion, and diminished productivity across both roles. Ribeiro et al. (2023) similarly argue that juggling multiple responsibilities undermines decision-making effectiveness, particularly in time-sensitive business operations.

Furthermore, role conflict is exacerbated when the nature of salaried employment is highly demanding or inflexible. For example, individuals employed in

professions requiring frequent travel, long working hours, or strict organisational commitments may struggle to allocate sufficient time and cognitive resources to their entrepreneurial ventures. Consequently, hybrid entrepreneurs often experience trade-offs between professional obligations and business development.

Scalability and Growth Constraints

Another fundamental limitation of hybrid entrepreneurship is the restricted scalability of hybrid ventures. The dual-role structure inherently limits the time and resources available for business expansion, often preventing ventures from achieving substantial growth (Viljamaa and Varamäki, 2015; Ribeiro et al., 2023). For instance, a hybrid entrepreneur managing a catering business may struggle to expand operations while maintaining full-time employment, constraining long-term growth potential.

Additionally, a lack of dedicated focus on entrepreneurial activities may hinder innovation and market responsiveness. Block and Landgraf (2016) contend that hybrid entrepreneurs often exhibit lower growth aspirations compared to full-time entrepreneurs, as risk aversion and financial stability disincentivise aggressive expansion strategies. This perspective suggests that hybrid entrepreneurship is more suited for incremental, low-risk business models rather than high-growth ventures.

Contextual Barriers and Structural Inequities

The study of hybrid entrepreneurship has predominantly focused on high-income, developed economies, often overlooking its role in low-income or necessity-driven contexts. Dzomonda and Fatoki (2018) highlight that in South Africa, hybrid entrepreneurship frequently serves as a survival strategy, with individuals relying on multiple income streams to navigate economic instability. This contrasts with opportunity-driven hybrid entrepreneurship observed in high-income economies, where entrepreneurial engagement is often voluntary and aspirational.

Moreover, Bögenhold (2019) criticises the prevailing research focus on opportunity-driven hybrid entrepreneurs, arguing that this narrative marginalises the experiences of necessity-driven hybrids, who face systemic barriers such as restricted access to credit, entrepreneurial networks, and formal business support structures. As a result, policy interventions aimed at supporting hybrid entrepreneurship often fail to address the structural inequities affecting necessity-driven entrepreneurs.

3.2.4 Summary

Hybrid entrepreneurship is characterised by both opportunities and structural constraints. While it allows individuals to mitigate financial risks and experiment with business models, it also imposes challenges related to role conflicts, limited scalability, and contextual disparities. Existing research has disproportionately focused on opportunity-driven hybrid entrepreneurs, often neglecting the distinct constraints faced by necessity-driven hybrids in low-income settings. These limitations highlight the need for a more nuanced, context-sensitive approach to studying hybrid entrepreneurship, particularly in relation to structural barriers, financial constraints, and long-term career trajectories.

3.3. Why do Individuals Choose Hybrid Entrepreneurship?

Motivations for engaging in hybrid entrepreneurship are often categorised into push (necessity-driven) and pull (opportunity-driven) factors, reflecting the external pressures and intrinsic aspirations that shape entrepreneurial behaviour. Push factors, such as financial insecurity and limited career progression, are more prevalent in emerging economies, where individuals seek additional income streams as a coping mechanism (Dzomonda and Fatoki, 2018). Conversely, pull factors, such as autonomy, passion, and creative fulfilment, tend to dominate in developed economies, where hybrid entrepreneurship is often pursued as a pathway to self-actualisation (Thorgren et al., 2016).

However, this dichotomy oversimplifies the complex and evolving nature of entrepreneurial motivations. For many hybrid entrepreneurs, necessity and opportunity coexist, and motivations shift over time as individuals navigate personal, economic, and contextual dynamics (Alyavi and Schulz, 2024). Moreover, external motivators alone do not fully explain hybrid entrepreneurial decisions. Psychological constructs such as self-efficacy (SE) and entrepreneurial self-efficacy (ESE) play a crucial role in shaping individuals' confidence in pursuing and sustaining entrepreneurial goals.

This section examines the push and pull factors underlying hybrid entrepreneurship, and critically explores the interplay between these motivations and the constructs of Self-Efficacy (SE) and Entrepreneurial Self-Efficacy (ESE).

3.3.1 Push Factors: Necessity-Driven Motivations

Push motivations arise from external pressures that compel individuals to engage in hybrid entrepreneurship as a survival strategy or coping mechanism. These motivations are particularly prevalent in resource-constrained environments or among marginalised groups, where financial insecurity and systemic barriers limit access to stable employment.

Financial Insecurity

Financial instability is a primary driver of hybrid entrepreneurship, particularly in low-income and emerging economies. Dzomonda and Fatoki (2018) demonstrate that individuals in South Africa frequently turn to hybrid entrepreneurship to supplement insufficient incomes and buffer against economic shocks. Similarly, Petrova (2011) highlights how hybrid entrepreneurship enables individuals with restricted access to start-up capital to generate supplementary income while minimising exposure to entrepreneurial failure.

Job Dissatisfaction

Dissatisfaction with salaried employment also pushes individuals toward hybrid entrepreneurship. Schulz et al. (2017) argued that individuals with unmet

professional aspirations often turn to hybrid entrepreneurship to fulfil creative or intellectual goals absent in their primary jobs. For example, a salaried worker dissatisfied with the monotony of their role may start a creative venture that aligns with their interests, using entrepreneurship to regain a sense of purpose. This represents a more intrinsic push factor, driven by a mismatch between personal aspirations and professional realities.

Limited Career Opportunities

Hybrid entrepreneurship offers an alternative path for individuals facing systemic barriers, such as a lack of upward mobility or labour market discrimination. Alyavi and Schulz (2024) noted that hybrid entrepreneurship is particularly prevalent among women, immigrants, and other marginalised groups, who use it as a means to overcome structural disadvantages.

While push factors are typically necessity-driven, they are not devoid of opportunity. Even in constrained environments, individuals may leverage hybrid entrepreneurship as a developmental platform to acquire skills, build networks, and enhance self-confidence—facilitating a shift from survival-oriented activity to self-actualisation (Williams and Williams, 2014). Furthermore, push factors are often overly generalised in existing research. For instance, studies rarely examine how push factors interact with psychological constructs like self-efficacy. Individuals driven by financial necessity may exhibit lower entrepreneurial self-efficacy compared to those motivated by intrinsic aspirations, influencing their long-term outcomes. These gaps highlight the need for more nuanced research that integrates push factors with psychological and contextual variables to understand how these motivations evolve over time.

3.3.2 Pull Factors: Opportunity-Driven Motivations

Pull factors reflect intrinsic aspirations, such as the pursuit of autonomy, creative fulfilment, and entrepreneurial experimentation. These motivations are more common in high-income economies, where hybrid entrepreneurship is seen as a means of self-actualisation rather than financial necessity.

Passion and Creative Fulfilment

Thorgren, Nordström, and Wincent (2016) find that passion and creative fulfilment are key drivers of hybrid entrepreneurship, particularly among mid-career professionals seeking meaning beyond financial gain. Similarly, Miller and Le Breton-Miller (2011) argue that hybrid entrepreneurship is often pursued as a lifestyle choice, allowing individuals to balance financial security with personal fulfilment.

Risk Mitigation Through Entrepreneurial Experimentation

Hybrid entrepreneurship allows individuals to test business ideas while maintaining financial stability. Folta et al. (2010) describe hybrid entrepreneurship as a "portfolio of options," enabling individuals to validate their entrepreneurial concepts before making irreversible career commitments. Raffiee and Feng (2014) extend this view, arguing that hybrid entrepreneurship particularly appeals to risk-averse individuals, who prefer gradual experimentation over radical career shifts.

Desire for Autonomy and Self-Actualisation

Autonomy-seeking individuals are often drawn to hybrid entrepreneurship as a means of gaining control over their professional lives. For many, this motivation extends beyond financial considerations to reflect a deeper desire for self-actualisation, where entrepreneurial activities align with personal values and aspirations (Thorgren et al., 2014).

While pull factors highlight the appeal of hybrid entrepreneurship as an opportunity-driven pursuit, they often intersect with push factors. For example,

individuals in high-income contexts may still engage in hybrid entrepreneurship due to economic uncertainty, such as debt repayment or job insecurity, blending push and pull motivations. Moreover, existing studies fail to explain how pull factors influence long-term decisions, such as persistence or transition. While several works acknowledge intrinsic motivations like autonomy and self-expression as initial drivers (Thorgren, Nordström, and Wincent, 2016; Petrova, 2012), they often neglect how these motivations evolve or sustain entrepreneurs over time (Folta, Delmar and Wennberg, 2010; Baughn et.al, 2006), underscoring the need for a more holistic and longitudinal approach to motivation research in hybrid entrepreneurship.

3.3.3 The Role of Self-Efficacy and Entrepreneurial Self-Efficacy

While push and pull factors explain the external drivers of hybrid entrepreneurship, they fail to capture the internal psychological mechanisms shaping entrepreneurial behaviour. Self-efficacy (SE) and entrepreneurial self-efficacy (ESE) provide critical insights into how individuals perceive their entrepreneurial capabilities and sustain their ventures despite challenges.

SE, originally conceptualised by Bandura (1977), refers to an individual's belief in their ability to perform specific tasks successfully. ESE builds on this, focusing on individuals' confidence in performing core entrepreneurial functions, such as opportunity recognition, resource mobilisation, and strategic management (Chen, et.al, 1998). By incorporating these constructs, this study seeks to move beyond static push-pull models, offering a more dynamic and psychologically informed understanding of hybrid entrepreneurship.

In the following section, SE and ESE theories will be examined in greater depth, particularly in relation to their applicability to hybrid entrepreneurial contexts. This theoretical foundation will then inform the analysis of hybrid entrepreneurs' motivations and decisions across three distinct pathways: persistence, transition to full-time entrepreneurship, and exit. Table 3.2 illustrates how different types of

motivation interact with self-efficacy beliefs, demonstrating how psychological confidence may shape or reinforce entrepreneurial outcomes over time.

Table 3.2: Motivations of Hybrid Entrepreneurs and Links to SE and ESE Factors

Motivation	SE Sources	ESE Influencing Factors	Supporting Literature	Linkage to SE/ESE
Financial insecurity	Emotional/physiological states	Cultural and institutional environment	Dzomonda & Fatoki (2018); Petrova (2011)	Financial constraints undermine SE, but institutional support enhances ESE for survival-oriented hybrids.
Job dissatisfaction	Social persuasion	Work experience	Schulz et al. (2017); Bögenhold (2019)	Positive feedback and experiential learning increase SE, driving creative or technical fulfilment.
Limited career opportunities	Social modelling	Role models and mentors	Alyavi & Schulz (2024); Demir et al. (2020)	Observing successful entrepreneurs fosters SE, especially for individuals navigating systemic barriers.
Passion and creative fulfilment	Mastery experiences	Individual differences	Thorgren et al. (2016); Murnieks et al. (2014)	Positive experiences enhance SE and ESE, encouraging persistence or transitions to full-time ventures.
Risk mitigation through experimentation	Mastery experiences	Education and training	Folta et al. (2010); Raffiee & Feng (2014)	Testing entrepreneurial ideas builds mastery, reinforcing SE and ESE in risk-averse individuals.
Desire for autonomy and self-actualisation	Social persuasion	Firm characteristics	Thorgren et al. (2014); Pollack et al. (2019)	Supportive work environments strengthen SE, fostering entrepreneurial experimentation and growth.
Work-life balance	Social persuasion	Individual differences	Viljamaa & Varamäki (2015); Miller & Le Breton-Miller (2011)	Hybrid roles enable balance, but lack of control may reduce SE and ESE over time.
Career advancement	Social modelling	Work experience	Nguyen (2018); Sardeshmukh & Corbett (2011)	Transitory hybrids use career gains to boost ESE; persistent hybrids plateau due to limited growth.
Role identity conflict	Emotional/physiological states	Cultural and institutional environment	Block & Landgraf (2016); Ardianti et al. (2022)	Stress or burnout erode SE; cultural norms can either buffer or intensify perceived failure.

Source: generated by the author

3.3.4 Self-Efficacy Theory

Bandura's (1997) self-efficacy theory is widely recognised as a foundational framework for understanding entrepreneurial intentions and their influence on entrepreneurial behaviour (Boyd and Vozikis, 1994; Chen et al., 1998; Krueger et al., 2000; Schlaegel and Koenig, 2014). Self-efficacy, defined as an individual's belief in their capability to execute specific tasks successfully, constitutes a cornerstone of Social Cognitive Theory (SCT). Bandura (1997) posits that individuals are more likely to engage in activities where they perceive high self-efficacy, while avoiding those where their self-efficacy is low.

Entrepreneurship scholars have consistently highlighted self-efficacy as a key determinant of entrepreneurial decision-making, particularly regarding career transitions (Sisco, 2014). In the context of hybrid entrepreneurship, where

individuals simultaneously manage salaried employment and business ventures, self-efficacy not only influences initial entry decisions but also plays a central role in shaping persistence, transition, and exit trajectories. The four determinants of self-efficacy—mastery experience, social modelling, social persuasion, and emotional/physiological states—provide a comprehensive framework for examining these mechanisms (Bandura, 1982; Williams and Williams, 2010).

3.3.4.1 Mastery Experience

Mastery experience is widely regarded as the most influential determinant of self-efficacy, as it derives from direct task performance and learning through experience (Bandura, 1977). Successful entrepreneurial experiences enhance self-efficacy, while repeated failures can weaken it. For hybrid entrepreneurs, prior entrepreneurial successes—such as securing initial customers or achieving business growth—can reinforce their confidence in managing dual roles (Krueger et al., 2000; Bayrón, 2013).

Conversely, excessive reliance on early successes, without exposure to substantial challenges, may result in fragile self-efficacy, which is more susceptible to failure-induced setbacks (Yusof and Zainol, 2018). This phenomenon suggests that a balanced accumulation of mastery experiences—incorporating both success and failure—is crucial for developing resilient self-efficacy in hybrid entrepreneurs.

Krueger et al. (2000) found a direct relationship between prior mastery experiences and entrepreneurial intentions, highlighting that hybrid entrepreneurs who have navigated business challenges are more likely to persist in dual roles. However, those with limited mastery experiences may struggle to transition into full-time entrepreneurship due to lower confidence in their entrepreneurial abilities.

3.3.4.2 Social Modelling

Social modelling, or vicarious learning, occurs when individuals enhance their self-efficacy by observing others successfully performing tasks (Bandura, 1997).

In the entrepreneurial domain, role models—such as successful entrepreneurs, mentors, or peers—serve as critical sources of social modelling. For hybrid entrepreneurs, exposure to successful business owners can reinforce the belief that entrepreneurial success is achievable, thereby increasing their confidence in transitioning from hybrid to full-time entrepreneurship (BarNir et al., 2011).

However, the impact of social modelling is contingent on contextual factors. Brown and Inouye (1978) demonstrate that exposure to role model failures can negatively affect self-efficacy, particularly when individuals perceive strong similarities between themselves and the unsuccessful entrepreneur. For hybrid entrepreneurs, witnessing the struggles of peers who have failed in their ventures may deter them from considering full-time entrepreneurship, reinforcing their preference for the hybrid status.

Despite these limitations, social modelling remains a powerful mechanism for developing self-efficacy, particularly among early-stage hybrid entrepreneurs who lack extensive mastery experiences.

3.3.4.3 Social Persuasion

Social persuasion refers to external reinforcement mechanisms—such as verbal encouragement, feedback, or recognition—that influence an individual's self-efficacy perceptions (Bandura, 1997). In hybrid entrepreneurship, social persuasion plays a dual role: it can stem from both the individual's salaried employment and their entrepreneurial network.

For instance, positive feedback from mentors, colleagues, or customers can enhance self-efficacy and reinforce the entrepreneur's commitment to their business (Gist and Mitchell, 1992; Føleide, 2013). However, negative social persuasion—such as scepticism from employers, family members, or investors—can undermine entrepreneurial self-efficacy, deterring individuals from scaling their businesses (Zahra et al., 1999).

Research suggests that social persuasion is especially impactful when it aligns with cultural norms and expectations. For example, Zahra et al. (1999) found that culturally supportive environments enhance the effectiveness of positive persuasion, thereby fostering entrepreneurial intention. For hybrid entrepreneurs operating in less supportive cultural contexts—such as risk-averse or collectivist societies—the absence of affirming social persuasion can inhibit their confidence to initiate or persist in entrepreneurial pathways. This is particularly salient for exit hybrids, who may face scepticism or social disapproval that undermines their self-efficacy and contributes to their withdrawal from entrepreneurship.

While studies such as Liñán et al. (2011) and Shinnar, Giacomini, and Janssen (2012) have examined the role of culture and social norms in shaping general entrepreneurial intention, there remains a notable absence of focused research on how social persuasion specifically operates within hybrid entrepreneurship contexts. Apart from scattered insights in studies like Sieger and Minola (2017), which touch on hybrid career preferences, most research does not differentiate how social persuasion might differentially affect persistent, transitional, or exit hybrid entrepreneurs. This gap presents a compelling opportunity for future research to investigate the nuanced and potentially uneven effects of social persuasion across hybrid pathways.

3.3.4.4 Emotional and Physiological States

Emotional and physiological states—such as anxiety, stress, or optimism—play a critical role in shaping SE by influencing how individuals perceive their capabilities (Bandura, 1977). Positive emotions, such as excitement or optimism, increase self-efficacy, whereas negative emotions, such as anxiety or fear, diminish it (Arenius and Minniti, 2005; Welp et al., 2012). Hybrid entrepreneurs often navigate high levels of stress due to role conflicts and time constraints, which can negatively impact SE (Marshall et al., 2019). Emotional resilience is particularly crucial for persistent hybrids, who must manage long-term dual roles.

In contrast, declining emotional states may drive exit decisions, particularly for entrepreneurs experiencing prolonged failure or role strain (Ardianti et al., 2022). Transitory hybrids may channel optimism and excitement into entrepreneurial activities, bolstering their confidence to transition. Exit hybrids, however, often experience burnout or emotional exhaustion, contributing to declining SE and disengagement from entrepreneurship (Schulz et al., 2017). This emotional dimension remains underexplored in hybrid entrepreneurship research, highlighting the need for longitudinal studies on the interplay between emotional states and SE across pathways.

3.3.5 Entrepreneurial Self-Efficacy (ESE)

ESE, as a domain-specific application of SE, bridges the gap between generalised psychological theories and the unique challenges of entrepreneurship, making it a critical construct for understanding entrepreneurial intentions, behaviours, and outcomes (Ferreira, 2020; Kurczewska et al., 2020).

While SE explains the broader mechanisms through which individuals assess their capabilities, ESE focuses on entrepreneurial competencies, such as opportunity recognition, resource mobilisation, and business management. Researchers have established ESE as a significant predictor of entrepreneurial intention, finding that individuals with high ESE are more likely to identify entrepreneurial opportunities (Krueger and Dickson, 1994), pursue entrepreneurial careers (Kickul et al., 2009), and achieve superior entrepreneurial performance (Baum and Locke, 2004; Hmieleski and Baron, 2008). ESE's relevance to hybrid entrepreneurship lies in its ability to influence decision-making across pathways, including persistence in dual roles, transitions to full-time entrepreneurship, and disengagement from entrepreneurial activities.

The antecedents of entrepreneurial self-efficacy (ESE), as proposed by Newman et al. (2019), are shaped by six interrelated factors: cultural and institutional environment, firm characteristics, education and training, work experience, role models and mentors, and individual differences. Table 3.3 provides a summary of

each antecedent, offering definitions and outlining how each influences ESE within the context of hybrid entrepreneurship. These factors closely align with the four core sources of self-efficacy identified by Bandura—mastery experience, social modelling, social persuasion, and emotional and physiological states—but are adapted to the entrepreneurial domain, capturing the cognitive and contextual intricacies that characterise entrepreneurial decision-making. In the following sections, each antecedent is examined in turn to explore how ESE shapes hybrid entrepreneurs’ motivations, behaviours, and pathway decisions.

Table 3.3: Six Key Antecedents of ESE

Antecedent	Definition	How it affects ESE
Cultural and Institutional Environment	The external environment, including societal attitudes, regulatory frameworks, and access to resources (Miao, Qian, and Ma, 2017).	Supportive environments facilitate ESE by providing access to capital and reducing institutional barriers, particularly important for necessity-driven hybrids. Restrictive cultural norms may discourage risk-taking and hinder ESE development.
Firm Characteristics	Organisational culture, decision-making autonomy, and workplace support for entrepreneurial activity (Forbes, 2005).	Entrepreneurial firms promote ESE through autonomy and skill-building opportunities, while rigid or hierarchical structures may suppress initiative and learning-by-doing.
Education and Training	Formal and informal entrepreneurial learning experiences, such as business courses, mentorship, and networking opportunities (Wilson et al., 2007).	Training increases self-confidence in key competencies and is especially beneficial for transitory hybrids preparing to scale ventures. However, access disparities persist across regions and social groups.
Work Experience	Previous employment and entrepreneurial experience that contribute to entrepreneurial skills (Zhao et al., 2005).	Work experience enhances ESE by reinforcing perceived competence in opportunity recognition and problem-solving. Its impact depends on the quality and relevance of prior roles.
Role Models and Mentors	Exposure to successful entrepreneurs, family business experience, and mentorship (BarNir et al., 2011).	Vicarious learning through mentors and role models supports ESE development, particularly during early exploration. The effect is stronger when models are perceived as relatable.
Individual Differences	Personality traits, cognitive styles, and risk tolerance (Chen et al., 1998).	Traits like proactivity, resilience, and adaptability foster higher ESE and sustained hybrid engagement. Gender, socio-economic background, and prior exposure to entrepreneurship may moderate these effects.

Source: generated by the author

3.3.5.1 Cultural and Institutional Environment

The cultural and institutional context significantly influences ESE by shaping societal attitudes towards entrepreneurship and providing access to resources (Miao, Qian, and Ma, 2017). For hybrid entrepreneurs in supportive ecosystems,

such as those with robust entrepreneurial policies or active innovation hubs, ESE is reinforced, enabling transitions to full-time entrepreneurship (Folta et al., 2010).

Hopp and Stephan (2012) argue that performance-oriented cultures and socially supportive institutional frameworks enhance ESE by providing vicarious learning opportunities (social modelling) and positive reinforcement (social persuasion). For instance, in collectivist cultures like China, the concept of *guanxi*—interpersonal networks built on trust and reciprocity—serves as a critical resource for entrepreneurs, enhancing their confidence in accessing financial and social capital (Guo and Miller, 2010; Burt and Burzynska, 2017).

However, the effects of cultural norms on ESE are not uniform. In risk-averse societies, such as Japan, cultural expectations can act as barriers, limiting individuals' confidence in pursuing entrepreneurship despite available institutional support (Luthans and Ibrayeva, 2007). For hybrid entrepreneurs, who often operate in culturally diverse environments, the interplay between supportive and restrictive cultural norms complicates their ability to develop ESE. For example, while *guanxi* may bolster ESE in Chinese hybrid entrepreneurs, the lack of such networks in Western contexts may necessitate alternative sources of social persuasion, such as mentorship or links to, or membership of, professional associations (Chen et al., 2022).

Systemic barriers, such as gender bias or limited access to entrepreneurial resources, undermine ESE, particularly for necessity-driven hybrids in emerging economies (Dzomonda and Fatoki, 2018). Persistent hybrids often navigate these constraints by leveraging their salaried roles as financial safety nets, while exit hybrids may abandon entrepreneurship due to institutional challenges. Addressing this gap requires more context-specific research on how institutional factors affect ESE development.

3.3.5.2 Firm Characteristics

Firm characteristics—such as strategic orientation, organisational culture, and decision-making practices—emerge as important contextual antecedents of entrepreneurial self-efficacy (ESE), shaping how individuals perceive and enact entrepreneurial capabilities within salaried roles (Newman et al., 2019). The nature of an individual's employer can significantly influence their exposure to entrepreneurial experiences, particularly through access to autonomy, problem-solving responsibilities, and innovation-oriented environments (Forbes, 2005). Entrepreneurial firms that actively promote innovation and intrapreneurship tend to foster higher levels of ESE by enabling employees to develop confidence through iterative involvement in entrepreneurial tasks (Cooper et al., 2016).

However, the influence of firm characteristics on ESE is not universally positive and depends heavily on organisational structure and culture. Large corporations, often characterised by formalised hierarchies and risk-averse decision-making processes, may inhibit ESE development by restricting employees' autonomy and opportunities for initiative (Snell et al., 2015). In contrast, smaller and more flexible organisations offer hybrid entrepreneurs greater room to experiment, learn through trial and error, and receive personalised feedback—conditions conducive to mastery experiences and social persuasion, which are key determinants of ESE (Bandura, 1977; Marshall et al., 2019).

Moreover, the relationship between firm characteristics and ESE can be particularly salient for hybrid entrepreneurs. When embedded in entrepreneurially oriented firms, these individuals are more likely to benefit from positive spillover effects—where the competencies, networks, and confidence developed in the workplace directly support the management of their entrepreneurial ventures. Nonetheless, the extent of this spillover is contingent upon the firm's openness to dual engagement and its tolerance for entrepreneurial ambition among employees. This highlights the need to move beyond static firm typologies and consider how organisational dynamics interact with individual agency in shaping ESE.

3.3.5.3 Education and Training

Entrepreneurial education and training are widely recognised as significant antecedents of entrepreneurial self-efficacy (ESE), offering structured platforms through which individuals can acquire confidence in entrepreneurial competencies (Zhao et al., 2005; Wilson et al., 2007). These programmes—ranging from business simulations and case competitions to mentorship schemes—create intentional opportunities for mastery experiences, social modelling, and social persuasion (Byabashaija and Katano, 2011; Sánchez, 2013). Transitory hybrid entrepreneurs, in particular, benefit from such initiatives, as they provide the confidence and experiential grounding needed to scale their ventures and eventually transition to full-time entrepreneurship (Pollack et al., 2019).

However, access to entrepreneurial training is highly uneven across socioeconomic and geographic contexts. In low-income environments, necessity-driven hybrids frequently lack formal avenues for ESE development, limiting their exposure to entrepreneurial role models and practical experience (Alyavi and Schulz, 2024). Even within high-income contexts, disparities in access persist, especially among marginalised groups. Notably, Kerrick et al. (2016), in a U.S.-based study, demonstrated that students enrolled in experiential learning environments reported significantly higher levels of ESE compared to those participating in traditional, lecture-based entrepreneurship education. This highlights how pedagogical design, in addition to mere access, can materially affect efficacy outcomes.

Hybrid entrepreneurs often operate without formal entrepreneurial education and instead rely on alternative learning pathways. These may include experiential learning in salaried roles, online education, or informal peer networks. In emerging economies, informal learning mechanisms take on particular significance. Wu and Chen (2015), studying hybrid entrepreneurs in China, found that peer learning and social support networks were instrumental in building ESE

among individuals with limited access to institutional education. This underscores the importance of contextualising entrepreneurial training—not merely as a formal input but as a broader ecosystem of learning opportunities, especially for hybrid entrepreneurs navigating constrained environments.

3.3.5.4 Work Experience

Prior work experience plays a pivotal role in shaping entrepreneurial self-efficacy (ESE), primarily by providing individuals with mastery experiences and transferable skills relevant to entrepreneurship (Ribeiro et al., 2023). Individuals with a background in business operations or industry-specific roles are more likely to perceive themselves as capable of undertaking entrepreneurial tasks, having developed key competencies such as problem-solving, opportunity recognition, and resource management (Zhao et al., 2005; Nguyen, 2018). This effect is especially salient for hybrid entrepreneurs, whose dual engagement in salaried and entrepreneurial roles allows for direct application and reinforcement of skills across both domains.

The relationship between work experience and ESE, however, is not linear. Sardeshmukh and Corbett (2011) found that the length of work experience does not necessarily correlate with higher ESE, suggesting that the quality of experience matters more than its duration. For hybrid entrepreneurs, the dual exposure to salaried roles and entrepreneurial activities creates a unique learning environment that combines formal workplace training with informal entrepreneurial experimentation. This duality fosters bidirectional learning, wherein skills acquired in paid employment enhance entrepreneurial performance and vice versa (Marshall et al., 2019). Exit hybrids may lack relevant work experience, contributing to lower ESE and a higher likelihood of disengagement. However, general work experience, even in non-entrepreneurial roles, contributes to ESE by enhancing problem-solving skills, resource management, and confidence in decision-making (Farashah, 2015; Hockerts, 2017). Individuals in positions that involve autonomy, uncertainty, and strategic responsibility tend to develop more robust efficacy beliefs than those in routine

or highly structured environments. Pollack et al. (2019) further show that ESE strengthens when individuals are exposed to work situations that challenge them to apply knowledge and solve problems in dynamic contexts.

Although these findings reinforce the role of work experience in shaping ESE, existing research primarily focuses on general or full-time entrepreneurs. There remains a lack of evidence on how salaried work experience contributes to efficacy development in other entrepreneurial contexts. For instance, how individuals who balance paid employment with entrepreneurial activity—such as hybrid entrepreneurs—experience and interpret work-based mastery remains underexplored in the current literature.

3.3.5.5 Role Models and Mentors

Similar to the mechanism of social modelling in self-efficacy theory, role models and mentors play a crucial role in shaping entrepreneurial self-efficacy (ESE) by offering both task-specific guidance and psychological reinforcement (Miao et al., 2017). BarNir et al. (2011) found that entrepreneurs with close ties to successful role models report higher levels of ESE, as these figures provide not only inspiration but also practical insight into entrepreneurial decision-making. In a similar vein, Chen and He (2011) demonstrated that family-based role models significantly enhance ESE by cultivating a supportive environment that fosters entrepreneurial interest and exploration.

Mentors, in particular, appear to be important for individuals undergoing transition into full-time entrepreneurship. St-Jean and Audet (2012) found that mentoring significantly improves entrepreneurs' self-perceptions and efficacy, particularly during the early stages of business development. For transitory hybrid entrepreneurs, such support can be pivotal in bolstering confidence to scale their ventures and commit fully to entrepreneurial careers.

However, the influence of role models and mentors is not universally positive. In family business contexts, role models may reinforce conservative norms or rigid

success templates, limiting the scope for innovation or adaptation (Carr and Sequeira, 2007). The efficacy of mentorship also depends on the diversity and relevance of the mentor's background. Hybrid entrepreneurs often navigate both corporate and entrepreneurial spheres, and benefit most from access to varied role models—such as entrepreneurial peers, salaried colleagues, and cross-sector mentors—who collectively provide a wider lens through which to interpret challenges and assess opportunities.

Nevertheless, the role of mentorship in hybrid entrepreneurship remains underexplored, particularly in contexts where institutional structures, cultural expectations, or geographical remoteness limit access to credible and experienced mentors. For example, entrepreneurs operating in rural areas or in emerging economies may lack structured mentoring networks, while individuals embedded in risk-averse or hierarchical organisational cultures may be discouraged from seeking or offering entrepreneurial guidance (Zahra et al., 2009; Audretsch et al., 2021). These contextual barriers present important challenges to the development of ESE through social modelling and highlight the need for more targeted investigation.

3.3.5.6 Individual Differences

Individual differences—such as personality traits, risk tolerance, and psychological resilience—have been widely acknowledged as key antecedents of entrepreneurial self-efficacy (ESE), shaping how individuals perceive and respond to entrepreneurial tasks and uncertainty (Chen et al., 1998; Zhao et al., 2005). Traits such as openness to experience, internal locus of control, and proactivity are positively associated with stronger efficacy beliefs, as they reinforce one's perception of control and competence in entrepreneurial contexts (Markman and Baron, 2003).

Risk tolerance has been identified as a particularly salient factor. Individuals with higher tolerance for ambiguity and uncertainty are more likely to pursue entrepreneurial activities and report stronger ESE, as they feel more confident in

their ability to operate in volatile environments (Caliendo, Fossen, and Kritikos, 2010). Resilience, defined as the ability to recover from setbacks and persist through adversity, has also been positively linked to ESE, especially in situations involving repeated failure or prolonged uncertainty (Bullough and Renko, 2013).

Although these findings are well established in general entrepreneurship research, there is limited empirical evidence on how such traits affect ESE in hybrid entrepreneurial contexts. Assertions that persistent hybrids exhibit greater resilience, or that transitory hybrids display higher risk tolerance, remain speculative in the absence of targeted empirical studies. Similarly, the idea that exit hybrids may disengage due to lower self-efficacy linked to these traits is a logical extension, but not one currently supported by robust evidence. This gap in the literature warrants further examination in relation to pathway-specific outcomes.

Gender is another individual factor consistently associated with differences in ESE. Numerous studies report that women tend to express lower entrepreneurial self-efficacy than men, a phenomenon attributed to role stereotyping, socialisation patterns, and constrained access to entrepreneurial networks and role models (Wilson et al., 2009; Díaz-García and Jiménez-Moreno, 2010). However, this pattern is not universal. For instance, Zhao et al. (2005) found that in contexts where supportive infrastructure or mentorship is available, gender-based disparities in ESE may be significantly reduced.

Other psychological traits such as entrepreneurial passion and proactive personality have also been linked to higher ESE. Murnieks et al. (2014) demonstrated that entrepreneurs with strong emotional attachment to their ventures often report enhanced self-belief, which in turn supports perseverance through challenges. Likewise, Tolentino et al. (2014) found that individuals with a proactive disposition and high career adaptability exhibited stronger entrepreneurial confidence, particularly when they had prior exposure to entrepreneurial role models or family businesses.

These individual differences, while explored in general entrepreneurship literature, have not yet been systematically applied to hybrid entrepreneurial contexts. Their potential influence on hybrid entrepreneurs' motivation, confidence, and decision-making across persistence, transition, and exit pathways remains an open area for inquiry.

3.3.6 Limitations of Existing Research on Motivations

While the push-pull framework provides a useful categorisation of hybrid entrepreneurs' motivations, it has significant theoretical and empirical limitations. Much of the existing research focuses on initial motivations for hybrid entrepreneurship, neglecting how these motivations evolve over time or differ across distinct entrepreneurial pathways. For instance, an individual who initially engages in hybrid entrepreneurship due to financial necessity (push factor) may later develop intrinsic motivations, such as passion for their venture, leading to a shift towards opportunity-driven entrepreneurship. Conversely, some individuals motivated by creative fulfilment may encounter role conflicts or financial pressures that push them towards disengagement. This dynamic nature of entrepreneurial motivations underscores the need for longitudinal studies that capture motivational shifts over time.

Furthermore, existing studies often conflate hybrid entrepreneurs into a single category, overlooking the distinct pathways they may follow after engaging in hybrid entrepreneurship. Most literature focuses on two primary pathways:

Persistent Hybrid Entrepreneurs—who sustain their dual status indefinitely.

Transitory Hybrid Entrepreneurs—who transition to full-time entrepreneurship.

However, this binary classification fails to account for a third group: Exit Hybrid Entrepreneurs, who eventually disengage from entrepreneurial activities and return to salaried employment. The absence of research on exit hybrid entrepreneurs presents a major gap in the literature, as it overlooks the

psychological, financial, and institutional barriers that drive entrepreneurial disengagement.

This thesis seeks to address these limitations by expanding the hybrid entrepreneurial pathway framework to incorporate exit hybrid entrepreneurs, examining motivational evolution, and integrating psychological constructs such as SE and ESE into hybrid entrepreneurship research. The next section will illustrate these three types of hybrid entrepreneurs in more detail.

3.4 Different Types of Hybrid Entrepreneurs

Thorgren et al. (2016) conceptualise the hybrid entrepreneurial journey as a two-stage decision-making process. The first stage involves the initial choice to engage in business creation, which is regarded as the first-tier entrepreneurial decision. In this stage, individuals embark on their entrepreneurial journey while still maintaining their paid employment. The second stage involves a subsequent decision where the individual may opt to transition from their wage job and commit to becoming a full-time entrepreneur. This second-tier choice, which involves leaving secure employment to pursue entrepreneurship, has received limited attention in the existing entrepreneurship literature.

Since the amount of time spent in the phase of hybrid entrepreneurship could be quite different for every single individual, different hybrid entrepreneurs would have different career pathways. As mentioned in the previous section, hybrid entrepreneurs might never transit to full-time entrepreneurs as the transition phase should not be assumed as a short-term phenomenon (Marshall, 2017; Dzomonda and Fatoki, 2018). As such, the status retaining the parallel paid employment and business will last for a longer-term (Misra et al., 2014). This means that there might be a great number of years where the status remains of engaging in ventures in addition to regular paid employment (Delmar et al., 2008; Folta et al., 2010). This phase is classified as hybrid entrepreneurs and they could eventually make different decisions after this period as for the second-tier choice.

Viljamaa and Varamäki (2014; 2015) have found that a significant number of entrepreneurs persist in the hybrid mode without any interest in pursuing full-time status, highlighting the importance of considering them as a separate group. As a result, Viljamaa et al. (2017) classified hybrid entrepreneurs into two distinct groups. Transitory hybrid entrepreneurs are those who pursue a gradual transition towards full-time entrepreneurship, whereas persistent hybrid entrepreneurs are those who choose to remain in a hybrid mode indefinitely. However, little is known about those hybrid entrepreneurs who might return to full-time employment. Accordingly, this thesis will examine three types of hybrid entrepreneurs as follows to include exit hybrid entrepreneurship;

Persistent hybrid entrepreneurs who retain the status of paid employment and self-employment persistently;

Transitory hybrid entrepreneurs who consider the status of paid employment and self-employment as a transition and they will become full-time entrepreneurs eventually;

Exit hybrid entrepreneurs who quit the hybrid status and return to be full-time employed.

3.4.1 Persistent Hybrid Entrepreneurs

Persistent hybrid entrepreneurs choose to maintain their dual roles over time, prioritising stability, income security, and lifestyle balance rather than pursuing full-time entrepreneurship. This pathway reflects both push factors, such as financial necessity and risk aversion, and pull factors, including autonomy, skill utilisation, and personal fulfilment. For example, Folta et al. (2010), using survey data in the United States, found that hybrid entrepreneurship reduces exposure to entrepreneurial risk by enabling individuals to retain salaried employment. Similarly, Raffiee and Feng (2014) used panel data to show that individuals with strong occupational attachment or family responsibilities often prefer to remain in hybrid roles.

In contrast to these predominantly quantitative studies, Marshall et al. (2019) employed qualitative interviews to explore how hybrid entrepreneurs use their salaried roles to enrich entrepreneurial activity. Their findings highlight the dynamic interplay between employment and venture roles, suggesting that persistence is not merely a compromise but a deliberate and adaptive strategy. Role enrichment—defined as the transfer of knowledge, confidence, and networks across domains—emerges as a central motivator (Bögenhold, 2019).

Nonetheless, existing research tends to conceptualise persistence through a static, cross-sectional lens, which may obscure the evolving psychological mechanisms behind long-term hybrid engagement. Viljamaa and Varamäki (2015), for instance, identified differences in motivational orientation between persistent and transitory hybrids but relied on survey-based methods that offer limited depth. Moreover, Block and Landgraf (2016) suggest that some persistent hybrids continue in dual roles not by strategic choice but due to constraints such as lack of capital, self-doubt, or insufficient support, underscoring the importance of self-efficacy in shaping perceived feasibility.

Thorgren et al. (2014) caution that prolonged dual engagement may also produce unintended consequences such as burnout or role conflict, yet few studies investigate the psychological costs of persistence. While prior research has established the relevance of self-efficacy in entrepreneurial intention, its role in sustaining hybrid entrepreneurship over time remains underexplored—particularly through qualitative and longitudinal approaches.

Moreover, the body of work on persistent hybrid entrepreneurs remains fragmented and predominantly quantitative. Many studies adopt cross-sectional or survey-based designs, offering valuable statistical trends but limited understanding of the underlying psychological mechanisms or lived experiences. As mentioned earlier, while Folta et al. (2010) and Viljamaa and Varamäki (2015) highlight stability as a key motivation, they do not probe deeply into how individuals sustain motivation over time or navigate competing role identities.

Only a few studies, such as Marshall et al. (2019), adopt qualitative approaches, revealing the richness of dual-role experiences but leaving open questions around the emotional and psychological costs of persistent hybridity. Furthermore, the majority of research has been concentrated in high-income contexts such as the USA, UK, and Nordic countries, with limited attention to emerging economies where hybrid entrepreneurship may be shaped by different structural constraints.

This methodological skew has implications for both theory and practice. By privileging numeric generalisability over interpretive depth, much of the current literature may overlook evolving motivations, hidden tensions, or context-specific adaptations. Addressing this gap, the present study adopts a qualitative, interpretive methodology to explore how self-efficacy and entrepreneurial self-efficacy influence persistence decisions across hybrid entrepreneurial careers.

Table 3.4 summarises key empirical studies on persistent and transitory hybrid entrepreneurs, outlining their motivations, methods, and key findings across diverse contexts. As the table indicates, much of the literature adopts quantitative designs and Western contexts, reinforcing the need for broader methodological and cultural perspectives in future work.

Table 3.4: Existing Studies on Persistent and Transitory Hybrid Entrepreneurs

Authors (Year)	Focus	Pathway	Methodology	Country Context	Motivations	Findings and Limitations
Folta et al. (2010)	Theoretical and empirical implications of hybrid entrepreneurship.	Persistent	Quantitative (survey)	USA	Financial stability, risk aversion.	Hybrid roles reduce entrepreneurial risk. Limited focus on psychological resilience.
Raffiee & Feng (2014)	Risk mitigation and entrepreneurial success in hybrid entrepreneurship.	Transitory	Quantitative (panel data analysis)	USA	ESE validation, opportunity recognition.	Hybrid roles facilitate smoother transitions to full-time entrepreneurship. Calls for longitudinal studies.
Viljamaa & Varamäki (2015)	Differences in aspirations and motivations between persistent and transitory hybrid entrepreneurs.	Persistent, Transitory	Quantitative (survey)	Finland	Stability (persistent), growth aspirations (transitory).	Persistent hybrids prioritise stability; transitory hybrids aspire for venture growth. Limited cultural comparisons.
Thorgren et al. (2016)	Passion and opportunity-driven motivations in hybrid entrepreneurship.	Transitory	Quantitative (survey)	Sweden	Passion, autonomy, ESE validation.	High ESE drives transitions; limited research on external supports like mentorship or funding.
Marshall et al. (2019)	Role enrichment and knowledge transfer between salaried work and entrepreneurship.	Persistent	Qualitative (interviews)	UK	Skill development, lifestyle compatibility.	Skill transfer sustains hybrid engagement. More research needed on burnout and psychological strain.
Pollack et al. (2019)	Self-efficacy and persistence change among hybrid entrepreneurs.	Persistent, Transitory	Quantitative (longitudinal)	USA	ESE progression, behavioural reinforcement.	Tracked ESE changes over time. Demonstrates need for dynamic models of hybrid engagement.
Brändle & Kuckertz (2022)	Staged entrepreneurship and hybrid intentions.	Persistent, Transition	Quantitative (survey)	Germany	Career autonomy, staged transition.	Self-efficacy supports sustained hybrid engagement. Limited focus on exit pathways.
Garba & Yelwa (2024)	Experiential learning in transitioning to full-time entrepreneurship.	Transitory	Qualitative (case study)	Nigeria	Learning confidence, venture scaling.	Workplace learning fosters transition confidence. Context-specific findings limit generalisability.

Source: generated by the author

3.4.2 Transitory Hybrid Entrepreneurs

Transitory hybrid entrepreneurs view hybrid entrepreneurship as a temporary stage on the path to full-time entrepreneurial engagement. Unlike persistent hybrids, who prioritise long-term balance, transitory hybrids are characterised by growth-oriented and opportunity-driven motivations, such as autonomy, personal fulfilment, and confidence in their entrepreneurial potential. These motivations are frequently underpinned by high levels of entrepreneurial self-efficacy (ESE), which encourage individuals to perceive full-time entrepreneurship as both feasible and desirable (Raffiee and Feng, 2014; Thorgren et al., 2016).

Several studies have identified early entrepreneurial achievements as pivotal in reinforcing ESE and prompting the transition decision. For example, Raffiee and Feng (2014), through panel data analysis in the U.S., found that hybrid entrepreneurs who demonstrated initial business success—particularly in knowledge-intensive sectors—were significantly more likely to shift into full-time entrepreneurship. Similarly, Thorgren et al. (2016) showed that ESE validation, combined with internal drivers such as passion and autonomy, predicted higher transition rates among Swedish hybrid entrepreneurs. These findings are consistent with Chen et al. (1998), who emphasised the role of mastery experiences—such as securing early clients or validating a product-market fit—in strengthening ESE and catalysing career transitions.

Resource accumulation is another critical enabling condition for this pathway. Fitzsimmons and Douglas (2011) note that many transitory hybrids use salaried work as a strategic platform to accumulate capital, build networks, and refine their business models. This form of incremental commitment allows entrepreneurs to test their ideas, reduce uncertainty, and gain confidence in their ventures without immediately relinquishing employment-based security (Petrova, 2011). As a result, transitory hybrids are often more ambitious than persistent counterparts, demonstrating higher aspirations for business growth and scalability (Viljamaa and Varamäki, 2015).

However, most existing research on this pathway adopts a quantitative and cross-sectional methodology, limiting insight into the dynamic evolution of self-efficacy and transition decision-making over time. For instance, while studies such as Pollack et al. (2019) offer some longitudinal perspective on ESE progression, they do not deeply examine how hybrid entrepreneurs interpret success, manage identity shifts, or access enabling supports during transitions. Moreover, little attention has been paid to external enablers, such as mentorship, training, or institutional incentives. A recent qualitative study by Garba and Yelwa (2024) in Nigeria highlights how workplace learning and informal support networks can

increase transition confidence, but such work remains the exception rather than the norm.

In sum, while the transitory pathway has been extensively theorised through the lens of ESE and opportunity recognition, there remains a lack of rich, process-oriented research exploring the psychological, social, and contextual mechanisms that shape hybrid-to-full-time transitions.

3.4.3 Exit Hybrid Entrepreneurs

The exit pathway, though significantly underrepresented in existing research, constitutes a distinct form of hybrid entrepreneurial outcome—where individuals discontinue entrepreneurial activity and return to full-time salaried employment. This pathway is often, though not exclusively, associated with declining entrepreneurial self-efficacy (ESE). According to De Noble et al. (1999), repeated failure or underperformance in venture efforts can erode individuals' confidence in their entrepreneurial capabilities, prompting withdrawal from entrepreneurial roles. Similarly, Ribeiro et al. (2023), in their study of hybrid entrepreneurs in Brazil, found that financial strain, time pressure, and family conflicts frequently contributed to exits, with many participants citing a progressive loss of confidence and motivation.

However, exit does not always indicate failure or psychological depletion. In contrast, Miller and Le Breton-Miller (2011) suggest that some exits reflect intentional career redirection, often triggered by changes in life stage, family priorities, or the emergence of attractive professional opportunities. This distinction underscores the importance of viewing exit as a strategic or situational decision, rather than a default response to adversity.

Despite these insights, the exit pathway has received far less scholarly attention than persistence or transition. Most existing studies either subsume exit into broader motivational models (e.g. push-pull frameworks) or treat it as an implied outcome of failed transition attempts. As noted by Brändle and Kuckertz (2022),

empirical research rarely captures exit as a dynamic process, nor does it explore its antecedents and consequences with the same depth afforded to other hybrid trajectories.

Moreover, the assumption that entrepreneurial pathways follow a linear or terminal progression—from hybrid to full-time entrepreneurship or from entrepreneurship back to employment—may oversimplify reality. Hybrid entrepreneurship is increasingly recognised as an iterative and fluid career strategy. For example, individuals may exit entrepreneurship temporarily due to contextual constraints, only to re-enter at a later stage when circumstances shift. This non-linear nature of hybrid entrepreneurship remains poorly theorised and under-investigated in the current literature.

In this context, there is a growing need to explore exit not only as a final outcome, but as part of a broader entrepreneurial life cycle. Questions around whether hybrid entrepreneurs re-engage with ventures, how exit experiences affect future entrepreneurial self-efficacy, and what role reflection and recovery play in this process, remain largely unanswered. These issues are particularly salient for qualitative research, which is better suited to capturing the temporal, emotional, and contextual complexities of such transitions.

3.5 Research Gaps and Research Questions

3.5.1 Gaps in the Literature

Insufficient Longitudinal Research

Much of the existing literature on hybrid entrepreneurship adopts a static, cross-sectional design, capturing motivations and behaviours at a single point in time. While such studies offer valuable descriptive insights, they fall short of capturing the evolving and iterative nature of hybrid entrepreneurial careers. Motivations, self-efficacy beliefs, and pathway decisions are shaped by continuous feedback loops, shifting life circumstances, and contextual influences. Without longitudinal analysis, it is difficult to assess how hybrid entrepreneurs adapt their goals or reconfigure their trajectories over time. Scholars such as Pollack et al. (2019) have called for more dynamic research designs to track such transitions across the hybrid lifecycle.

Limited Focus on Psychological Factors

Despite growing acknowledgement of psychological mechanisms in entrepreneurship more broadly, self-efficacy (SE) and entrepreneurial self-efficacy (ESE) remain under-theorised within hybrid entrepreneurship literature. While several studies reference ESE as a predictor of entrepreneurial intention (e.g. Thorgren et al., 2016), few explore how it develops over time or influences decisions across different hybrid pathways. In particular, the impact of negative mastery experiences—such as entrepreneurial setbacks or resource constraints—on diminishing self-efficacy is rarely examined. This lack of psychological depth restricts understanding of how individuals navigate tensions between salaried work and venture commitment.

Overlooked Pathways

Most empirical research has concentrated on persistent and transitory hybrid entrepreneurs, often conceptualising hybrid entrepreneurship as a linear process culminating in full-time entrepreneurial engagement. In doing so, the literature has largely neglected the exit pathway—a distinct outcome where individuals disengage from entrepreneurial activity and return to salaried employment. Evidence from adjacent studies (Block and Landgraf, 2016; Ardianti et al., 2022) suggests that such exits may stem from declining ESE, burnout, or shifting life priorities, yet exit is rarely treated as a primary analytical focus. The result is a conceptual gap in understanding how and why entrepreneurial disengagement occurs, and how exit interacts with personal identity, self-efficacy, and future career planning.

Methodological and Geographical Limitations

A further gap in the literature relates to methodological and geographical skew. As shown in Table 3.3, the field is dominated by quantitative, cross-sectional studies, with comparatively few adopting qualitative, longitudinal, or interpretive methodologies that can uncover the nuanced motivations, emotional shifts, and contextual dynamics shaping hybrid entrepreneurship. Moreover, the bulk of existing research is concentrated in high-income countries—particularly the United States, Sweden, Finland, and the UK—with limited engagement in emerging or non-Western contexts. Recent studies such as Garba and Yelwa (2024) begin to address this imbalance, but such contributions remain exceptions. Greater methodological diversity and cross-cultural inquiry are therefore essential for building a more inclusive and representative evidence base.

3.5.2 How This Research Fills These Gaps

This research directly responds to the limitations identified in the extant literature by proposing a more comprehensive and psychologically grounded framework for understanding hybrid entrepreneurship. Drawing upon insights from self-efficacy theory and entrepreneurial self-efficacy (SE and ESE), it extends current knowledge in four interrelated ways:

Reconceptualising the Pathway Framework

While much of the existing literature focuses on persistent and transitory hybrid entrepreneurs, this study introduces exit hybrid entrepreneurs as a distinct and analytically significant group. By foregrounding exit as a legitimate and complex outcome—rather than merely a failed transition—this research redefines the boundaries of hybrid entrepreneurship. It systematically explores the psychological, emotional, and contextual factors that contribute to disengagement, including declining ESE, identity conflict, or shifting personal circumstances. In doing so, it addresses a key conceptual omission in the literature and aligns the hybrid entrepreneurship framework with real-world career fluidity.

Examining Motivations as Evolving Rather Than Static

Most studies investigate motivations at the entry stage, treating them as fixed antecedents of hybrid engagement. In contrast, this research adopts a longitudinal lens—conceptually if not temporally—to explore how motivations evolve across the entrepreneurial journey. It critically examines how factors such as role strain, confidence shifts, or external pressures shape motivational reconfigurations that influence whether individuals persist, transition, or exit. This approach moves beyond simplistic push–pull dichotomies and contributes to a process-oriented understanding of hybrid motivation.

Positioning SE and ESE as Central Analytical Lenses

Where previous studies have mentioned SE and ESE only peripherally or as static predictors, this research places these constructs at the heart of analysis. It explores how self-efficacy beliefs develop, fluctuate, and interact with entrepreneurial behaviour across pathways. By doing so, it bridges the current divide between behavioural models and psychological theory, offering a more integrated understanding of how confidence and perceived competence inform hybrid entrepreneurs' decision-making. In particular, it emphasises the role of mastery experience, social persuasion, and emotional resilience—factors often absent in dominant quantitative models.

Addressing Contextual Blind Spots in Existing Literature

Rather than aiming for geographical generalisability, this research contributes by focusing on a largely overlooked empirical setting—China. The vast majority of existing studies on hybrid entrepreneurship are conducted in North America and Northern Europe, often within liberal labour market contexts and strong welfare regimes. By contrast, this study explores hybrid entrepreneurship in a markedly different institutional and cultural environment, where employment norms, entrepreneurial incentives, and social expectations diverge significantly. While the small and uneven sample limits geographical comparison, the study nonetheless sheds light on how hybrid entrepreneurship unfolds in under-researched contexts, opening space for future cross-cultural enquiry.

3.5.3 Research Questions

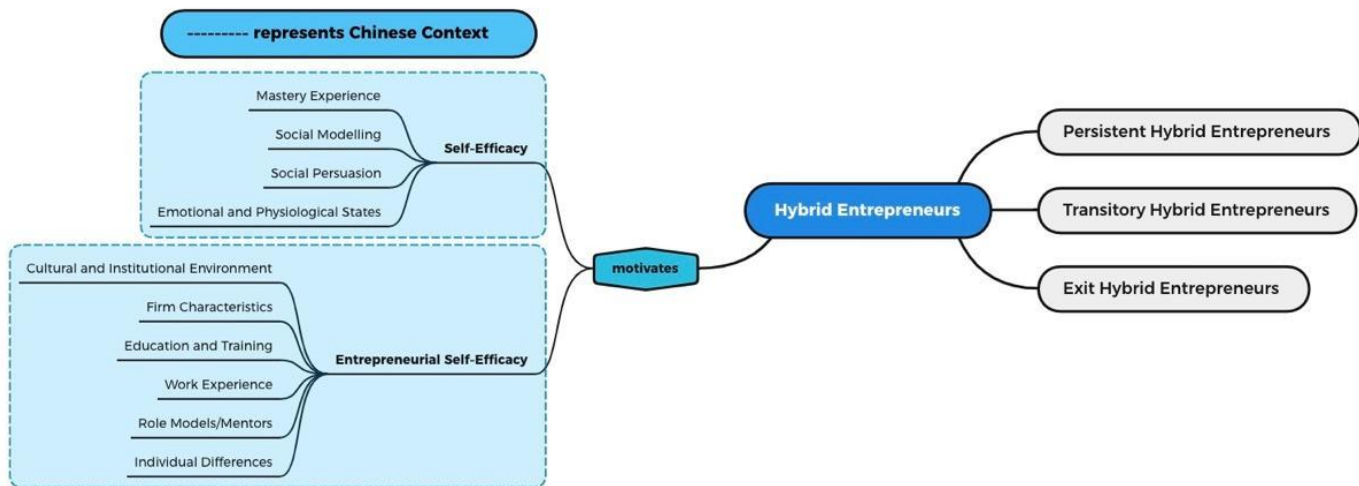
Incorporating the role of self-efficacy and entrepreneurial self-efficacy, the research is guided by the following questions:

1. How do self-efficacy and entrepreneurial self-efficacy shape hybrid entrepreneurs' decisions to remain in the hybrid status persistently (Persistent Hybrid Entrepreneurs)?
2. How do self-efficacy and entrepreneurial self-efficacy drive hybrid entrepreneurs to transition to full-time entrepreneurship (Transitory Hybrid Entrepreneurs)?
3. How do declining self-efficacy and entrepreneurial self-efficacy influence hybrid entrepreneurs' decisions to exit entrepreneurial activities (Exit Hybrid Entrepreneurs)?

By addressing these research questions, this study makes a contribution to theory and the literature on hybrid entrepreneurship literature. It extends the pathway framework to include exit hybrid entrepreneurs, integrates motivations across the entire journey, and applies self-efficacy and entrepreneurial self-efficacy as

analytical lenses. The research framework guiding the study is shown in Figure 3.1.

Figure 3.1: The Research Framework



Source: generated by the Author based on Bandura's Self-Efficacy Theory (1997) and Newman et al. (2019)

The subsequent chapter will explain the methodology employed in this study, including how the interview questions were developed within the research framework guided by self-efficacy theory and entrepreneurial self-efficacy.

Chapter 4 Methodology

4.1 Introduction

This study explores why hybrid entrepreneurs based in China pursue different career pathways. More specifically, it investigates how persistent hybrid entrepreneurs balance their status between paid employment and entrepreneurship, what motivates transitory hybrid entrepreneurs to become full-time entrepreneurs, and why exit hybrid entrepreneurs return to full-time employment. This exploratory study aims to foster a comprehensive understanding of the emerging and evolving phenomenon of hybrid entrepreneurship through these three distinct pathways.

Exploratory research is particularly suitable for addressing phenomena that remain theoretically underdeveloped or empirically ambiguous. Eisenhardt and Graebner (2007) argue that such an approach is most appropriate when existing literature offers insufficient insight into the complexity of the subject. As outlined in Chapter 2, the literature on entrepreneurship has yet to adequately explore hybrid entrepreneurs, especially in relation to their varying career decisions. Contextual specificity is critical to understanding entrepreneurial behaviour. As Saunders et al. (2019) emphasise, research grounded in a clearly defined context yields more meaningful and nuanced insights, particularly when that context shapes both individual motivations and institutional realities. In the case of this study, the context is China—a rapidly evolving economy with distinct socio-cultural and institutional features that influence entrepreneurial agency. Thus, this research positions itself to illuminate hybrid entrepreneurship within the unique socio-cultural and institutional context of China. By focusing on a non-Western setting, the study contributes to a broader understanding of entrepreneurial behaviour beyond the limits of Western-centric theoretical models. In addition, the use of a qualitative, exploratory approach allows for the uncovering of nuanced, context-specific insights that are often overlooked by standardised quantitative methods (Mintzberg, 1979). This dual focus enhances both empirical depth and theoretical contribution.

This chapter outlines the methodology adopted in this study. It details the philosophical assumptions underpinning the research, the chosen research approach, the research design, and data collection and analysis strategies. Each methodological decision is critically examined in relation to the study's overarching objectives. The chapter begins by discussing the research philosophy, followed by an explanation of the abductive research approach and a justification of the qualitative design. Subsequent sections explore participant selection, ethical considerations, and the thematic data analysis framework employed to interpret the findings.

4.2 Research Philosophy

Research philosophies can be deemed as interpretation frameworks (Denzin and Lincoln, 2003), which could influence the selection of research methods and the overall outcome of research (Fejszes, 2017). There is actually no right or wrong research approach and the choice of an appropriate research method is preconditioned by the phenomenon under investigation (Silverman, 2013). In other words, it is expected that there would be some alignment between philosophical assumptions and research methods chosen. Gill and Johnson (2010) suggested that when conceptualising a piece of research and how to conduct it, deploying philosophical assumptions could lead the researcher to investigate in a certain way.

A research design is shaped by two fundamental positions comprising ontology regarding the nature of reality (Hudson and Ozanne, 1988) and epistemology concerning the relationship between the researcher and reality (Carson et al., 2001). This section aims to identify the ontological and epistemological stance taken in this study.

4.2.1 Ontology

According to Yin (2016), ontology is the individuals “philosophical beliefs about what constitutes social reality, and specifically, whether realities are singular or multiple.” Ontology is concerned about the nature of reality, providing a view of how the world operates (Saunders et al., 2015). There are two opposing aspects of ontology called objectivism and subjectivism, and both can be used to produce valid knowledge (Bryman and Bell, 2015; Saunders et al., 2015).

Objectivism illustrates that reality is external to the social phenomenon (Saunders et al., 2015) and social entities exist independently creating their own meaningful reality, but social entities are unable to affect the phenomenon (Bryman and Bell, 2015). On the contrary, subjectivism asserts that reality is created from the perceptions and actions of social actors, which means that social phenomenon could affect social entities and social phenomenon might be shaped by perceptions or consequent actions of social actors (Saunders et al., 2015). Thus, the objective ontological position is considering social entities constructing their own external reality, while from the subjective point of view, social entities are affected and shaped by the social actors (Morgan and Smircich, 1980).

The ontological stance of this thesis is subjectivism because the researcher is conducting interviews among people and examine their opinions and perceptions, which are in accordance with their previous experiences and understanding. The subjective perception will also fulfil the objective of this study to make sense of the perceptions, meanings and experiences that research participants have by examining the phenomenon. Although institutions are regarded as an external driver, which are shaping entrepreneurs’ understanding, the study is concentrating on entrepreneur’s motivations and decision-makings which are shaping the external reality. Moreover, Raskin (2008) revealed that in the subjective ontology the knowledge came from “evolved perspective or point of view”. This also conforms to this thesis, which calls for the analysis of respondents’ perception on what kind of factors influence their entrepreneurial decisions.

4.2.2 Epistemology

According to Yin (2016), epistemology is “the philosophical underpinnings of researchers’ belief regarding the nature of knowledge and how it is derived or created. To simplify, epistemology focuses on what is recognised to be true (Dudovskiy, 2018). Unlike the ontological stance is focusing on “what is out there”, the epistemological stance is answering the question of “what is considered as acceptable knowledge” (Saunders et al., 2015). In other words, ontology is about whether truth exists, while epistemology is about how to access truth. Indeed, there is a corresponding relationship between epistemology and ontology (Dudovskiy, 2018). They are dependent on each other, since ontological assumptions may influence the epistemological choices and conclusions drawn (Silva, 2013).

Bryman and Bell (2011) have suggested two epistemological considerations, positivism and interpretivism. The positivist philosophical stance is conducted when the researcher is collecting data from an observable phenomenon and is seeking to find causal relations or regularities to generate law-like generalizations (Gill and Johnson, 2010; Saunders et al., 2015). Therefore, positivism is usually used in the natural sciences, where the researcher plays a neutral role and does not have an impact on the results of the research (Saunders et al., 2015). A positivist researcher considers the reality as an external, which consists of different objective phenomena, and each phenomenon has its individual reality regardless of the researcher’s belief (Hudson and Ozanne, 1988). Since the ontological perspective of this study is subjective, it presents a contradiction with the neutral behaviour of the positivist researchers and how they consider the reality being developed from objective phenomenon.

Whereas, interpretivists hold a different view of reality that the social world separates from the objective world (Bryman and Bell, 2011). The interpretivist philosophical stance seeks out the details of a situation, attempting to discover the reality behind these details, and subjective meanings motivating the actions of social actors (Saunders et al., 2015). Hence, the acquired knowledge in this

epistemological position is more socially constructed than objectively determined (Carson et al., 2001). As this study is going to explore entrepreneurial motivations and choices based on participants' understandings of their own experiences, the epistemological stance is congruent with the interpretivism view of the knowledge. However, the researcher does not completely agree that the world is socially constructed, because the objective 'real world' may have an impact on shaping the social world. Furthermore, my stance is different from the radical interpretivists, who regard reality as unpredictable, complex and impossible to conduct a study with fixed research design (Hudson and Ozanne, 1988). Thus, the epistemological stance for this study is interpretivism in terms of the view of knowledge, but not radical interpretivism.

Saunders and Lewis (2012) reported two more epistemological considerations, pragmatism and realism. Pragmatists are more focusing on the research outcomes rather than the antecedent conditions (Creswell, 2007). Whereas, this study aims to develop in-depth understanding as opposed to measuring outcomes (Oinas, 1999). In addition, the pragmatist position is widely used in mixed method studies where they combine qualitative and quantitative approaches to answer the research questions (Saunders et al., 2012). However, the researcher believes that this study can be best conducted by solely using a qualitative approach. Therefore, the philosophical stance of this thesis is not pragmatism.

Realism is closely related to positivism as they both consider the reality as an external and objective (Saunders et al., 2012), and they both address social sciences to evaluate and understand the data (Bryman and Bell, 2015). Unlike positivists, realists believe that the knowledge people have regarding the social world can affect their individual behaviour (May, 2001). Realism can be categorised as direct realism and critical realism (Saunders et al., 2012). The former states that what we see is what really is the reality, whereas, the latter argues that what we see and experience are sensations of the real reality and not the "real" things (Easton, 2010; Saunders et al., 2012). Again, as it is believed that the world can be socially constructed, but sometimes destroyed as the "real" world

breaks in, the critical realism is the epistemological standpoint of this study. Critical realism could also shape the understanding of the complicated phenomenon through stories (Easton, 2010). Overall, the epistemological stance of this thesis includes interpretivism in terms of the view of knowledge and critical realism in terms of the view of world.

Additionally, critical realism is conducive to theory development (Järvensivu and Törnroos, 2010), which aligns with the study's aim to extend Entrepreneurial Self-Efficacy theory within the Chinese context. This enables the research to produce a more in-depth understanding of the factors shaping entrepreneurial choices.

4.3 Research Approach

The research approach is normally divided into deductive approach and inductive approach depending on the reasoning (Ghauri and Grønhaug, 2010; Saunders et al., 2015). The deduction is about generating hypotheses from existing theories, while induction is about generating theories from observations and findings (Bourne, 2016; Patel and Davidson, 2011). As highlighted in the literature review, there remains a lack of well-established theoretical frameworks that adequately explain the diverse career trajectories of hybrid entrepreneurs. In the absence of clearly defined variables or universally accepted constructs within this domain, a deductive approach, which typically involves hypothesis testing based on existing theory, is therefore unsuitable. Rather than beginning with a pre-formulated theory, this study seeks to generate insights from participants' lived experiences, which necessitates an inductive logic grounded in empirical observation and thematic exploration. The research, situated in the Chinese context, further benefits from this open-ended, flexible reasoning, as it allows emerging patterns to be identified without being constrained by predefined theoretical assumptions. Through the narratives and trajectories of hybrid entrepreneurs within the Chinese entrepreneurial milieu, the study explores the motivations of different entrepreneurial pathway changes.

Saunders and Lewis (2012) stated that deduction was to clarify the theory before conducting the research, then confirming the theory or modifying it in line with the research findings, whereas induction was developing the theory from the findings of the research. As the study utilised Self-Efficacy theory as an analytical lens following the first round of interviews, the inductive approach was conducted. Wilson (2010) asserted that an inductive approach was related to qualitative research methods and a deductive approach was linked to quantitative research. Since the study aims to get more personal answers including participants' understandings, motivations and attitudes to fulfil and be fruitful to the research objectives, interviews, as one of the qualitative research methods, would serve best this idea (Cooper and Schindler, 2011). Therefore, the inductive approach is more relevant.

Blaikie (2007) revealed that the inductive approach was useful for answering 'what' questions but limited for answering 'why' questions. However, the deductive approach would be only appropriate for answering 'why' questions as it used a means of trial and error processes (ibid). To examine the entrepreneurial choices of hybrid entrepreneurs, the study will answer both 'what' and 'why' questions such as 'what motivates the transitory hybrid entrepreneurs to be full-time entrepreneurs?' and 'why some hybrid entrepreneurs exit the current status and return to full-time employment?'. Accordingly, the research needs both reasoning aspects of inductive and deductive to find out about the entrepreneurial choices. Moreover, the purpose of this study is not to generate a new theory regarding entrepreneurial motivations, nor is only to test the existing motivation framework of entrepreneurship in the Chinese context. So the thesis needs both inductive and deductive reasoning aspects.

The third proposed reasoning called abductive approach might be used to overcome both deductive and inductive reasoning problems and to combine the good sides from both (Bryman and Bell, 2011). Although the abductive reasoning combines characters from the inductive and deductive approach, it is not a pure mix of these two, but has its own characteristics (Saunders et al., 2015). The

abductive approach is not generating theory from the data nor is testing the existing theory, but it is moving back and forth between these two approaches (deductive and inductive) and combining them (Suddaby, 2006).

This research adopts a narrative approach, which involves conducting initial interviews with participants to explore their entrepreneurial journeys, has been transformed into individual profiles. Subsequently, the Self-Efficacy theory is employed to delve into the psychological factors underlying participants' motivations and how their pathways changed over time. In this context, an abductive approach is deemed most suitable, as it allows for theory development and knowledge generation while navigating the complexity of the data. This methodology choice is supported by Ghauri and Grønhaug (2010), who suggest that the abductive approach is well-suited for involving narrative exploration of individual experiences. Additionally, Bryman and Bell (2015) note that the abductive approach is particularly effective in uncovering the "puzzle and surprise," thereby providing deeper insights into the phenomenon under investigation.

While the inductive approach is commonly used in studies that employ narrative methods, the deductive approach is often adopted for theory testing and refinement (Saunders et al., 2015). However, neither approach alone was sufficient for this study's aims, which required both theoretical grounding and openness to emergent insights. The abductive approach enables the researcher to select the most appropriate explanation from the pool of other explanations, which facilitates the discovery of the most suitable and comprehensive explanation for the phenomenon under study (Mantere and Ketokivi, 2013). Hence, this study has adopted the abductive approach.

4.4 Research Design

A research design, as described by De Vaus (2001), serves as a structured framework for gathering and analysing data, aiding in the pursuit of research

objectives. Bryman (2016) differentiates between research design and research method. Research design establishes the structure for data collection and analysis, while the research method pertains to the specific data collection techniques. The selection of an appropriate research design enables a researcher to conduct a coherent and logically organized study (De Vaus, 2001).

The research design can be classified into three different forms including quantitative, qualitative and mixed method design (Saunders et al., 2015). Qualitative research methods have been gaining prominence in entrepreneurship research, a field traditionally dominated by quantitative approaches (Molina-Azorín et al., 2012; Perren and Ram, 2004). There is an increasing recognition of the importance of qualitative research to complement quantitative inquiries in gaining a comprehensive understanding of entrepreneurial phenomena (Burg et al., 2022; Suddaby et al., 2015). Qualitative research methods excel in capturing the richness and diversity of context, making them well-suited for advancing entrepreneurship research in terms of tools and concepts (Hindle, 2004; Hlady-Rispal and Jouison-Laffitte, 2014; Rauch et al., 2014). Selecting a certain research design should not only depend on the nature of the research and its connection with the theory, but also philosophical standpoints stated by the researcher (Bryman and Bell, 2011).

Crotty (1998) outlines four essential aspects to consider in research design: the epistemology guiding the research (such as objectivist, subjectivist, or inter-subjectivist), the philosophical basis underpinning the choice of methodology (positivist, pragmatist, etc.), the techniques and procedures used for data collection (interviews, observations, experiments, etc.). As the nature of the entrepreneurial path is complex and segmental, an exploratory research approach was needed to better examine and understand the process (De Castro et al., 2014; Sutter et al., 2017). The whole hybrid entrepreneurial journey comprises the different pathways engaging in hybrid entrepreneurship, which has been noted as an understudied area and a phenomenon, and therefore, it required interpretation through a qualitative research design, informing the research design (Kistruck et

al., 2015; Reymen et al., 2015; Saunders and Lewis, 2018). Since the researcher aligns with a subjectivist epistemology and an interpretivist philosophical stance, the application of qualitative methods in the study, along with the specific techniques and procedures for data collection, will be discussed further in the following section.

Lincoln and Guba (1985) suggest that qualitative researchers can adopt a flexible approach to inquiry, with data collection occurring in real-world settings that are sensitive to the participants' context. However, data analysis remains crucial in identifying patterns or themes that can contribute to the development of theories or frameworks. Braun and Clarke (2006) further emphasise the importance of originality in thematic analysis, emphasizing the researcher's capacity to group data, offer novel insights, and make judgments that lead to the discovery of new findings. Under the guidance of prominent authors (i.e. Braun and Clarke, 2006) in qualitative and thematic analysis, the researcher conducted the research process as part of an effective research design. More essential factors that further shaped the data collection and analysis process will be discussed in the subsequent sections.

4.5 Ethical Consideration

Ethical considerations are mandatory and are attached more importance in research involving human participants. These considerations encompass ethical values that must be carefully observed by a researcher. As noted by Israel and Hay (2006), ethical considerations are essential to ensure that a study adheres to ethical principles and values, aiming to safeguard both the respondents and the researcher. It is crucial that research participants feel protected and secure during the data collection process, as emphasized by Cooper and Schindler (2011).

Participants in the research should be well-informed about the study's objectives, who will have access to the collected data, and how the data will be utilized for research purposes. Additionally, participants should be made aware of whether

the data will be used for commercial or academic purposes.

Throughout the research process, several ethical measures were put in place. These included the provision of a consent form, an information sheet, and initial interview questions, all of which outlined the purpose and criteria for participant involvement in the research. In alignment with the University of York's procedures and policies, an application for ethics approval was submitted to the Chair of Economics, Law, Management, Politics and Sociology Ethics Committee (ELMPS). The committee granted approval for the ethical process, acknowledging the researcher's commitment to abiding by the moral guidelines essential for conducting research. This approval marked the initial step in recruiting participants and planning interviews, ensuring that the study did not touch on sensitive issues.

Participants were not pressured to answer any questions if they chose not to. They were given the right to withdraw from the interview at any point before its conclusion. Notably, none of the participants withdrew from the study during data collection. Reassurances were provided to participants regarding the confidentiality and privacy of their personal and business information, which would be used solely for research purposes. Participants were labelled using numbering system to protect their identities in the thesis write-up.

Prior to the interview, participants were informed that the interviews would be recorded, and they were also assured that the research findings would be made available to them upon request. These essential ethical precautions were diligently observed before, during, and after the primary data collection process. The consent form, the information sheet and ethics approval are all available on request.

4.6 The Research Method: Interview

Semi-structured interviews were chosen as the primary data collection method for this study due to their ability to balance structure with flexibility, making them ideal for exploratory research. This approach is particularly suited for investigating under-researched phenomena, as it enables the researcher to gather rich and comprehensive data while addressing specific research objectives (Saunders et al., 2019; Eisenhardt and Graebner, 2007).

Unlike structured interviews, which rely on a rigid format and predefined response categories (Bryman and Bell, 2015; Ghauri and Grønhaug, 2010), semi-structured interviews allow participants the freedom to provide deeper, more detailed responses. This flexibility ensures that the data collected is not constrained by predetermined answers, which is crucial for capturing the complexity of the phenomenon under study. At the same time, semi-structured interviews provide a level of guidance through an interview schedule, ensuring that key topics are addressed while allowing the sequence of questions to be adapted based on participants' responses (Bryman, 2008; Polit and Hunglar, 1995).

In contrast to unstructured interviews, which lack predefined themes, semi-structured interviews enable the researcher to focus on predetermined areas of interest while remaining open to exploring emerging themes. This method allows for in-depth exploration, with the researcher having the latitude to ask follow-up questions or probe further into specific issues raised by participants (Fu, 2012).

Given the philosophical stance and exploratory nature of this research, semi-structured interviews were deemed the most appropriate tool to achieve the study's objectives. By combining open-ended questions with the flexibility to adapt the discussion, this method facilitates a comprehensive understanding of factors influencing entrepreneurial pathways. The use of semi-structured interviews in entrepreneurship research is well-documented, with prior studies

demonstrating their effectiveness in uncovering nuanced insights (Hickie, 2011; Blanchflower and Oswald, 2014; Karatas-Ozkan et al., 2014). Thus, semi-structured interviews strike an ideal balance between structure and adaptability, making them a robust method for gathering rich empirical data to explore the factors shaping entrepreneurial opportunities and pathways.

Three Rounds of Interviews

To gain a comprehensive understanding of participants' entrepreneurial pathways, this study conducted three rounds of semi-structured interviews between 2020 and 2024. Each round was carefully designed to address specific aspects of the research objectives:

The first round, conducted between December 2020 and February 2021, focused on gathering participants' background information and career status to ensure they had experienced hybrid entrepreneurship. This phase, averaging 1 hour 45 minutes per participant, categorised participants into persistent, transitory, and exit hybrid entrepreneurs based on their descriptions. It also identified subtle factors that might influence their pathway changes. At the time of these interviews, China was undergoing strict lockdowns due to the COVID-19 pandemic, which significantly shaped participants' experiences and career decisions.

The second round took place between November 2022 and January 2023, during a transitional period when COVID-19 restrictions in China were gradually being lifted, though the country had not yet fully reopened. Each interview lasted an average of 2 hours and 15 minutes. This round aimed to investigate the factors influencing participants' changes in entrepreneurial pathways over the preceding two years. Based on insights gathered during the first-round interviews—particularly regarding how participants articulated their motivations and decision-making processes—the researcher identified a need for a more structured conceptual lens to probe psychological underpinnings. Consequently, the Self-Efficacy (SE) and Entrepreneurial Self-Efficacy (ESE) frameworks were introduced to inform the design of interview questions in the second round.

Drawing on Bandura's (1997) ten sources of efficacy information (e.g., mastery experiences, vicarious learning, social persuasion), these theoretical constructs served not only as a guide for questioning but also as a way to interpret how individual and contextual factors shaped career transitions. In doing so, this round of interviews became more theoretically anchored while remaining exploratory in nature. These interviews aimed not only to explore how SE and ESE theory could structure inquiry, but also to interpret how the constructs—such as mastery experience or social persuasion—manifested within participants' narratives and interacted with their contextual realities to influence entrepreneurial decision-making.

The third round of interviews, conducted in December 2024, occurred in a post-COVID era when China's economy was experiencing a significant downturn. These interviews averaged 30 minutes per participant and revisited their career paths and both the SE and ESE sources, along with other emerging factors, to identify the primary drivers of participants' recent pathway changes. This round highlighted the challenges posed by the post-pandemic economic context, which affected participants to varying degrees.

The choice of semi-structured interviews was driven by the capacity of this method to address the study's exploratory goals. By combining open-ended questions with the flexibility to adapt based on participants' responses, semi-structured interviews facilitated an in-depth examination of the factors influencing entrepreneurial pathways. This method allowed for:

- Capturing rich, empirical data about participants' experiences across distinct contexts, including during COVID-19 lockdowns, the lifting of restrictions, and the post-pandemic economic downturn.
- Examining how SE and ESE sources interact with contextual and personal factors to shape career transitions.

- Identifying beyond-framework factors, such as cultural and familial influences, that extend existing theoretical models.

Semi-structured interviews thus provided the necessary methodological flexibility to explore hybrid entrepreneurship in depth while maintaining analytical consistency. Their ability to accommodate both structure and responsiveness enabled the researcher to pursue unexpected insights while remaining grounded in theoretical inquiry.

The effectiveness of this method is further supported by its widespread application in entrepreneurship research (Hickie, 2011; Blanchflower and Oswald, 2014; Karatas-Ozkan et al., 2014), where it has proven valuable for uncovering complex decision-making processes and context-specific entrepreneurial behaviour. In this study, the approach was instrumental in generating detailed participant narratives and in contributing to the refinement of existing theoretical models.

4.7 Data Selection

In qualitative research, the sampling process typically involves ensuring that the data collected from a select group can provide insights into the broader population, without employing statistical measures on every individual within that population. The use of a well-defined sampling technique for data collection is essential for achieving desired research outcomes (Palinkas et al., 2015). According to Punch (2013), the choice of sampling is significant as it not only determines whom to interview or which phenomena to explore but also dictates the selection of specific situations and procedures. However, Flick (2014) argued that in research, sampling reflects the context surrounding the research topic rather than attempting to generalize to the entire population from which the participants are drawn. Galletta and Cross (2013) further suggested that the participants selected through sampling should be those who are best suited to address the research objectives and contribute to the study's outcomes due to their diverse experiences.

Hair (2007) also revealed that sampling is the process of selecting sufficient components from a population which is in line with the research topic. Ghuari and Grønhaug (2010) indicated that the objective of sampling in qualitative research was to discern and elucidate notions from the data.

Before initiating the data collection process, the researcher utilised purposive sampling to establish criteria for selecting participants. These criteria (see Figure 4.1) were developed by drawing upon the researcher's understanding of the literature on hybrid entrepreneurship, which involved distinguishing the characteristics of different types of hybrid entrepreneurs. This was done to ensure alignment with the research objectives.

Figure 4.1: Criteria of Each Type of Hybrid Entrepreneur

Participants	Persistent Hybrid Entrepreneurs Participants			Hybrid Entrepreneurs				Exit Hybrid Entrepreneurs Participants			
	BJY	MXH	WY (F)	Criteria of THEs	LXP	SK	GYX (F)	Criteria of EHEs	LPY	LCS	DYQ (F)
no interest in transition (Viljamaa et al., 2017)	✓	✓	✓	fear of failure (Morgan and Sisk, 2014)	X	X	X	reduce risks and obtain profits (Cefis and Masili, 2011)	✓	✓	✓
additional income (Folta et al., 2010; Bögenhold and Klingmaier, 2014)	✓	✓	✓	entrepreneurial competency development (Morris et al., 2013)	✓	✓	✓	sale of intellectual property (Wennberg and De Tienne, 2014)	X	X	X
meet high housing and living costs (Atherton et al., 2016)	✓	X	X	perceived risk (Block and Landgraf, 2016)	✓	X	X	better career opportunities (e.g. high-income jobs, additional education, migration, or other prospects) (Bates, 2005)	✓	X	✓
married and had more children, a lower salary from primary job (Kimmel and Conway, 2001; Renna 2006)	✓	✓	✓	social capital (Van den Borm and Van Witteloostuijn, 2013)	✓	✓	✓	manage costs and sustain entrepreneurial endeavour (Atherton et al., 2016)	✓	✓	✓
non-monetary benefits (e.g. flexible, having time for independence and family commitments) (Mungaray and Ramirez-Uquidy 2011; Rantamäki-Lahtinen et al., 2018)	✓	✓	✓	financial reserves (Folta et al., 2010)	X	X	X				
high job position/job satisfaction (Thørgren et al., 2014)	✓	X	✓	self-efficacy (Barakat et al., 2014)	✓	✓	✓				
improve their lifestyle (Kritskaya et al., 2017)	✓	✓	X	relative importance of independence (Block and Landgraf, 2016)	X	X	✓				
higher income received from self-employment than paid employment (Folta et al., 2010)	✓	✓	✓	social recognition (Block and Landgraf, 2016)	✓	✓	✓				
invest adequate time to new business venture (Bürmeister-Lamp et al., 2012)	X	✓	✓	confident in capabilities (Viljamaa and Varamäki, 2015)	✓	✓	✓				
9	8 out of 9	7 out of 9	7 out of 9	9	6 out of 9	5 out of 9	6 out of 9	4	3 out of 4	2 out of 4	3 out of 4

Source: generated by the author

All respondents were purposefully sampled to represent one of three distinct categories: persistent hybrid entrepreneurs, transitory hybrid entrepreneurs, and exit hybrid entrepreneurs who had already returned to full-time employment at the time of the interviews. Given the relationship-driven nature of Chinese society,

four initial participants were identified through the researcher's existing personal and professional networks. To expand the sample, snowball sampling was subsequently employed. This involved asking initial participants to refer others who had also experienced hybrid entrepreneurship. Referrals were prioritised based on the potential to provide rich, experience-based insights, particularly those who had undergone significant transitions or had sustained entrepreneurial involvement over time (Patton, 1990). This strategy ensured access to individuals with first-hand, diverse perspectives on entrepreneurial pathway shifts, enabling a more nuanced understanding of the phenomenon under study.

4.8 Research Process

Qualitative data analysis is a process aimed at making sense of the collected data, ultimately leading to answers to the research objectives. As stated by Fossey et al. (2002), data analysis involves taking descriptive information and providing explanations or interpretations. However, Galletta and Cross (2013) assert that it is crucial for qualitative data analysis to be conducted in a systematic, structured, and transparent manner, especially given the common perception that qualitative research is less reliable compared to quantitative research. Data analysis in qualitative research encompasses various aspects and approaches, often practiced under different names and adapted to different contexts (Miles and Huberman, 1994). Moreover, the process of data collection, data analysis, and report writing in a qualitative study are often interrelated and they may happen simultaneously throughout the research process (Creswell, 2007). According to Braun and Clarke (2006), "Thematic analysis is a method for identifying, analysing and reporting patterns or themes within data. It minimally organizes and describes your data set in (rich) detail". The themes are either important or interesting and are determined by the researcher to be able to address the research questions (Maguire and Delahunt, 2017). Its flexibility of format allows the data to guide the research flow and helps the reflexivity of the research objectives (King, 2004). More importantly, it is suggested that thematic analysis is more compatible with interpretive philosophies and works well for exploratory phenomenal research

(Gill, 2014). Since the nature of this study is interpretive epistemology and the purpose of the research is to explore the phenomena of hybrid entrepreneurship, thematic analysis has been chosen.

There are many different ways to approach thematic analysis, while scholars differ in how they see the thematic analysis process and therefore, they conduct it in different phases. Table 4.1 shows the diversity in opinions about phases in thematic data analysis as follows;

Table 4.1: Diversity in Recommended Phases of Thematic Analysis in Literature

Author (s)	Phases recommended for thematic analysis
Boyatzis (1998)	1- Deciding on sampling and design issues
	2- Developing themes and a code
	3- Validating and using the code
Attride-Stirling (2001)	1- Code Material
	2- Identify Theme
	3- Construct Thematic Networks
	4- Describe and Explore Thematic Networks
	5- Summarise Thematic Networks Step
	6- Interpret Patterns
Braun and Clarke (2006)	1- Familiarizing yourself with your data
	2- Generating initial codes
	3- Searching for themes
	4- Reviewing themes
	5- Defining and naming themes
	6- Producing the report
King and Horrocks (2010)	1- Descriptive coding
	2- Interpretive coding
	3- Overarching themes

Source: generated by the author

Braun and Clarke's (2006) six-step framework is arguably the most influential approach providing a clear and usable phase for doing thematic analysis within the social science discipline (Maguire and Delahunt, 2017). It is actually an

iterative and reflective process rather than a linear process, which develops over time with a constant moving backwards and forwards between phases. On the other hand, King (2004) has developed a template analysis technique that is used for thematic analysis through a priori coding to search for template building. Given the appropriateness of self-efficacy theory in analysing the motivations of participants identified in the first-round interviews, the sources or factors of self-efficacy as outlined by Bandura (1997) are expected to be extended to contribute to the knowledge in this study. Therefore, as for the data analysis of the second-round interviews, this approach was employed by using the sources of self-efficacy (Mastery Experience, Social Modelling, Social Persuasion, and Physiological Feedback) as initial themes to guide the analysis. Additionally, in terms of the research design, the questions for the second-round interviews were also informed by these sources.

Integrating these different guidelines and taking recommendations from the mainstream qualitative research methods literature, this study refined Braun and Clarke's (2006) phases of thematic analysis and combined with King's (2004) template thematic technique, the actual phases of thematic analysis of this study has been generated are shown in Table 4.2 below. It also ensured the consistency of an interpretive philosophy and exploratory research design.

Table 4.2: Actual Phases of Thematic Analysis

Phase	Actual Phases of Thematic Analysis
1	Organizing interview recordings and familiarizing with the data
2	Coding and data collation
3	Mapping, evaluating and revising the themes
4	Interpreting and reporting

Source: generated by the author

4.8.1 Organising Interview Recordings and Familiarizing with the Data

It is widely argued that organising large volumes of raw qualitative data into a manageable structure is a crucial step in qualitative analysis, as it enables clarity, systematic reflection, and interpretive depth (Miles, Huberman, and Saldaña, 2019). The first phase of thematic analysis—data organisation—involves multiple preparatory steps, including the transcription of audio recordings and, where necessary, the translation of responses. Transcription software was initially employed to produce draft transcripts. However, in the interest of accuracy and contextual sensitivity, these transcripts were carefully reviewed while repeatedly returning to the original recordings. Where discrepancies or ambiguities were identified, amendments were made manually to ensure fidelity to the participants' intended meaning (Whittemore et al., 2001; Creswell, 2014). To support analytical coherence across multiple rounds of interviews, the researcher constructed individual timelines for each participant while listening to the recordings. These timelines not only facilitated the tracking of participants' career trajectories but also served as an anchor to identify connections between Phase 1,2 and Phase 3 interviews, thereby aligning empirical narratives with the overarching research framework. Special attention was given to ensuring participant anonymity throughout the data processing stage. All sensitive or potentially identifiable information—such as names, geographic locations, and institutional affiliations—was removed or anonymised to uphold ethical standards and protect the confidentiality of participants.

As part of the first phase of thematic analysis, basic participant information (e.g., gender, age, educational background) was tabulated into an internal matrix to assist cross-case referencing during later analytical stages. This approach, as recommended by Miles, Huberman and Saldaña (2019), aids in transforming raw qualitative data into structured formats that support cross-case comparison. It enabled the researcher to interpret participants' entrepreneurial trajectories in relation to demographic and contextual factors. Detailed participant information,

including the demographic matrix and individual timeline profiles, is presented in the next chapter to contextualise the sample and support the subsequent analysis of entrepreneurial pathways.

Familiarisation with the data occurred in parallel with transcription and translation. Following Silverman's (2005) recommendation, the researcher repeatedly listened to audio recordings while reviewing the transcripts, enabling immersion in the data and early recognition of themes. Data organisation and familiarisation thus developed iteratively during this phase.

4.8.2 Coding and Data Collation

In the second phase, the initial coding of the data takes place. NVivo data analysis software was used initially to help organise the data due to the substantive and complex nature of the data. But then I reverted to manual analysis.

As mentioned previously, King's (2004) thematic template technique was adopted here. "The essence of template analysis is that researcher produces a list of codes ('template') representing themes identified in their textual data" (King, 2004, p. 256). Thus, sources of self-efficacy and entrepreneurial self-efficacy was created as initial themes to explore relevant codes around them and to generate a template. This also aligns with King's (2004) statement on "template analysis normally starts with at least a few pre-defined codes which help guide analysis" (p. 259)

To correspond to the research framework for examining career pathways, three top-level codes, under the headings; (i) socio-cultural-institutional, (ii) industrial-organisational, and (iii) personal were created. Then a layer of sub-codes related to the factors that may affect participants' decision-making on their career choices which have been identified in the literature review were added. Thus, the coding is data-driven and relevant data excerpts were coded into brief descriptors of fewer words by reading of transcripts repeatedly (Boyatzis, 1998). These descriptors were later used to organise codes into more meaningful and

representative themes (Tuckett, 2005). A detailed coding matrix was also developed, containing the codes and relevant data excerpts in preparation for identifying themes afterwards (Appendix 4).

This phase also involves examining the codes and collating the coded data to identify potential themes (Nowell et al., 2017). As Braun and Clarke (2006) suggested there were no hard and fast rules to create a theme and it is meant to be characterised by its significance. The final template was then created to help group the themes.

During the coding process, it is important to emphasize that the findings reflect the opinions and ideas expressed by the participants rather than the researcher's interpretation or understanding. This approach underscores the concept of conformability, which is integral to ensuring trustworthiness in qualitative research. Conformability pertains to the extent to which a researcher acknowledges and addresses their own biases throughout the research process (Miles and Huberman, 1994). The researcher tried to minimise biases in the research process. However, it is acknowledged that due to certain constraints, there may have been steps taken to control the influence of biases that could potentially have limited the capture of rich information.

4.8.3 Mapping, Evaluating and Revising the Themes

Braun and Clarke (2006) proposed that naming and defining the theme serves as a revision process of the themes. Data should be reduced into a more manageable set of themes that summarize the text and it is important to identify, categorize and compare themes within the data (Attride-Stirling, 2001). The codes, developed earlier, were analysed several times to sense the underlying themes of choosing the entrepreneurial path. Then the themes were reviewed and modified, which involved deleting unnecessary codes as well as those overlapping with other codes (Oinas-Kukkonen, et al., 2019). This phase involves sense-checking the proposed themes against the dataset, to determine a relatively convincing narrative emerged from the data (Jelley, 2019). During this stage, the themes were

reviewed to establish a consistent pattern that makes sense. Themes were merged, combined, deleted, or renamed to refine them and enhance their coherence as shown in Appendix 4.

4.8.4 Thematic Interpretation and Reporting

This phase involves the interpretation and the reporting of the findings. It is important to interpret a logical progression in the data analysis section from data description and presentation and reference to existing literature (Patton, 1990; Frith and Gleeson, 2004). The thematic map in the earlier phase would help to interpret the findings and reveal how these findings inform the research framework. The findings, which encompass the extracted data, should aim to be concise, coherent, logically structured, non-repetitive, and ultimately provide compelling insights both within the study and across it (Braun and Clarke, 2006). These will be illustrate in the next chapter.

4.8.5 Reflexivity

The researcher acknowledges that it is challenging to eliminate biases in a research study. Reflexivity, however, serves as a means of creating awareness within the research process to mitigate the influence of prior experiences on the researcher's understanding of the data. It has helped maintain a professional approach throughout the research process. Reflexivity can be viewed as the researcher's systematic awareness at each stage of the research journey, as suggested by Lincoln and Guba (1985). The researcher believes that she effectively addressed the issue of reflexivity.

Ritchie et al. (2014) suggested that reflexivity is a deliberate process in research that allows the researcher to recognize how their experiences and interests may impact the research based on their philosophical positions. Galletta and Cross (2013) advocate for the importance of reflexivity in research to promote awareness, self-reflection, and the reduction of biases in raw data. Understanding the reflexivity process aided the researcher in minimizing biases and interpreting

insights from the data without undue influence from preconceived concepts or ideas. The researcher maintained awareness throughout the research process by referring to the literature without unduly impacting the data.

In terms of ensuring confirmability, the researcher has maintained and documented an audit trail throughout the research journey. This includes audio recordings, transcriptions, translations, communication with participants through WeChat and signed consent forms from participants. All data sources have been preserved as evidence.

4.9 Summary of the Chapter

In this chapter, the researcher's philosophical positioning—combining ontological and epistemological perspectives—has been thoroughly discussed to justify the methodological approach adopted for this study. The selection of qualitative methods, guided by an interpretivist lens and an abductive reasoning framework, reflects the need to explore the nuanced phenomenon of hybrid entrepreneurship within the Chinese context.

Key methodological choices, including the use of semi-structured interviews and thematic analysis, were detailed, with an emphasis on their alignment with the study's exploratory objectives. Ethical considerations and participant selection criteria were rigorously addressed to ensure the robustness and credibility of the research process.

This chapter concludes the methodological foundation of the study and sets the stage for the presentation of empirical findings. The next chapter provides participant profiles developed from the first round of interviews, illustrating individual entrepreneurial trajectories and initial motivations. These profiles serve as a conceptual bridge to the subsequent findings chapters, which analyse the second and third rounds of interviews, exploring the evolving dynamics between entrepreneurial self-efficacy and contextual influences within the hybrid entrepreneurship landscape in China.

Chapter 5: Participant Profiles

5.1 Introduction

Building on the methodological framework established in Chapter 4, this chapter presents detailed participant profiles developed from the first round of interviews. These profiles map the entrepreneurial journeys of the participants and explore their initial motivations for engaging in hybrid entrepreneurship.

The purpose of constructing these timelines is twofold. First, they provide rich contextual grounding to understand how personal, institutional, and socio-cultural factors shaped participants' early career pathways. Second, they serve as a conceptual bridge to the subsequent findings chapter, where more detailed thematic analysis of career transitions, motivations, and decision-making processes will be conducted based on data from the second and third rounds of interviews.

By illuminating the trajectories taken by persistent, transitory, and exit hybrid entrepreneurs, this chapter offers an empirical foundation for interpreting how self-efficacy, entrepreneurial self-efficacy and external influences interact to shape different career outcomes within the Chinese hybrid entrepreneurship context.

5.2 Details of Participants

The following section presents detailed background information on the participants, as well as timeline profiles that illustrate their hybrid entrepreneurial journeys. These timelines were generated from data collected during the Round 1 interviews, which focused on participants' professional histories, career decisions, and motivational shifts. The purpose of constructing these individual timelines was to contextualise the dynamics of entrepreneurial pathway changes over time and to provide empirical grounding for subsequent thematic analysis.

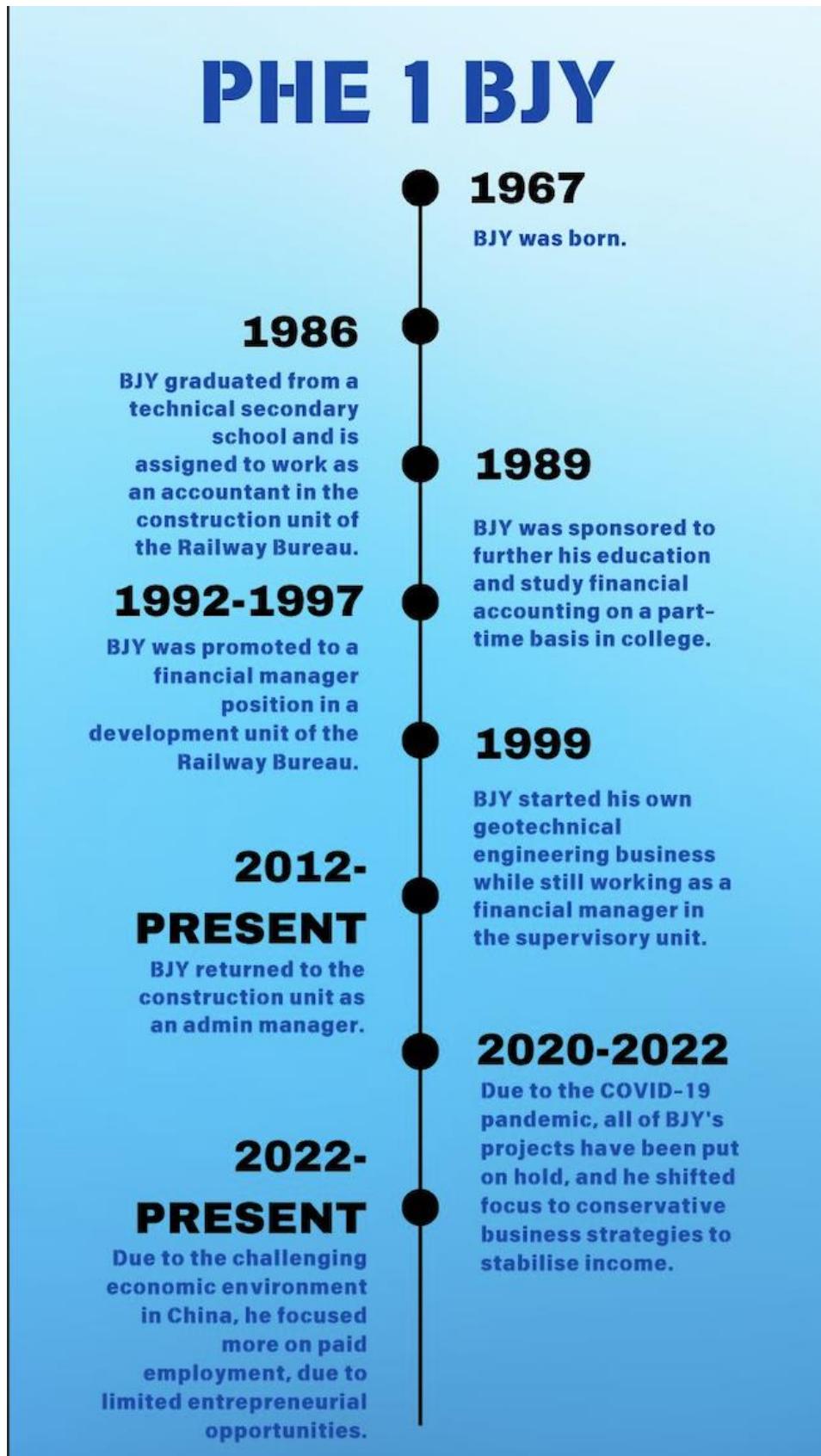
Table 5.1 provides a summary of key demographic and background information, offering an overview of the sample across the three participant categories.

Figure 5.1: Basic Information of Participants

	Persistent Hybrid Entrepreneurs			Hybrid Entrepreneurs Transitory Hybrid Entrepreneurs			Exit		
	BJY	MXH	WY	LXP	SK	GYX	LPY	LCS	DYQ
Year of born	1967(54)	1981(40)	1981(40)	1981(40)	1986(35)	1989(32)	1988(33)	1992(29)	1993(28)
Gender	Male	Male	Female	Male	Male	Female	Male	Male	Female
single/married	married	married	married	single	married	single	single	married	single
Education	college diploma	undergraduate	undergraduate	undergraduate	undergraduate	UK Master	undergraduate	undergraduate	undergraduate
past working experiences during uni	not reach 18 to work during college	none	none	part-time jobs (english tutor) during uni	part-time jobs & started own business (travel agency-franchising) during uni	started online business during uni	2 internships provided by the uni	part-time jobs in gym during uni	started own business (partnership) during uni, restaurant (failed)
Employment	admin manager (logistic)	Maths teaching (mainly for uni entrance examination)	banking (Manager assistant)	English teacher (junior high and senior high students)->admin	manager of commerce department in a travel agency	product manager for WeDoctor	bidding company	personal trainer in a gym	office lady
Own business (main)	Geotechnical engineering (construction)	Maths studio (mainly senior high school students)	refined oil	English studio(teaching mainly senior high school students)	Tourism (tour guide; tour groups/packages arrangement, Visa etc)	online healthcare project (system constrction)	online shopping	Training studio (trainer and project manager)	online business (imported cosmetics)
when founded	1998	2014	2009	2016	2015	07/2019-04/2020 (due to COVID excuse by the first party)	11/2014-07/2015	12/2017-06/2020 (due to COVID, have to close)	12/2016
other businesses	intermediary (several) to raise the capital	n/a	wheels; coal	branches this year	hotel booking, visa applying	n/a	street vendings in a night market	sponsored projects	2014-2015 restaurant(failed)
numbers of employees	5-long term, 200 max-short-term	ask accurate numbers later	ask accurate numbers later	20+ (will ask the accurate number later)	4 fixed employees	using contractors	self-employed	2 partners	1 partner; several staffs for ordinating, packaging, receipts

Source: generated by the author

5.2.1 Persistent Hybrid Entrepreneur 1 - BJY



Born in 1967 in rural northeast China, BJY's career reflects a consistent balance between stability and entrepreneurship. His decisions, shaped by the socioeconomic context of his time, demonstrate a cautious yet strategic approach to navigating opportunities in both paid employment and entrepreneurial ventures.

Career Development

BJY chose to attend a two-year technical secondary school instead of pursuing a university education after high school, a decision influenced by the state-assigned job system in China before 1996. This choice reflected his desire for career security and mastery in a specific field, such as accounting. He explained, *"Of course, past experience does have an impact because you must get familiar with the industry you want to engage in."*

In 1986, BJY began his career as an accountant in the construction unit of the Railway Bureau, a role assigned upon completing his education. To pursue advancement, he studied financial accounting part-time, earning a promotion to financial manager by 1992. Between 1992 and 1997, BJY managed a development company within the Railway Bureau, which allowed him to gain decision-making experience and a deeper understanding of financial operations. As he stated, *"I have been a financial manager across the construction enterprise, development/construction companies, and supervision companies for many years, which allowed me to know how to do a construction project, how to do it well, and how the quality control works respectively."*

From 1997 to 2012, BJY transitioned to a supervisory role overseeing project quality. During this period, he worked in various construction-related domains, including property development and bridge construction. His ability to analyse

and improve construction projects provided valuable insights into the industry, laying the foundation for his future entrepreneurial ventures.

Entrepreneurship in Geotechnical Engineering

In 1999, BJY established a micro-enterprise specializing in building and bridge foundations while retaining his role as a financial manager. He was drawn to geotechnical engineering due to its high profit margins, short production cycles, and significant entry barriers requiring professional qualifications. Reflecting on this decision, BJY remarked, *“My paid employment is within a state-owned enterprise giving me a sense of security and a satisfying income.”* This statement illustrates how financial security in paid employment allowed him to cautiously venture into entrepreneurship.

BJY leveraged his extensive work experience and knowledge of construction processes to build his business. His entrepreneurial activities were carefully managed to align with his low-risk tolerance. He noted, *“I only accepted projects that I was confident in handling,”* emphasising his preference for financial stability and quality control over aggressive expansion.

Hybrid Entrepreneurship and the Role of Personal Relationships

BJY’s entrepreneurial decisions were influenced by his observations of colleagues within the Railway Bureau. Social modelling played a subtle yet significant role in shaping his understanding of potential career paths. Additionally, his wife’s cautious advice provided critical support, shaping his approach to entrepreneurship. As BJY reflected, *“Seeking external opinions and considering them played a crucial role in my prudent approach to entrepreneurship.”*

Initially motivated by a desire to improve his standard of living, BJY’s focus later evolved to achieving financial independence. This transformation highlights the

interplay between personal goals and external influences in shaping his entrepreneurial decisions.

Economic Challenges and Adaptability

BJY's entrepreneurial ventures coincided with China's economic transformation in the 1990s, a period characterized by increasing self-employment and wealth-driven aspirations. He explained, *"The big social transformation during this time encouraged people to pursue entrepreneurship for financial independence."*

However, external challenges, such as the COVID-19 pandemic, significantly disrupted his business. All projects were suspended due to the economic downturn, prompting BJY to redirect his focus to his state-owned job. As of 2022, he expressed his intention to dissolve his business, citing prolonged economic difficulties and his approaching retirement age.

Key Factors Impacting Pathway Changes

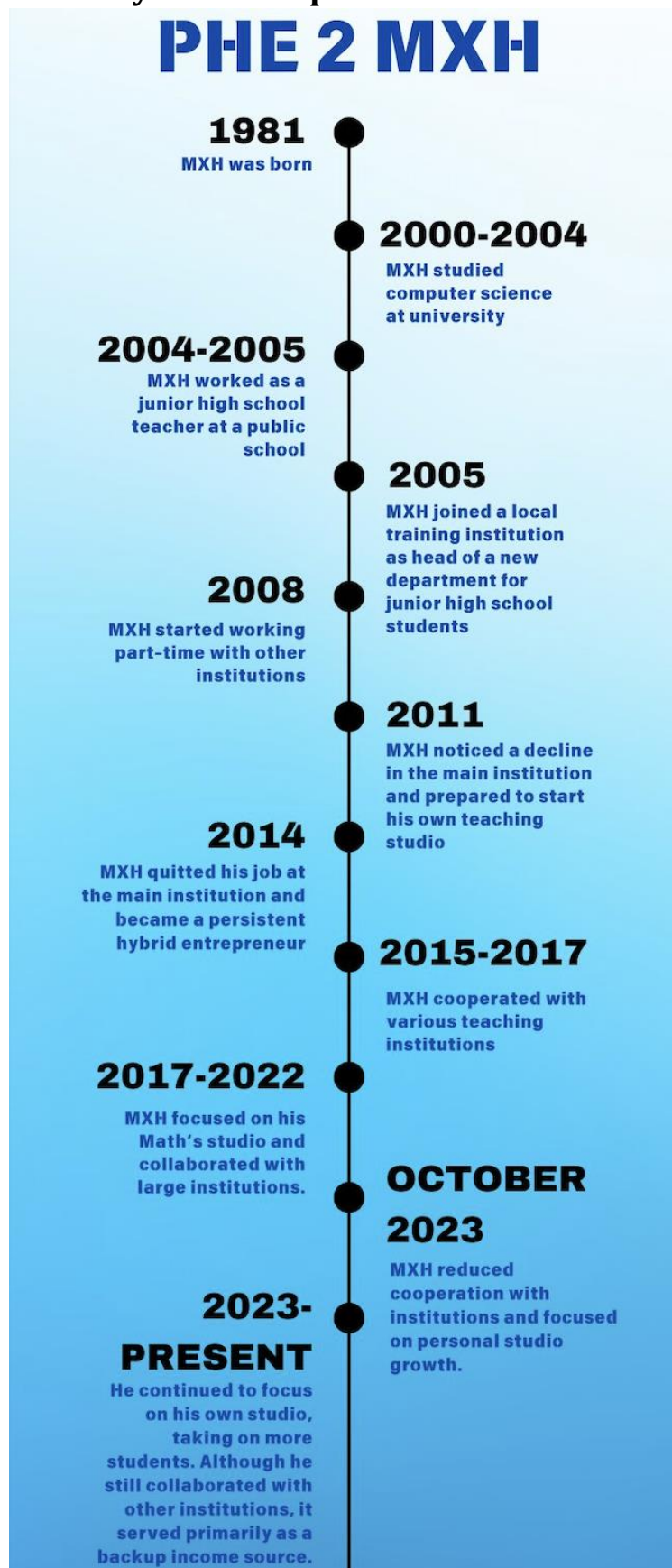
1. **Mastery Experiences:** BJY's extensive financial management and project supervision roles provided the confidence and expertise necessary for entrepreneurial success. He emphasised, *"My past experiences in the construction industry helped me build a strong foundation for my business."*
2. **Risk Aversion:** BJY retained his paid employment while managing his business, prioritizing financial security over high-risk ventures. His cautious nature was evident in his statement, *"I declined a high-risk, high-profit opportunity in 2005 to ensure financial stability."*
3. **Social Modelling and Persuasion:** Observing colleagues' career trajectories influenced BJY's understanding of entrepreneurial opportunities, while his wife's advice provided valuable guidance. He noted, *"Her insights kept me grounded and helped me make better decisions."*

4. Adaptability: BJY demonstrated resilience by shifting his focus back to paid employment during the pandemic. His flexibility in navigating external challenges highlights his pragmatic and adaptable mindset.

Summary

BJY's career trajectory exemplifies a careful balance between stable employment and entrepreneurial initiatives, shaped by his professional expertise, personal relationships, and adaptability to changing economic conditions. His ability to strategically manage risks and respond to external challenges has been a defining feature of his hybrid entrepreneurial journey. As of now, BJY plans to dissolve his business due to age and the ongoing economic uncertainties in China, prioritizing stability in the later stages of his career.

5.2.2 Persistent Hybrid Entrepreneur 2 – MXH



Born in 1981, MXH has built a diverse career combining paid employment and entrepreneurship in the education industry. His journey reflects mastery experiences, strong professional relationships (*guanxi*), a passion for teaching, and a cautious approach to risk management, all of which have sustained his persistence in hybrid entrepreneurship.

Early Career and Professional Growth

MXH began his educational journey in 2000, enrolling in a computer science undergraduate program and graduating in 2004. During this time, he gained valuable teaching experience by assisting peers with preparations for the Chinese National Higher Education Entrance Examination. He later remarked, *"These early experiences made me confident in my teaching abilities,"* highlighting the role of mastery experiences in shaping his career aspirations.

After graduating, MXH worked as a junior high school teacher at a public school from 2004 to 2005. However, a desire for greater autonomy led him to transition to a private training institution in 2005, based on a recommendation from a retired colleague. At this institution, he demonstrated entrepreneurial thinking by establishing a new department for junior high school students, expanding the institution's offerings. Reflecting on this period, he said, *"I enjoyed the opportunity to innovate and create something new, even within the boundaries of my employment."*

Transition to Hybrid Entrepreneurship

In the first-round interviews, MXH explained that he began teaching part-time for other institutions in 2008 while maintaining his full-time position. Although such arrangements were informally tolerated within the industry, he acknowledged the risks involved. As he stated:

“The main institution provided me with students, so there was uncertainty or insecurity if I were to become a full-time entrepreneur and lose those sources.”

This cautious approach to risk reflects his broader preference for balancing professional stability with entrepreneurial exploration. It also indicates that, even in the early stages of hybrid entrepreneurship, MXH was acutely aware of the structural dependencies that constrained full entrepreneurial transition—a theme that would later recur in subsequent phases of his career.

By 2011, MXH observed declining performance at his primary institution, which he attributed to its resistance to industry trends like smaller class sizes and personalized instruction. He explained, *“I found there was a decreasing tendency of the organization I worked for, whilst I have been building guanxi outside, which allowed me to have my own studio engaging in entrepreneurial activities naturally.”* This statement underscores the pivotal role of guanxi in his transition to entrepreneurship.

Leveraging his reputation, professional network, and accumulated experience, MXH established his own teaching studio in 2011. He developed a unique curriculum and authored a book tailored to the emerging demand for small classes and personalized instruction in Northeast China. Reflecting on this phase, he stated, *“Industry trends showed that students preferred small classes. I realized this was the direction to go, and I designed my studio around this need.”*

Persistent Hybrid Entrepreneurship

In 2014, MXH resigned from his full-time position to focus on his teaching studio while continuing part-time collaborations with other institutions. He remarked, *“I discovered my passion for teaching when there were only a few students. It was then that I felt a strong desire to teach, and I realized that I was afraid of losing those*

students." This passion for personalized instruction reflects his entrepreneurial commitment while maintaining a cautious approach to risk.

By 2015, word-of-mouth referrals and his reputation for quality teaching led to his busiest summer season, significantly increasing student numbers. However, he continued to manage his entrepreneurial activities cautiously, stating, *"I don't want to be in that fast-paced environment, so I keep my costs lower with lower risks. Once there are no students, it's time for me to think of the reasons behind that with no rush."*

Impact of Policy and Recent Developments

The Double Reduction Policy implemented in 2021, which restricted curriculum-based services offered by mass-tutoring companies, did not significantly impact MXH's studio. He explained, *"Since I never registered my studio as an educational institution, I was able to keep teaching small groups of students without disruptions."* This adaptability allowed him to avoid the challenges faced by larger institutions.

In October 2023, MXH further reduced collaborations with institutions to focus on expanding his studio. By prioritizing his independent business while maintaining minimal collaborations as supplementary income sources, he sustained a stable and adaptable entrepreneurial pathway.

Key Factors Impacting Pathway Changes

1. **Mastery Experiences:** MXH's teaching expertise and innovative curriculum design reflect the significance of mastery experiences in his entrepreneurial journey. He noted, *"These years of teaching have given me the confidence to handle any classroom situation and adapt to students' needs."*
2. **Networking and Guanxi:** Strong professional relationships helped him navigate challenges and build his reputation. He emphasized, *"Guanxi allowed me to connect with students and institutions, ensuring consistent demand for my services."*
3. **Risk Aversion:** His cautious approach to financial risk, driven by a preference for stability, shaped his decision to remain a hybrid entrepreneur. He explained, *"I didn't want to fully commit to entrepreneurship because of the uncertainty. Balancing both worlds works better for me."*
4. **Passion and Feedback:** His passion for teaching and the positive feedback from students reinforced his entrepreneurial persistence. He remarked, *"Seeing students return and excel was a constant reminder that I was on the right path."*
5. **Adaptability to Policy and Market Trends:** His ability to adjust to industry trends and policy changes highlights his strategic flexibility. *"The education industry is always changing, but focusing on small classes has been a stable niche for me,"* he explained.

Summary

MXH's career exemplifies the dynamic interplay of mastery experiences, guanxi, passion for teaching, and a low risk propensity, all of which align with self-efficacy and entrepreneurial self-efficacy theories. His cautious yet strategic approach to balancing stability and growth has allowed him to persist as a hybrid entrepreneur. As of 2023, he continues to prioritize his teaching studio while maintaining minimal collaborations with other institutions, ensuring a sustainable and adaptable entrepreneurial framework.

5.2.3 Persistent Hybrid Entrepreneur 3 – WY



Born in 1981, WY has built a career as a persistent hybrid entrepreneur while maintaining her position in the banking industry. Her entrepreneurial journey, focused on the diesel and petrol trade as well as other automobile-related businesses, reflects her strategic decision-making, adaptability, and ability to navigate complex market conditions.

Early Career and Transition to Hybrid Entrepreneurship

WY pursued a college education in computer and financial management from 2000 to 2002, equipping her with skills that proved instrumental in her entrepreneurial ventures. Her early career began with a series of roles secured through her father's guanxi network, reflecting the importance of familial support in navigating the job market in China. Despite stable employment, WY expressed dissatisfaction with repetitive and unchallenging work. She remarked, *"My job working in the bank was so easy that even a cleaner could do it. I really wanted to do something to realize my own value and to have control over my own time."*

This dissatisfaction with conventional employment drove WY to explore entrepreneurial opportunities in June 2008. Initially motivated by financial gain and the desire to improve her standard of living, she ventured into the refined oil industry after learning about its potential from experts at PetroChina and Sinopec. She spent months building guanxi with key industry leaders, leveraging these connections to co-found a business in the refined oil sector with a partner from Sinopec.

Entrepreneurial Ventures and Expansion

WY's entrepreneurial journey began as a middleman in the refined oil market, capitalizing on price differences to serve high-demand clients, such as sanitation vehicles. She explained, *"The communication process was essentially the same for all my projects—challenging without money and power, but I used my guanxi*

network to overcome these obstacles." This ability to leverage relationships was critical to securing her first project.

In December 2009, WY obtained a business license with the help of her cousin, who worked at the Bureau of Industry and Commerce. This marked a turning point in her entrepreneurial activities, allowing her to diversify her business. She noted, *"Obtaining the license was difficult, but it gave me the legitimacy to expand my operations."* Through strategic partnerships, WY delivered diesel to clients such as BMW group coaches and construction teams, further strengthening her market presence.

Over the years, WY diversified her portfolio, engaging in tire sales and managing contracts with rural petrol stations. By 2017, she had signed agreements with two additional petrol stations in Shenyang, resulting in increased profits and a broader customer base. Reflecting on her success, she stated, "Since my reputation has been built up gradually, more and more customers have asked me to send the petrol to them rather than through CNPC or Sinopec."

Adaptation to Market Changes and Recent Developments

The COVID-19 pandemic posed significant challenges to WY's business, with reduced diesel volumes and disrupted foreign payments. Despite these difficulties, she adapted by establishing a branch in Inner Mongolia to maintain operations and capitalizing on the exit of competitors from the industry. She explained, *"Many competitors left the market during the pandemic due to financial difficulties, and their customers came to me for diesel."*

In April 2020, WY secured an eight-year contract with the China Road and Bridge Corporation (CRBC), a major milestone in her entrepreneurial career. Although oil

volumes declined, she successfully increased her customer base, showcasing her resilience and ability to navigate industry challenges.

Key Factors Impacting Pathway Changes

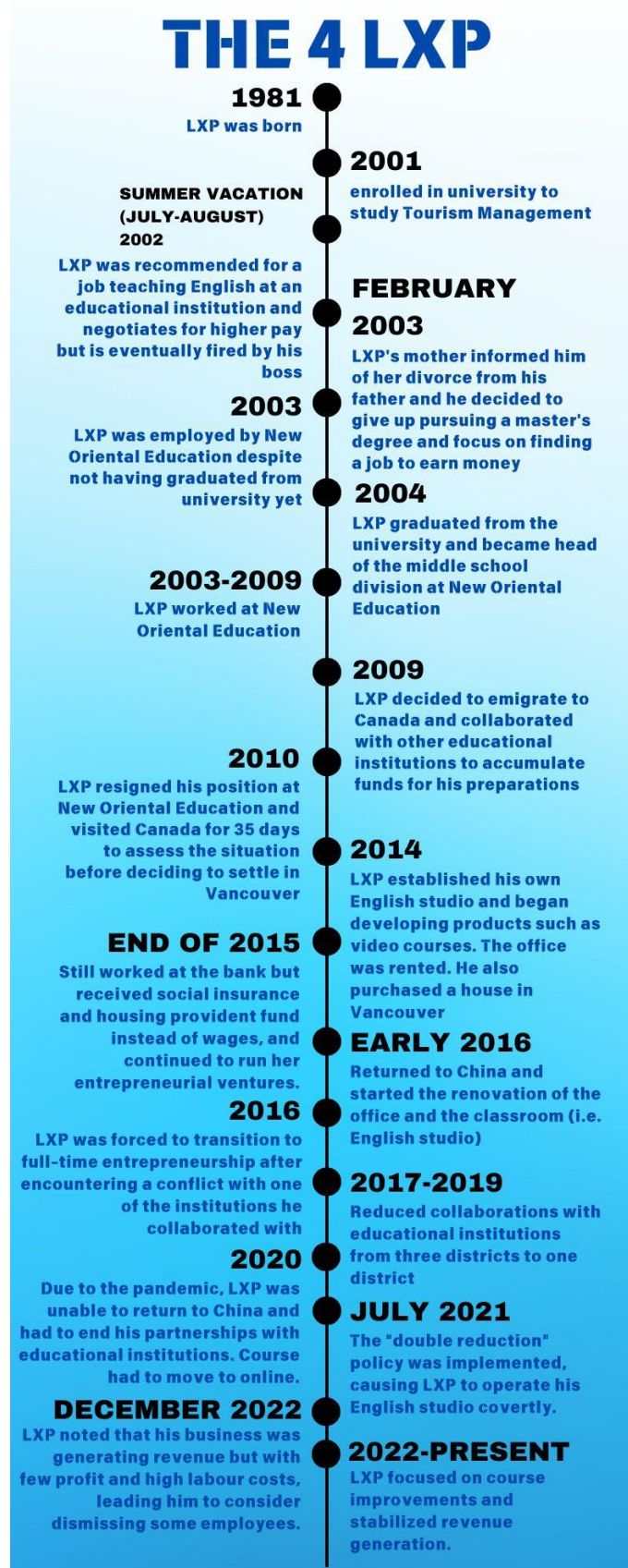
1. **Mastery Experiences:** WY's education in financial management and her early career experiences equipped her with the knowledge and confidence to manage complex business operations. She noted, *"My education gave me the tools to understand financial risks and avoid being taken advantage of by employees."*
2. **Networking and Guanxi:** WY's reliance on her guanxi network was pivotal in overcoming regulatory barriers and securing key clients. She emphasized, *"Without connections, it's almost impossible to communicate and succeed in the refined oil industry."*
3. **Risk Aversion and Stability:** Despite her entrepreneurial success, WY retained her salaried role for financial security. She explained, *"My dad thought women needed a relatively stable job, and that's why I stayed at the bank."*
4. **Adaptability:** WY demonstrated resilience and strategic foresight by diversifying her business and responding to market changes, such as entering the automotive parts sector during the pandemic.
5. **Feedback and Reputation:** Positive customer feedback reinforced her entrepreneurial persistence. She stated, *"The trust and loyalty of my customers gave me confidence to keep going, even during tough times."*

Summary

WY's career exemplifies a delicate balance between stability and entrepreneurship, showcasing her ability to adapt to market changes, leverage her guanxi network, and strategically manage risks. Her entrepreneurial journey, driven by a desire for financial independence and professional fulfilment, highlights the importance of mastery experiences, social connections, and

adaptability. As of 2023, WY continues to expand her personal ventures while retaining her bank position, ensuring a sustainable and flexible approach to hybrid entrepreneurship.

5.2.4 Transitory Hybrid Entrepreneur 4 – LXP



Born in 1981, LXP has built a career in the education industry, demonstrating a progression from hybrid entrepreneurship to full-time entrepreneurship. His pathway is marked by significant teaching expertise, adaptability, and strategic decision-making in overcoming conflicts and external challenges.

Educational Foundation and Early Teaching Experiences

In 2001, LXP enrolled in a Tourism Management program, a relatively new major at the time, with three personal goals: joining the student union, earning a scholarship, and securing a part-time job. By the winter vacation of 2002, he had achieved all three goals. Reflecting on his teaching aptitude, he remarked, *“I realized I was suitable for tutoring when I started teaching my younger sister maths and English during high school. My mother also encouraged me, saying I had a talent for teaching.”*

During the summer of 2002, LXP taught English at an educational institution. Despite his success, a dispute with his employer over pay rates taught him an early lesson about job security. As he recalled, *“Bosses always have contingency plans, and I didn’t want to risk my career by leaving a reputable institution without certainty.”* This experience later influenced his decision to stay with reputable institutions like New Oriental Education.

Career at New Oriental Education

In 2003, as president of his university’s student union, LXP leveraged his connections to secure a trial lesson at New Oriental Education. Despite competing against candidates with advanced degrees, he was selected due to his exceptional teaching ability. *“I was still an undergraduate at the time, but my trial lesson outperformed a candidate with a UK MBA and another with a Chinese master’s degree,”* he explained, highlighting his confidence and teaching acumen.

By 2004, LXP had been promoted to head of the middle school division, managing over 70% of the students. Reflecting on his success, he said, *“I was not just a teacher but a leader in shaping how middle school students were taught at New Oriental.”* His rapid rise and influence exemplify his mastery experience and its role in building his self-efficacy.

Transition to Hybrid Entrepreneurship

In 2009, LXP began collaborating with other educational institutions while preparing for immigration to Canada. His primary motivation was financial security. As he noted, *“Men in their 30s and 40s need more than academic qualifications; they need wealth, recognition, and the ability to contribute to society.”*

By 2010, LXP resigned from New Oriental Education but maintained collaborations with other institutions. He introduced profit-sharing agreements, noting, *“My English classes were so profitable that institutions willingly agreed to fixed payments for my time, even if they couldn't recruit enough students.”* This arrangement highlighted his ability to negotiate and adapt to new business models.

Founding His Own English Studio

In 2014, LXP founded his English studio, developing personalized courses and video content. His approach to course design reflected his deep understanding of his students' needs. *“I am the one most familiar with my students, and everything was customized by taking serious consideration again and again,”* he said. This commitment to innovation set him apart in the competitive education market.

Conflict and Transition to Full-Time Entrepreneurship

A significant turning point came in 2016 when a principal collaborator accused LXP of poaching students. This forced him to focus entirely on his studio. *“Since I*

had broken up with the institution, I decided to invest in my own studio instead,” he stated. This conflict, while challenging, marked his transition to full-time entrepreneurship and underscored his resilience.

Navigating the Pandemic and Policy Changes

The COVID-19 pandemic presented further challenges, forcing LXP to move his classes online. Despite reduced profitability, he maintained a high student retention rate. *“Only six students stopped studying with us during the pandemic, and the continuation rate was over 80%, compared to 30%-40% at other institutions,”* he shared, emphasizing his adaptability.

In 2021, the implementation of China’s Double Reduction Policy restricted after-school tutoring during holidays. To comply, LXP registered his branches as consulting companies to avoid scrutiny. He remarked, *“It’s not ideal, but it’s necessary to navigate these regulations while still providing value to my students.”* His ability to pivot under pressure reflects his entrepreneurial self-efficacy.

Key Factors Shaping LXP’s Entrepreneurial Pathway

1. Teaching Expertise and Curriculum Innovation: LXP’s teaching experience and personalized course design helped him stand out in the education market. *“My teaching mode is completely different from others because I can predict what people will focus on in three to five years,”* he noted.
2. Conflict as a Catalyst: The 2016 dispute with a collaborator pushed LXP toward full-time entrepreneurship. *“It was just the point where I had to start my own venture naturally,”* he explained, illustrating how external pressures shaped his career trajectory.
3. Adaptability to Market and Policy Changes: LXP’s response to the Double Reduction Policy and the pandemic demonstrated his resilience and strategic

thinking. *"The pandemic reduced profitability, but our commitment to quality ensured student retention,"* he stated.

4. Social Persuasion: Positive feedback from students reinforced his confidence. *"The continuation rate of students with us was over 80%, which gave me the assurance that I was doing the right thing,"* he said.

Summary

LXP's career reflects the interplay of mastery experiences, resilience, and strategic decision-making in navigating transitions and challenges. His teaching expertise, ability to adapt to disruptions, and willingness to take risks when necessary demonstrate his entrepreneurial self-efficacy. From his early days at New Oriental Education to establishing his own studio, LXP's journey showcases the factors that enabled his transition to full-time entrepreneurship while maintaining a focus on quality and innovation.

5.2.5 Transitory Hybrid Entrepreneur 5 – SK



Born in 1986, SK's career spans the tourism industry, where his transition from paid employment to full-time entrepreneurship has been marked by resilience, strategic decision-making, and personal motivation. His journey reflects the role of self-efficacy and entrepreneurial self-efficacy in navigating challenges and seizing opportunities.

Early Work Experience and Educational Background

In 2006, SK enrolled in a Tourism Management program, believing that earning an undergraduate degree would improve his job prospects. Coming from a modest family, he sought to alleviate his parents' financial burden by working a variety of part-time jobs throughout high school and university, including selling newspapers and books, tutoring, and marketing promotions. As he explained, *"I wanted to ease my parents' burden and earn my own tuition and living expenses."* These experiences not only built his work ethic but also strengthened his confidence in handling diverse responsibilities.

During the summer of 2007, SK began working as a tour guide. Recognising the scarcity of tour guides in the market, he proactively visited travel agencies to seek opportunities. Reflecting on this, he said, *"The threshold was not that high, but most people were reluctant to do the labour-intensive work. However, the pay was high, and I was more than willing to take the job."* His willingness to embrace challenging roles highlighted his determination and emotional resilience.

Early Entrepreneurial Ventures

In May 2008, SK and two friends launched a travel agency branch affiliated with a parent company. They targeted university students for short trips within the province and operated successfully during the peak travel season. However, he observed several limitations in the business model, such as its inability to scale beyond provincial trips and insufficient knowledge about domestic and

international markets. *"The knowledge I gained from textbooks wasn't enough for practical work, and I lacked the expertise to expand the business,"* he noted. These challenges prompted the closure of the branch in October 2008.

Professional Development and Recognition of Opportunities

In November 2009, SK began an internship at a well-known local travel agency, transitioning to full-time employment after graduation in 2010. He held various roles from independent traveller manager to visa manager, the latter being a position he acquired through self-study and mentorship from his predecessor. He stated, *"I taught myself how to apply for visas, like the South African visa, and I learned a lot from working with the previous manager."*

It was during this period that SK identified a niche opportunity in visa services. While others overlooked the low-profit margins in this market, SK saw potential for growth, particularly with the rise of vacation-style travel among younger generations. *"I realised that people wanted more customized travel experiences, and I could make a difference in the visa market,"* he explained. This insight laid the groundwork for his entrepreneurial aspirations.

Transition to Hybrid and Full-Time Entrepreneurship

In late 2015, SK purchased an office and registered two companies: one focusing on visa and translation services and the other as a travel agency. He began his business while still employed at the travel agency, marking the start of his hybrid entrepreneurship phase. Maintaining strong relationships with his previous employer was critical to his success. *"I had to maintain good relationships with the travel agency I worked for so they would refer individual or small cases to me,"* he said. This approach ensured a steady flow of clients.

In spring 2016, SK resigned from his job to focus on his business full-time. His motivation was deeply personal. *“I really wanted my family to get a more comfortable life improving their living standard,”* he shared. After a three-month transition period, he became a full-time entrepreneur, exemplifying the characteristics of a transitory hybrid entrepreneur.

Business Growth and Adaptation

By 2019, SK’s business had reached its peak, offering a wide range of services, including group tours, individual travel, visas, and business visas. He even diversified into hotel partnerships, helping list rooms on travel platforms and earning profits from price differences. Reflecting on his success, he said, “The resources I accumulated over the years gave me the confidence to run my business successfully.”

However, the COVID-19 pandemic in 2020 disrupted his operations, forcing him to close his office and move his business home. Despite financial challenges, SK demonstrated commitment to his employees, continuing to pay their salaries for several months. *“Even though business volume declined, I wanted to support my team as long as I could,”* he noted.

By December 2022, SK’s business had recovered to pre-pandemic off-season levels, with a shift in focus from tourist visas to business, study, and family visitor visas. With the lifting of COVID-19 restrictions, he regained his office space and resumed full operations.

Key Factors Shaping SK’s Entrepreneurial Decisions

1. **Mastery Experiences and Industry Expertise:** SK’s extensive experience in the tourism industry provided him with the confidence to launch and grow his

business. He emphasized, *"Past experience helped me understand the industry better and build my reputation, which brought more opportunities."*

2. Opportunity Recognition: SK's ability to identify a niche in visa services reflects his business acumen. *"While others ignored this market, I saw it as an opportunity to make a difference,"* he said.
3. Social Persuasion and Client Retention: Positive feedback from customers reinforced his belief in his abilities. *"Continuous customer referrals and feedback strengthened my confidence to keep going,"* he remarked.
4. Emotional Resilience: SK's perseverance through challenging circumstances, such as labour-intensive jobs and the pandemic, underscores his resilience. He noted, *"I learned early on that hard work and determination can help overcome any obstacle."*
5. Personal Motivation: His desire to improve his family's living standards was a driving force behind his entrepreneurial journey. *"I wanted my family to have a better life, and starting my own business was the best way to achieve that,"* he explained.

Summary

SK's entrepreneurial journey highlights the interplay of mastery experiences, resilience, and opportunity recognition in shaping his career transitions. His ability to leverage industry expertise, adapt to market trends, and maintain strong professional relationships facilitated his shift from hybrid to full-time entrepreneurship. Despite challenges like the COVID-19 pandemic, SK's commitment to improving his family's quality of life and his resilient mindset have sustained his success, making him a model of transitory hybrid entrepreneurship.

5.2.6 Transitory Hybrid Entrepreneur 6 - GYX



Born in 1989, GYX's career journey reflects her dynamic adaptability, entrepreneurial resilience, and willingness to pursue opportunities across various industries. From early ventures in e-commerce to side businesses in aroma healing and astrological chart interpretation, her path illustrates how self-efficacy and entrepreneurial self-efficacy factors have shaped her transition to transitory hybrid entrepreneurship.

Early Entrepreneurial Ventures

At just 18 years old in 2008, GYX launched her first entrepreneurial venture by capitalizing on the rapid rise of online shopping in China. Leveraging information asymmetry in the market, she registered an online store and worked as an intermediary, identifying profitable margins. Reflecting on this early experience, she said, *"The profit margins were attractive, and it gave me a taste of what it's like to operate a business and explore opportunities."* However, due to academic pressures and the need to focus on her college studies in Accounting and Auditing, she phased out the business in December 2009.

Career Development and Transition to Entrepreneurship

After graduation, GYX began working as a customer service representative at Volkswagen in 2010. However, dissatisfaction with the limited career progression opportunities led her to travel and later pursue a master's degree in the UK. Initially enrolled in Accounting and Finance Management, she switched to International Management in 2015, a decision that broadened her academic and professional outlook. Reflecting on this phase, she noted, *"The transition to International Management gave me the opportunity to explore practical applications of business theories, like Porter's Five Forces, which I later applied in my roles."*

In April 2015, she joined TCL (Shenzhen) as part of the operational department in online financing. During her tenure, she discovered her interest in the production department. However, she faced challenges with her line manager, which significantly impacted her confidence. She shared, *“I was always excluded from team meetings, and my line manager assigned me tasks at a senior product manager level in a very difficult manner. This left me constantly second-guessing my abilities.”*

Due to the lack of opportunities in the production department, she resigned from TCL in January 2017 and joined WE DOCTOR in Hangzhou as a product operator. Overcoming initial setbacks, including a downgrade in her title to Assistant Product Manager, she managed to secure a promotion to Product Manager in 2018 after completing the ZHONG REN BANG crowdfunding campaign. Despite her success, she disliked the networking demands of her role. As she explained, *“Interacting with so many departments daily—operations, finance, customer service, marketing, technical teams—was exhausting. I wanted to focus on something more independent and fulfilling.”*

The Start of Hybrid Entrepreneurship

In June 2019, GYX quit her job at WE DOCTOR to pursue her entrepreneurial aspirations. She identified an opportunity within the medical industry, leveraging her previous experience and guanxi (personal connections). Reflecting on this transition, she said, *“My past industry experiences with regards to the network allowed me to recognize opportunities easier than other nascent entrepreneurs. These experiences also helped me show my ability to accomplish the project with my partner.”*

Her partner, introduced through her parents' social network, was instrumental in offering her projects. As she recounted, *“I met my partner at a dinner party, and we happened to discuss the project I was working on. He was impressed by my*

capabilities and asked me to collaborate on another project.” This underscores the importance of guanxi in fostering entrepreneurial opportunities.

However, in April 2020, during the project’s bid process, conflicts emerged, leading to her project plan being stolen by a third party. Although her competitor’s plan was weak, their powerful guanxi connections led to her removal from the project. This setback highlighted the challenges of navigating guanxi-dominated environments in China.

Freelance Work and Diversification

In May 2021, her former partner rehired her as a contractor to assist with scaling up the system after it crashed. Upon completing this project, GYX diversified her activities, combining stock trading, investments in carbon neutrality, and side businesses. Discussing her success in stock trading, she said, *“I was meticulous in analysing trends, and that helped me perform well in 2021.”*

In September 2021, she launched an astrological chart interpretation service, emphasizing that clients were encouraged to donate to stray animal shelters instead of paying her directly. This altruistic approach reflects her intrinsic motivation to explore ventures aligned with her personal interests.

Her interest in aroma healing began in late 2021, and by October 2022, she was selling handcrafted aroma products in her friend’s store. She noted, *“I wanted to turn something I was passionate about into a side business that could bring additional income.”*

Recent Developments

GYX worked briefly as a product manager for a medical start-up from March to June 2022 but resigned due to dissatisfaction with the CEO’s management style.

She also briefly joined a public institution through her parents' guanxi in August 2022 but left after a month due to inefficiency and office politics. Reflecting on these experiences, she shared, *"Once I have engaged in entrepreneurial activities, I could not return to a paid employment status under an office environment. My outlook has changed a lot."*

By early 2021, she had deactivated her job search accounts, fully committing to freelance work and her side businesses. Looking ahead, she expressed aspirations to start new ventures, such as a bakery, in the next 3–5 years.

Key Factors Shaping GYX's Entrepreneurial Decisions

1. **Mastery Experiences and Industry Knowledge:** GYX's previous roles in the medical and production sectors built her confidence in identifying opportunities and executing projects. She remarked, *"My past experiences allowed me to understand the industry and gain trust from my partners."*
2. **Role Models and Mentorship:** Her father's guidance played a crucial role in shaping her entrepreneurial mindset. She noted, *"My father provided advice on traditional concepts like bidding and navigating challenges, which helped me make informed decisions."*
3. **Guanxi and Networking:** Personal connections were integral to her entrepreneurial journey. Reflecting on her first project, she said, *"Meeting my partner through my parents' network opened doors I wouldn't have accessed otherwise."*
4. **Resilience and Adaptability:** Despite setbacks, such as losing a project to competitors with stronger guanxi, GYX demonstrated emotional resilience by pivoting to freelance work and niche ventures.
5. **Intrinsic Motivation:** Her ventures into aroma healing and astrological chart interpretation reflect her passion-driven approach to entrepreneurship.

“These side businesses are not just about income but also about exploring areas I’m genuinely interested in,” she explained.

Summary

GYX’s career trajectory highlights her adaptability, mastery of industry knowledge, and reliance on guanxi to navigate China’s entrepreneurial landscape. Her entrepreneurial journey, marked by resilience and a willingness to explore new opportunities, underscores the dynamic interplay between self-efficacy and entrepreneurial self-efficacy. As a transitory hybrid entrepreneur, she continues to pursue diverse ventures while avoiding a return to traditional employment, demonstrating her commitment to flexibility and innovation in her career.

5.2.7 Exit Hybrid Entrepreneur 7 – LPY



Born in 1988, LPY's professional journey reflects a transition from hybrid entrepreneurship to full-time employment, shaped by his experiences in the financial sector and the challenges of managing entrepreneurial ventures during economic uncertainty.

Between 2007 and 2011, LPY pursued a Bachelor's degree in Finance. During his final year, he completed two internships: one at a bank from September to December 2010 and another at a securities company from March to June 2011. These internships exposed him to the structure and operations of China's financial industry, which he described as *"mainly composed of banking, securities, and insurance sectors."* Reflecting on these experiences, LPY remarked, *"I felt confident stepping into the financial world because I already had some exposure to its core areas during my university days."*

In September 2011, shortly after graduating, LPY began working as a sales manager at an insurance company. However, the high-pressure nature of the role, which required extensive customer visits and cold calls, took a toll on his confidence. He admitted, *"I dreaded the constant rejections and the relentless pressure to meet targets."* By July 2012, he transitioned to an accounting role at a catering company, seeking greater stability and alignment with his academic training.

Progression in the Financial Sector

From May 2014 to May 2017, LPY worked at a tax accounting firm, where he honed his professional skills and built an extensive guanxi (network). These relationships proved instrumental in securing his next role as an accountant at a bidding company, where he worked from May 2017 until November 2021. Reflecting on his time at the tax accounting firm, he noted, *"I realised the*

importance of guanxi in navigating career opportunities. The connections I built there opened doors I might not have found on my own."

Entrepreneurial Ventures

In November 2014, while employed at the tax accounting firm, LPY started an online business selling costumes and toys. Motivated by fluctuating income in his auditing roles, he sought to diversify his earnings. *"Auditing income was unpredictable,"* he explained. "During busy seasons, it was great, but downturns hit hard. I wanted a safety net."

However, the online business faced several challenges, including supply chain inefficiencies, poor time management, and negative customer feedback. These issues resulted in delays and dissatisfied customers, leading to low ratings. *"The mind cannot be in two places at once,"* he reflected, acknowledging the difficulty of balancing a demanding full-time job with entrepreneurial responsibilities. By July 2015, the business had closed.

In the summer of 2020, during the COVID-19 pandemic, LPY and a friend opened a grilled chicken feet stall at a night market. Inspired by the government's promotion of the street vending economy, the venture aimed to offset pandemic-related income losses. However, high rental costs and intellectual property concerns hindered profitability. He observed, "In China, creative business ideas are easily copied. We couldn't stand out in a saturated market, and our profit margins were eaten up by stall rents."

Post-Entrepreneurship Employment

Following the closure of his entrepreneurial ventures, LPY focused on full-time accounting roles. In November 2021, he joined a mechanical manufacturing factory, seeking hands-on experience in operational accounting. *"I wanted to*

understand the full scope of a company's operations," he explained. However, the economic downturn during the pandemic prompted another job change in April 2022, and by August 2023, he joined a smaller firm specializing in financial planning.

Reflecting on his decision to return to full-time employment, he noted, *"Entrepreneurship taught me a lot, but the risks were too high in the current economic climate. Stability became a priority."*

Key Determinants of Exit from Hybrid Entrepreneurship

1. Professional Expertise and Industry Knowledge: While LPY's financial training provided confidence in accounting roles, his lack of expertise in online retail and street vending ventures posed significant challenges. He admitted, *"I underestimated the complexities of managing a business in unfamiliar industries."*
2. Customer Feedback and Management: Negative reviews from his online business highlighted his struggles to meet customer expectations while balancing full-time employment. "The feedback was a wake-up call—I couldn't dedicate the time needed to ensure customer satisfaction," he acknowledged.
3. Stress and Emotional Well-Being: The pressure of managing multiple responsibilities led to frustration and anxiety. He remarked, *"Balancing my job and the business left me stretched thin. I felt like I was failing on both fronts."*
4. Economic Environment: The pandemic exacerbated financial challenges, limiting profitability and increasing operational risks. He noted, *"The instability of the economy made entrepreneurship even more daunting. It was hard to justify taking those risks."*

Summary

LPY's career highlights the complexities of hybrid entrepreneurship, especially when paired with full-time employment in a volatile economic environment. His entrepreneurial ventures, though short-lived, provided valuable insights into the challenges of time management, customer service, and risk assessment.

By focusing on his accounting career, LPY has prioritised stability and professional growth, leveraging the lessons learned from his entrepreneurial experiences. As he explained, "Entrepreneurship showed me what I needed to work on, but the current climate isn't right for me to try again." His journey underscores the importance of adaptability and resilience in navigating career decisions, particularly during challenging economic times..

5.2.8 Exit Hybrid Entrepreneur 8 – LCS



Born in 1992, LCS developed a strong interest in fitness and entrepreneurship early in life. His junior high school PE teacher encouraged him, saying, *“Becoming a personal trainer could lead to a profitable and fulfilling career.”* This, coupled with the influence of a cousin who was a successful entrepreneur, inspired LCS to pursue a career that combined his athletic talents with business aspirations. “Watching my cousin succeed gave me a sense of what was possible,” he reflected.

Educational Background and Career Beginnings

In 2012, LCS enrolled in a sports university in Jinzhou, Liaoning Province, where he aimed to build a career in fitness. His natural athletic abilities and teaching aptitude further reinforced his confidence. By 2013, as a university sophomore, he began working as a personal trainer, which helped him overcome initial challenges, such as shyness in engaging with clients. *“I remember being too nervous to approach female clients, but over time, I learned how to connect with people and meet their needs,”* he said.

In 2014, LCS moved to a gym offering higher pay and better proximity to his home. The gym owner’s ambition to build a strong team gave LCS insights into management and operations. *“Although I wasn’t a shareholder, I learned the importance of creating a community within a gym,”* he noted. By the time he graduated in 2016, LCS had a clear vision of owning his gym.

Transition to Hybrid Entrepreneurship

After graduation, LCS faced financial pressure from his family, which led him to accept a management role at a gym in Shenzhen. *“It wasn’t my first choice, but Shenzhen offered more opportunities, and I needed the income,”* he explained. However, his entrepreneurial ambitions prompted his return to Shenyang in June 2017, where he initially explored launching a healthy meal catering business. This

venture was abandoned due to market challenges, and LCS resumed work as a personal trainer in August 2017.

By December 2017, LCS entered hybrid entrepreneurship, preparing to launch his fitness studio while retaining his job. He identified opportunities such as teenage training camps and corporate Boot Camps, observing that these trends were emerging in larger cities like Shanghai. *“I saw the demand for these programs and realized that Shenyang was ready for something similar,”* he said.

In March 2018, LCS opened his fitness studio, transitioning to full-time entrepreneurship. The studio specialized in customized training programs and collaborations with corporations on employee health initiatives.

Impact of COVID-19 and Exit from Entrepreneurship

The COVID-19 pandemic in January 2020 forced LCS’s studio to temporarily close, resulting in severe financial strain. *“The debt piled up quickly, and investors were unwilling to support during such uncertain times,”* he recalled. The pandemic also disrupted his corporate partnerships, leading to further revenue loss. Differences with his business partner, who prioritized stability over growth, compounded the challenges, ultimately forcing LCS to sell his studio in June 2020.

Despite these setbacks, LCS maintained relationships with investors, one of whom assured him, *“When the situation stabilizes, we’ll be ready to back your next venture.”* This promise motivated LCS to remain optimistic about future opportunities.

Between June and December 2020, LCS earned additional fitness qualifications to enhance his employability. While he briefly worked at a corporate gym in Shanghai, he left after two weeks, stating, *“It didn’t align with my vision. I needed a role that allowed me to pursue my long-term goals.”*

Return to Hybrid and Full-Time Entrepreneurship

In December 2022, LCS re-entered hybrid entrepreneurship, managing a company in Shenyang that offered corporate fitness services. This venture provided supplemental income, but LCS remained focused on opportunities in Shanghai, where the fitness industry was more developed.

By April 2023, LCS left his salaried job to open a fitness studio in Shanghai, delegating management to professional teams. In July 2023, he expanded his business portfolio by launching a weight loss training camp in Chengdu, marking his return to full-time entrepreneurship. Reflecting on these ventures, LCS stated, *“This time, I aimed for sustainability by building a team I could trust.”*

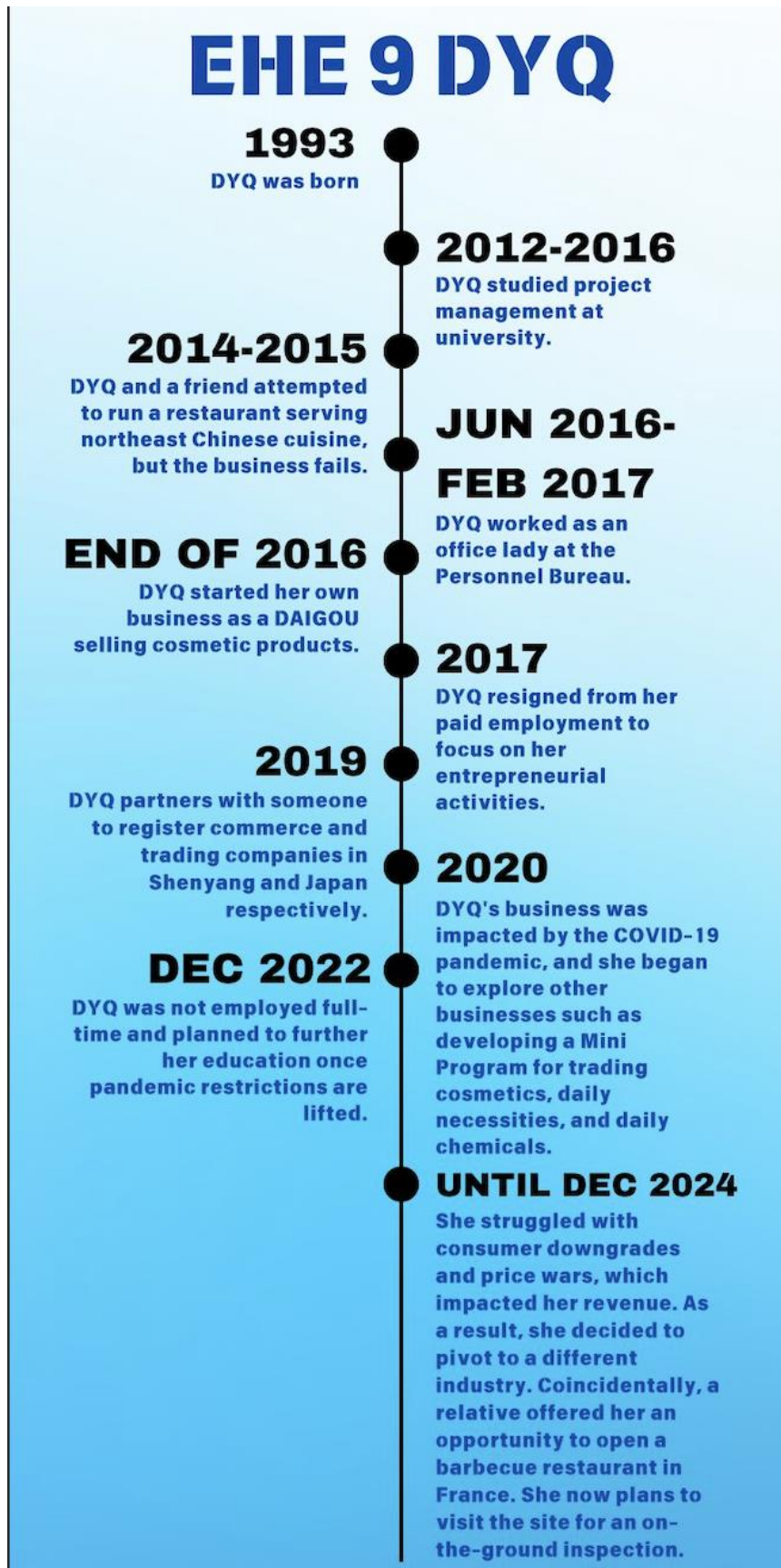
Key Determinants of LCS’s Entrepreneurial Journey

1. Social Modeling and Mentorship: LCS was deeply influenced by his PE teacher and entrepreneurial cousin, whose guidance provided a vision for his career. *“Their success inspired me to believe that I could achieve the same,”* he said.
2. External Challenges: The COVID-19 pandemic disrupted LCS’s operations, forcing the sale of his studio and a temporary return to full-time employment. This highlights the vulnerabilities entrepreneurs face in volatile environments.
3. Adaptability and Resilience: LCS demonstrated resilience by obtaining additional qualifications, maintaining investor relationships, and eventually returning to entrepreneurship. *“I knew the challenges were temporary and kept looking for ways to rebuild,”* he remarked.
4. Emotional and Physiological States: The stress of financial strain and operational challenges during the pandemic tested LCS’s emotional resilience. *“There were days when I thought about giving up, but I reminded myself of why I started,”* he shared.

Summary

LCS's career journey showcases his ability to navigate challenges, leverage industry expertise, and build strong professional relationships. His transitions between hybrid entrepreneurship, full-time employment, and full-time entrepreneurship reflect his resilience and strategic thinking. By 2023, LCS had re-established himself as a successful entrepreneur in the fitness industry, operating a fitness studio in Shanghai and a weight loss training camp in Chengdu. His story underscores the importance of adaptability, mentorship, and perseverance in overcoming adversity and achieving entrepreneurial success.

5.2.9 Exit Hybrid Entrepreneur 9 – DYQ



Born in 1993, DYQ transitioned from hybrid entrepreneurship in the cosmetics industry to exploring new opportunities due to challenges such as the COVID-19 pandemic and evolving economic pressures. Her entrepreneurial path highlights the influence of family role models, resilience, and the ability to adapt to market demands.

Between 2012 and 2016, DYQ pursued a degree in Project Management at university. While her academic background was not directly relevant to her business ventures, the *guanxi* (connections) she developed during her studies played a crucial role in supporting her entrepreneurial efforts. For instance, her English teacher helped her register a company overseas, which later became significant in her cosmetics business.

In 2014, DYQ co-founded a Northeast Chinese cuisine restaurant with a friend while at university. However, the business failed within a year due to financial losses and a lack of returning customers. Reflecting on this experience, DYQ remarked, *“I realised the importance of thorough market research and planning—this was a costly lesson that shaped my future approach to business.”*

Transition to Hybrid Entrepreneurship

In June 2016, DYQ started working as an office assistant at the Personnel Bureau, a position arranged through her parents' *guanxi*. While the stable hours and job security appealed to her family, DYQ found the work monotonous and the salary insufficient. Inspired by her parents, who had been hybrid entrepreneurs until their retirement, she launched a cosmetics business later that year.

As a *daigou* (purchasing agent), DYQ sourced international cosmetic products and marketed them through WeChat. She created personalized engagement strategies, such as inviting customers into group chats and tailoring product

recommendations. By 2019, she had built a loyal customer base of 500, attributing her success to “a genuine interest in cosmetics and a commitment to understanding what my customers really wanted.”

By 2017, the growing demands of her business led DYQ to resign from her government job, transitioning into transitory hybrid entrepreneurship. Her parents were initially opposed, emphasizing the value of stability. However, DYQ persevered, leveraging her guanxi network to expand her operations. “My parents were hesitant at first,” she explained, *“but I knew that pursuing my passion in cosmetics had more potential than staying in a role I didn’t enjoy.”*

Challenges and Adaptations During the COVID-19 Pandemic

The COVID-19 pandemic posed significant challenges for DYQ’s cosmetics business. With restrictions on international imports and declining purchasing power, she had to diversify her offerings. She began sourcing domestic products and introduced seasonal items to sustain revenue. For example, DYQ capitalized on festive occasions like Valentine’s Day to drive sales. “Selling seasonal products during tough times helped me maintain some level of stability,” she said.

Despite these adaptations, logistical costs increased, and consumer spending decreased, leading to fatigue and frustration. By 2021, DYQ considered exiting entrepreneurship and accepting a stable position at a central enterprise arranged through her parents’ guanxi. However, after weighing her options, she declined the offer, explaining, *“The salary was far lower than what I could earn through my business, even during its slow periods.”* This period marked her as an exit hybrid entrepreneur, reflecting the significant toll the pandemic had taken on her operations.

Exploration of New Ventures

By December 2022, DYQ had pivoted to new business opportunities, focusing on a Mini Programme for trading not only cosmetics but also daily necessities and chemicals. The platform allowed her to act as a middleman, profiting from price differences while utilising her established customer base. *“I selected products that had proven popular in the past and worked with manufacturers to streamline the process,”* she noted.

In 2024, amid ongoing challenges like price wars and declining consumer spending, DYQ began exploring a new industry. A relative suggested opening a barbecue restaurant in France, sparking her interest. *“I plan to inspect the location and market before committing,”* she shared, demonstrating her cautious approach to this potential venture.

Key Factors Shaping DYQ’s Entrepreneurial Decisions

1. **Family Influence and Role Models:** DYQ’s parents, both experienced hybrid entrepreneurs, inspired her entrepreneurial ambitions and guided her decision-making. *“Their ability to navigate multiple ventures gave me the confidence to pursue my goals,”* she stated.
2. **Market Adaptation:** During the pandemic, DYQ diversified her product offerings and adapted her business model by developing the Mini Programme, showcasing her ability to respond to external challenges.
3. **Resilience and Determination:** Despite logistical hurdles and reduced consumer spending, DYQ maintained her business operations and explored new opportunities, such as international markets.
4. **Networking (Guanxi):** DYQ’s reliance on guanxi was critical to her success, from securing early resources to collaborating with partners. *“The connections I built during university and through my family were invaluable in navigating challenges,”* she emphasised.

Summary

DYQ's entrepreneurial journey began in 2016 when she launched a cosmetics business alongside her government job, transitioning to transitory hybrid entrepreneurship in 2017. The COVID-19 pandemic disrupted her operations, prompting diversification efforts and a brief consideration of exiting the industry. However, DYQ continued to explore new ventures, including a trading platform and potential international opportunities, such as a restaurant in France.

Her career underscores the importance of family role models, resilience, and guanxi in navigating entrepreneurial challenges. While economic pressures and market changes have shaped her decisions, DYQ remains committed to pursuing innovative opportunities and building on her entrepreneurial spirit.

5.3 Summary of Participants

The entrepreneurial pathways of the nine participants—as understood through data collected during the first-round interviews—illustrate how diverse personal, contextual, and structural factors influenced their career transitions, challenges, and decisions. These trajectories closely align with theories of self-efficacy (SE) and entrepreneurial self-efficacy (ESE), particularly in relation to how individuals navigate uncertainty, leverage prior experiences, and respond to institutional or environmental constraints. Categorised into three types—persistent, transitory, and exit hybrid entrepreneurs—these pathways underscore the salience of key efficacy sources, including mastery experiences, social modelling, emotional resilience, and adaptive responses to external disruptions.

Table 5.2 summaries the key factors impacting pathway changes and how these factors relate to the sources of self-efficacy and entrepreneurial self-efficacy.

Table 5.2 Key Factors Impacting Pathway Changes

Entrepreneur	Key Factors Impacting Pathway Changes	Relationship to Framework
PHE1 (BJY)	- Mastery in financial management and construction enabled entry into geotechnical engineering. - Risk aversion shaped cautious decision-making (e.g., retaining salaried employment). - Family influence emphasized balancing entrepreneurship with stability.	- Aligns with Mastery Experiences, providing the confidence to pursue entrepreneurship without risking stability. - Reflects Risk Aversion as a defining characteristic. - Family influence aligns with Social Support.
PHE2 (MXH)	- Long-term educational management expertise supported innovative	- Demonstrates reliance on Mastery Experiences and Opportunity Recognition.

	teaching models. - Strategic risk minimization (testing entrepreneurial ideas before full commitment). - Adapted to regulatory changes (e.g., Double Reduction Policy).	- Highlights Risk Aversion, reducing exposure to instability. - Regulatory adaptation links to Cultural and Institutional Environment.
PHE3 (WY)	- Expertise in diesel trade and automotive sectors supported diversification. - Risk aversion led to retaining salaried employment for stability. - Strong guanxi networks facilitated client acquisition and regulatory navigation.	- Reflects Mastery Experiences in managing complex industries. - Guanxi networks reinforce Role Models and Social Persuasion. - Risk Aversion ensured sustainable entrepreneurial activities.
THE4 (LXP)	- Teaching expertise and innovative curriculum design supported entrepreneurial decisions. - Conflict with collaborators forced independence. - Shift to online teaching platforms sustained the business during the pandemic.	- Aligns with Work Experience and Opportunity Recognition. - Resilience during disruptions links to Emotional and Physiological States. - Conflict-driven decisions highlight adaptation to the Cultural Environment.
THE5 (SK)	- Visa services and tourism management expertise enabled niche identification. - Economic instability during the pandemic prompted diversification. - Family responsibilities motivated persistence and incremental entrepreneurship.	- Highlights Opportunity Recognition through professional expertise. - Reflects Transition Motivations, combining personal and economic goals. - Adapting to market shifts links to Emotional Resilience.
THE6 (GYX)	- Product management experience enabled exploration of emerging medical niches. - Business conflicts led to diversification into freelance work.	- Reflects Opportunity Recognition in leveraging work expertise. - Links to Challenges of Sustainability during economic instability.

	- Guanxi support and resilience enabled recovery from entrepreneurial setbacks.	- Guanxi ties highlight reliance on Social Support .
EHE7 (LPY)	- Limited expertise hindered retail and street vending ventures. - Economic volatility during the pandemic prompted a return to stable employment. - Peer role models inspired initial efforts but failed to sustain long-term entrepreneurial success.	- Lack of Mastery Experiences restricted entrepreneurial confidence. - Peer role models align with Social Modelling. - Economic challenges link to External Environment and highlight the fragility of ventures.
EHE8 (LCS)	- Mentorship and role models inspired early fitness ventures. - Lack of resources during COVID-19 led to gym closure. - Diversification into new services (e.g., weight loss camps) partially recovered operations but limited sustainability.	- Early role models connect to Social Modelling. - Disruptions highlight External Challenges from the institutional environment. - Emotional stress reflects Emotional and Physiological States.
EHE9 (DYQ)	- Logistics constraints during the pandemic disrupted cosmetics ventures. - Diversification into domestic products was insufficient for profitability. - Exploration of international markets (e.g., restaurant business in France) demonstrated a pivot.	- Reflects External Challenges in sustaining operations. - Exploration of new markets links to Opportunity Recognition. - Guanxi and early family influence connect to Social Persuasion.

Source: generated by the author

Persistent hybrid entrepreneurs (PHE1, PHE2, PHE3) demonstrate a calculated balance between stability and entrepreneurial ventures. PHE1 leveraged his financial and construction management expertise to cautiously enter the geotechnical engineering field while retaining salaried employment, prioritizing

financial stability. His decisions were shaped by family support, emphasizing cautious risk-taking. Similarly, PHE2 used his long-term educational management experience to innovate teaching models while minimizing risk through hybrid entrepreneurship. By adapting to industry trends and regulatory changes like the Double Reduction Policy, he maintained a sustainable business. PHE3, on the other hand, capitalized on her diesel trade and automotive sector knowledge to diversify her ventures while retaining stable employment. Her guanxi network played a pivotal role in navigating regulatory challenges and acquiring clients, emphasizing the importance of social connections in sustaining entrepreneurial activities.

Transitory hybrid entrepreneurs (THE4, THE5, THE6) highlight how key events and external pressures shaped their entrepreneurial pathways. THE4 transitioned from teaching to entrepreneurship, building his own studio after conflicts with collaborators forced him into full independence. His adaptability to challenges, including shifting to online platforms during the pandemic, sustained his business. THE5 utilised her expertise in tourism and visa services to identify niche opportunities. However, economic instability and family responsibilities influenced her incremental approach to entrepreneurship. THE6 leveraged her product management experience to explore opportunities in the medical industry. Despite setbacks like disputes with partners and guanxi-dominated challenges, she diversified into freelance work and side businesses, reflecting her resilience and resourcefulness.

Exit hybrid entrepreneurs (EHE7, EHE8, EHE9) highlight the difficulties of sustaining entrepreneurial ventures amidst limited expertise, economic volatility, and external disruptions. EHE7 struggled with online retail and street vending due to a lack of industry knowledge and operational challenges. The pandemic further solidified his decision to return to stable full-time employment. EHE8, inspired by mentorship and role models, founded a fitness studio but faced insurmountable

setbacks during the pandemic, including debt and disrupted operations. Although he temporarily exited entrepreneurship, his resilience led to diversification into new fitness services. Similarly, EHE9 experienced disruptions in her cosmetics business due to pandemic-induced logistics constraints and declining purchasing power. While she explored alternative ventures like a trading platform and international markets, external challenges pushed her toward potential exits from entrepreneurship.

Across all these cases, participants' transitions are shaped by professional expertise, adaptability, social networks, and responses to external challenges. Mastery experiences, such as PHE1's construction expertise and THE4's teaching acumen, provided the confidence to explore entrepreneurial opportunities. Social modelling and guanxi connections, seen in the trajectories of PHE3, THE6, and EHE9, underscore the importance of mentorship and relationships in entrepreneurial success. Emotional resilience and adaptability were key in navigating disruptions, as demonstrated by EHE8 and THE5, who pivoted to new opportunities amidst significant challenges.

Informed by these first round findings, future interviews will delve deeper into the factors influencing their entrepreneurial pathways, including mastery experiences, social modelling, external challenges, and emotional resilience, to provide a comprehensive understanding of the drivers and adaptations shaping their career decisions.

Chapter 6: Exploring Pathway Changes: Findings from Second and Third Rounds of Interviews

6.1 Introduction

Building upon the critique established in Chapter 3 Literature Review, which challenges the overly simplistic dichotomy of push and pull factors in hybrid entrepreneurship, this chapter employs Self-Efficacy (SE) and Entrepreneurial Self-Efficacy (ESE) as dual analytical frameworks. By doing so, it facilitates a more textured and critical exploration of the motivational dynamics underpinning hybrid entrepreneurship. These conceptual lenses illuminate the complex interplay between external institutional constraints and internal psychological factors, thereby offering a more holistic understanding of how individuals simultaneously manage stability and pursue entrepreneurial ambitions.

As highlighted at the conclusion of Chapter 5, which drew on first-round interview findings, participants' career trajectories revealed several interrelated determinants of pathway change. These were not discrete or isolated variables but instead formed a constellation of interacting influences—including industry and work experience, GUANXI networks, personality traits, and varying levels of risk tolerance—that collectively shaped entrepreneurial decision-making. Crucially, these factors closely reflect Bandura's (1997) four sources of self-efficacy—Mastery Experiences, Social Modelling, Social Persuasion, and Emotional and Physiological States—and the six antecedents of Entrepreneurial Self-Efficacy (ESE) identified by Newman et al. (2019): Cultural and Institutional Environment, Firm Characteristics, Education and Training, Work Experience, Role Models and Mentors, and Individual Differences. As discussed in the Literature Review (Chapter 3, Section 3.3.4 & 3.3.5), these conceptual categories form the analytical backbone of this chapter, enabling a contextualised interpretation of how hybrid entrepreneurs construct efficacy beliefs within dynamic institutional and emotional landscapes.

The findings from the first round of interviews highlighted the foundational influences shaping participants' initial transitions into hybrid entrepreneurship. Following on from Table 6.2 in Chapter 5, which mapped individual trajectories and their preliminary categorisation, this section further synthesises these patterns by grouping participants into three emergent types—Persistent, Transitory, and Exit hybrid entrepreneurs. As will be seen below, the factors influencing their early decisions are presented thematically across these categories, offering a structured and comparative perspective on their divergent motivations and constraints.

Persistent Hybrid Entrepreneurs (Participants 1, 2, 3)

Mastery Experiences

Mastery experiences, defined as successful task performances that build confidence in one's abilities (Bandura, 1997), are considered the most influential source of self-efficacy.

All persistent hybrid entrepreneurs demonstrated significant reliance on mastery experiences in their respective industries. Participant 1's financial management expertise in the construction sector, Participant 2's long-term engagement in educational management, and Participant 3's refined knowledge of the oil industry enabled them to pursue entrepreneurial ventures without compromising the stability provided by their salaried roles. These cumulative professional achievements instilled confidence, allowing them to maintain hybrid pathways that leveraged both entrepreneurship and steady employment.

Risk Aversion

Risk aversion refers to an individual's preference for stable, low-risk outcomes over uncertain or volatile alternatives, and is often linked to lower thresholds for entrepreneurial commitment (Caliendo et al., 2010).

Risk aversion emerged as a defining characteristic across all three participants. Participant 1 avoided high-risk projects in construction and geotechnical

engineering, prioritizing financial stability over aggressive expansion. Similarly, Participant 3 retained their salaried position for access to social insurance benefits, ensuring economic security while managing entrepreneurial risks. Participant 2 strategically minimized risks by testing entrepreneurial ideas within their expertise before committing significant resources.

Role Models and Social Support

Role models and social support constitute two pivotal social mechanisms underpinning self-efficacy development. Role models operate through social modelling—learning by observing others’ success—while social support aligns with the mechanism of social persuasion, which enhances confidence through encouragement and validation (Bandura, 1997; Newman et al., 2019).

Participants 1 and 3 emphasized the influence of family in shaping their entrepreneurial paths. Participant 1 sought balance between entrepreneurial ventures and job security, mirroring family values of cautious financial management. Participant 3 cited their father’s insistence on retaining salaried employment as a stabilizing influence, illustrating how familial persuasion shaped entrepreneurial strategies.

Industry-Specific Opportunities

Industry expertise contributes to ESE by enhancing opportunity recognition, a key entrepreneurial competency (Chen et al., 1998; Newman et al., 2019).

Each participant identified and capitalized on niche opportunities within their industries. Participant 2’s pivot to small-class teaching models in education and Participant 3’s strategic entry into diesel trading were underpinned by their deep industry knowledge, illustrating how mastery experiences guided entrepreneurial decisions.

Transitory Hybrid Entrepreneurs (Participants 4, 5, 6)

Work Experience and Opportunity Recognition

Work experience contributes to entrepreneurial self-efficacy (ESE) by offering mastery experiences and transferable skills, while opportunity recognition reflects an individual's perceived competence in identifying and evaluating entrepreneurial prospects (Zhao et al., 2005; Newman et al., 2019).

Participants 4, 5, and 6 demonstrated exceptional ability to identify entrepreneurial opportunities through prior work experience. Participant 4's understanding of education trends enabled the creation of unique offerings in their studio. Participant 5's expertise in visa-related services and tourism inspired their transition to entrepreneurship. Participant 6 leveraged product management experience to identify emerging opportunities in the medical field, showcasing their aptitude for opportunity recognition.

Transition Motivations

Motivations to transition from hybrid to full-time entrepreneurship often stem from internal drivers—such as autonomy, self-actualisation, and dissatisfaction with constraints—which correlate with high levels of ESE and the perceived desirability of entrepreneurship (Thorgren et al., 2016; Pollack et al., 2019).

While all transitioned to full-time entrepreneurship, their motivations varied:

- **Participant 4:** Driven by a desire for autonomy and dissatisfaction with constraints in formal institutions.
- **Participant 5:** Long-held entrepreneurial ambitions paired with a goal to improve family living standards.
- **Participant 6:** Frustration with hierarchical work environments and a strong desire for creative freedom.

Emotional and Physiological Resilience

Emotional and physiological states shape self-efficacy by influencing how individuals perceive and respond to challenges; resilience refers to the capacity to adapt positively in the face of adversity (Bandura, 1997; Bullough and Renko, 2013).

Resilience played a critical role in navigating challenges. Participant 5 adapted to shifts in the tourism market, while Participant 6 showed grit during the pandemic by diversifying into freelance work and niche markets. Participant 4's emotional resilience sustained their transition to a full-time entrepreneur despite industry disruptions.

Challenges of Sustainability

Sustainability challenges relate to the fragile balance between entrepreneurial ambition and structural constraints, and often test the depth of an individual's ESE under real-world pressures (Schulz et al., 2017; Ardianti et al., 2022).

Unlike persistent hybrid entrepreneurs, transitory hybrid entrepreneurs faced greater challenges in sustaining their ventures. Participant 5 relied on guanxi networks to secure referrals, while Participant 6 pivoted to freelance opportunities due to economic volatility, reflecting the fragility of their entrepreneurial paths.

Exit Hybrid Entrepreneurs (Participants 7, 8, 9)

Emotional and Physiological States

According to Bandura (1997), negative emotional and physiological states—such as stress, anxiety, and burnout—can significantly diminish perceived self-efficacy, reducing motivation and impeding goal persistence.

Emotional stress and burnout were prominent among exit hybrid entrepreneurs. Participant 9's frustration with operational challenges during the pandemic and Participant 7's struggles balancing multiple ventures highlight how emotional pressures contributed to their decisions to exit entrepreneurship.

Lack of Mastery Experiences

Mastery experiences—defined as repeated, successful task performance—form the foundation of SE and ESE (Bandura, 1977; Krueger et al., 2000). The absence of such experiences can lead to fragile or declining efficacy beliefs.

Compared to persistent and transitory entrepreneurs, exit hybrid entrepreneurs exhibited weaker mastery experiences. Participant 7's limited knowledge of e-commerce logistics and Participant 9's reliance on guanxi rather than technical expertise illustrate gaps in their entrepreneurial skill sets.

External Challenges

External environmental factors—such as economic downturns, regulatory shocks, or industry collapse—can function as efficacy inhibitors by overwhelming individual agency and reducing perceived control (Newman et al., 2019).

External factors significantly influenced their exits. Participant 8 faced insurmountable challenges sustaining their fitness studio during COVID-19 lockdowns, while Participant 9 encountered economic downturns that hampered the viability of their cosmetics business.

Role Models and Mentors

Role models and mentors contribute to ESE through social modelling and persuasion; however, their influence may wane over time, particularly when expectations conflict with lived experience (BarNir et al., 2011; St-Jean and Audet, 2012).

While role models initially inspired entrepreneurial pursuits, their influence diminished over time. For example, Participant 9's parents encouraged early entrepreneurial activities but later advocated for a return to stable employment, reflecting a shift in social persuasion.

Table 6.1 Summary of First Round Findings

Factor	Persistent	Transitory	Exit	SE/ESE Linkage
Mastery Experiences	Strong, industry-specific mastery.	Adequate mastery from prior roles.	Limited mastery; struggles with fit.	✓ SE: Mastery Experience
Risk Tolerance	Low, prioritising stability.	Moderate, autonomy-driven.	High risk-taking but unsustainable.	△ ESE: Individual Differences
Social Persuasion	Family/networks support stability.	Peers and clients support adaptability.	Waning role model influence.	✓ SE/ESE: Social Persuasion and Social Modelling
Emotional Resilience	Stable emotional states support persistence.	Resilience enables transition.	Emotional stress leads to exit.	✓ SE: Emotional States
External Factors	Navigated disruptions conservatively.	Adapted to shifting markets.	External challenges caused failure.	× (Contextual, not SE/ESE)

Source: generated by the author

The pathways of hybrid entrepreneurs reflect a complex interplay of SE, ESE, and external factors. Persistent hybrid entrepreneurs benefit from mastery experiences and cautious decision-making, ensuring stability. Transitory hybrid entrepreneurs balance risk and opportunity, often driven by a desire for independence. Exit hybrid entrepreneurs, however, face greater emotional stress, weaker mastery experiences, and external pressures, making sustainability a significant challenge. Across all types, the critical role of mastery experiences, emotional resilience, and social support emerges as key determinants in shaping entrepreneurial pathways.

This chapter presents the key findings from the second and third rounds of interviews, focusing on how hybrid entrepreneurs' pathway decisions were shaped by ten analytical categories synthesised from Bandura's (1997) Self-Efficacy theory and Newman et al.'s (2019) Entrepreneurial Self-Efficacy

framework. These comprise four core sources derived from Bandura's (1997) Self-Efficacy (SE) theory—Mastery Experiences, Social Modelling, Social Persuasion, and Emotional and Physiological States—and six antecedents of Entrepreneurial Self-Efficacy (ESE) as proposed by Newman et al. (2019)—namely, Cultural and Institutional Environment, Individual Differences, Role Models and Mentors, Education and Training, Work Experience, and Firm Characteristics. Together, these SE and ESE constructs provide a comprehensive analytical lens to examine how internal beliefs and external contexts interact to influence hybrid entrepreneurial trajectories. The findings reflect the dynamic and evolving nature of entrepreneurial decisions, shaped by the continuous negotiation between perceived competence and structural opportunity.

In order to track the changes in their entrepreneurial pathways, interviewees were asked about their work status during each round. During the second round of interviews, three participants (Participants 6, 8, and 9) had already experienced pathway changes compared to the first round:

Participant 6 transitioned from a transitory hybrid entrepreneur to a freelancer, engaging in multiple side businesses and self-employment without employees. This shift meant she was no longer categorized as a hybrid entrepreneur.

Participant 8 moved from being an exit hybrid entrepreneur back to a hybrid status due to the adverse effects of the pandemic on his industry sector.

Participant 9 transitioned from being an exit hybrid entrepreneur to a full-time entrepreneur, reflecting her increasing focus on scaling her business.

The third round of interviews, conducted four years after the round 1 interviews, revealed that Participant 8 was the only one to experience further pathway changes. Specifically, he moved from being a hybrid entrepreneur back to transitory status, as his fitness-related business expanded enough to allow him to transition into full-time entrepreneurship.

The remaining participants maintained their classifications from the second round of interviews, continuing to reflect their persistence or consistency in their entrepreneurial pathways.

6.2 Reasons for Career Pathway Decisions

This section presents a framework-guided thematic analysis based on the four core sources of self-efficacy (Bandura, 1997) and the six antecedents of Entrepreneurial Self-Efficacy (ESE) identified by Newman et al. (2019). The analysis draws from the second and third rounds of interviews, highlighting how participants' self-efficacy beliefs and entrepreneurial motivations evolved over time and shaped their decisions to persist, transition, or exit hybrid entrepreneurship.

In addition to these psychological and contextual dimensions, the chapter also addresses exogenous forces—particularly the COVID-19 pandemic—which emerged as a significant, unanticipated disruptor of entrepreneurial pathways. By examining these external variables separately, the chapter offers a more comprehensive account of how hybrid entrepreneurs negotiated personal agency within dynamic structural conditions.

The findings are organised under five thematic categories. These themes reflect the multifaceted influences on entrepreneurial decision-making, encompassing individual dispositions, social dynamics, domain expertise, and external pressures. Table 6.2 summarises each theme, its defining features, and its relationship to self-efficacy and entrepreneurial self-efficacy constructs.

Table 6.2 Thematic Framework of Findings

Theme	Description	Relevant SE/ESE Constructs
External Environment	Macro-level influences such as COVID-19, economic shifts, and regulatory change	<i>Contextual factors affecting perceived feasibility (indirectly linked to SE/ESE)</i>
Personality Traits	Risk tolerance, passion, adaptability, ambition, and fear of uncertainty	<i>Individual Differences (ESE); Emotional & Physiological States (SE)</i>
Industry Perception	Domain knowledge, work experience, and opportunity recognition	<i>Mastery Experiences (SE); Work Experience, Firm Characteristics (ESE)</i>
Social Influence	Role of role models, social persuasion, and peer validation	<i>Social Modelling and Social Persuasion (SE); Role Models and Mentors (ESE)</i>
Family Impact	Family support, expectations, and financial obligations	<i>Social Persuasion (SE); Cultural/Institutional Environment (ESE)</i>

Source: generated by the author

6.2.1 Theme 1: External Environment

The external environment emerged as a critical theme, illustrating how macro-level forces—including COVID-19, economic pressures, and structural constraints—have shaped participants’ hybrid entrepreneurial pathways over time. This theme aligns with Bandura’s (1997) concept of Emotional and Physiological States in highlighting the psychological resilience required to endure systemic disruptions. It also resonates with the Cultural and Institutional Environment dimension within Newman et al.’s (2019) model of Entrepreneurial Self-Efficacy, which emphasises how external systems—such as policy, societal expectations, and industry norms—affect an individual’s confidence in pursuing and sustaining entrepreneurial action.

This theme was formed through patterns identified in the interviews, such as the lasting impacts of COVID-19 recovery, shifting economic conditions, and evolving consumer behaviour. These external pressures not only conditioned participants' emotional responses but also redefined their strategic priorities over the years. Table 6.3 below summarises the key empirical categories that informed the development of the External Environment theme, capturing how macro-level disruptions intersected with entrepreneurial responses.

Table 6.3: Formation of Theme 1: External Environment

Code	Sub-code	Observed Pattern
COVID-19 restrictions	Lockdowns, economic impact	Participants adapted to reduced activity and uncertainty
Economic pressures	Rising costs, inflation	Business strategies were adjusted to cope with volatility
Structural constraints	Regulatory changes	Policy shifts influenced planning and resource allocation
Consumer behaviour	Changes in preferences, demand shifts	Entrepreneurs repositioned offerings post-pandemic

Source: generated by the author

These empirical patterns underscore the extent to which external forces—often sudden and uncontrollable—necessitated significant cognitive and strategic adaptation among hybrid entrepreneurs. Rather than functioning as passive background conditions, these macro-level disruptions became integral to shaping confidence, opportunity assessment, and risk behaviour—core components within both the SE and ESE frameworks.

6.2.1.1 The Post-Pandemic Recovery

The legacy of the COVID-19 pandemic emerged as a pervasive influence across participants, shaping their decision-making processes and entrepreneurial pathways in unique ways. Over the course of the second and third interview rounds, participants described a gradual shift from navigating restrictive

lockdowns to adjusting to post-pandemic market conditions. These narratives reveal the longitudinal impact of the pandemic, as participants' strategic responses evolved in tandem with external changes.

Persistent Hybrid Entrepreneurs demonstrated a cautious approach during the post-pandemic recovery, focusing on stability and resource preservation. For instance, Participant 1 reflected on prioritizing salaried employment during uncertain times:

"During COVID, my job gave me the security I needed. Even as the market stabilized, I continued focusing on my role at the state-owned enterprise rather than risking expansion in my business." (Second Round, Participant 1)

Similarly, Participant 3 described a risk-averse strategy:

"I decided to maintain my bank job, waiting for the diesel trade to recover. Expanding during that period would have been too risky." (Second Round, Participant 3)

By the third interview, these participants highlighted incremental progress in their entrepreneurial ventures, emphasizing a slow but steady return to pre-pandemic growth trajectories.

In contrast, Transitory Hybrid Entrepreneurs adopted adaptive strategies to sustain their businesses in the face of market volatility. Participant 6, for example, described transitioning to freelancing after her original project stalled:

"Freelancing was my lifeline when my system construction project failed. It allowed me to sustain myself while adapting to a rapidly changing market." (Second Round, Participant 6)

By the third round, she had successfully transitioned to full-time self-employment, leveraging her adaptability to navigate ongoing uncertainties. Similarly, Participant 5 pivoted from group travel to independent visa services, aligning with post-COVID travel trends:

"The pandemic completely changed tourism. By focusing on independent travellers instead of group tours, I managed to stabilize my business." (Third Round, Participant 5)

For Exit Hybrid Entrepreneurs, post-COVID recovery often exacerbated existing vulnerabilities, prompting significant pathway changes. Participant 7 described the collapse of their night market venture due to diminished customer traffic:

"The pandemic made running a night market stall impossible. Without customers, I had to abandon it entirely." (Second Round, Participant 7)

Meanwhile, Participant 9 faced challenges in importing goods during the pandemic, prompting a strategic pivot:

"Imports became more difficult, and I realized I needed to explore entirely new industries." (Third Round, Participant 9)

These experiences highlight the longitudinal effects of the pandemic, revealing how participants' strategies evolved from survival-oriented adjustments to long-term pathway reconfigurations.

Table 6.4 encapsulates participants' diverse experiences during post-COVID recovery and their influence on entrepreneurial pathways:

Table 6.4 Examples of Quotes for Post-COVID Recovery

Participant	Type	Quotation	Round
1	Persistent	<i>"I had to focus more on stabilizing my salary than on expanding my business."</i>	Second
3	Persistent	<i>"The pandemic reinforced my decision to keep my bank job while waiting for the diesel trade to stabilize."</i>	Second
5	Transitory	<i>"I had to adapt by focusing on visas for independent travellers rather than group tours."</i>	Third
6	Transitory	<i>"Freelancing allowed me to sustain myself after my system construction project failed."</i>	Second
7	Exit	<i>"The pandemic disrupted my night market stall; the lack of customers made it unsustainable."</i>	Second
9	Exit	<i>"Imports became harder to manage, and I started considering moving into a completely different industry."</i>	Third

Source: generated by the author

These quotations demonstrate how external factors reinforced different strategies: consolidation for Persistent entrepreneurs, adaptation for Transitory entrepreneurs, and exit for those facing overwhelming constraints.

The pandemic's longitudinal effects influenced participants' emotional resilience, financial decision-making, and strategic priorities. Persistent hybrid entrepreneurs leveraged stable employment to weather uncertainty, aligning with Bandura's Emotional and Physiological States (SE) and Newman et al.'s Cultural and Institutional Environment (ESE). Their cautious approach reflects the protective role of stable systems in mitigating external shocks.

Transitory hybrid entrepreneurs displayed higher adaptability, reflecting their ability to leverage SE's Emotional States and ESE's Individual Differences to pivot

strategically. Their resilience in navigating shifting market demands underscores the importance of flexible decision-making in turbulent environments.

For Exit hybrid entrepreneurs, the pandemic underscored the fragility of their ventures, as external pressures outpaced their capacity for adaptation. Their experiences highlight the interplay between SE's Emotional States and the structural constraints within ESE's Cultural and Institutional Environment.

6.2.1.2 Economic Pressures

Economic pressures, including inflation, rising operational costs, and fluctuating consumer demand, emerged as significant factors influencing participants' entrepreneurial pathways. These challenges, exacerbated by the COVID-19 pandemic, prompted varied responses, highlighting longitudinal differences in how participants managed financial uncertainty over time.

Persistent Hybrid Entrepreneurs demonstrated resilience in navigating economic pressures, often leveraging their industry expertise and stable employment to counteract financial challenges. Participant 2, for example, described maintaining their educational enterprise by targeting high-paying clients:

"Inflation increased my costs, but my reputation allowed me to attract clients willing to pay a premium." (Third Round, Participant 2)

Similarly, Participant 3 noted the importance of balancing dual roles to sustain profitability:

"The rising costs meant I had to work harder in my primary job while maintaining my side business to ensure stable income." (Third Round, Participant 3)

Both participants emphasized how their mastery experiences provided the confidence to manage economic fluctuations without sacrificing stability.

Transitory Hybrid Entrepreneurs tended to adopt adaptive strategies to mitigate financial pressures, often prioritizing business expansion to increase income. Participant 5 described capitalizing on market gaps:

"Economic conditions pushed many of my competitors out of the market, which allowed me to attract their clients and grow my business." (Third Round, Participant 5)

Meanwhile, Participant 4 adjusted operations to reduce costs, emphasizing flexibility:

"I had to lay off staff and scale down my operations to survive the financial downturn." (Third Round, Participant 4)

These examples illustrate how financial constraints shaped entrepreneurial decision-making, with transitory entrepreneurs focusing on seizing opportunities and optimizing resources.

For Exit Hybrid Entrepreneurs, economic pressures often reinforced their decisions to disengage from entrepreneurial activities. Participant 7 highlighted the financial instability of their venture:

"The post-pandemic economy made it impossible to sustain my side business. I returned to full-time work for stability." (Third Round, Participant 7)

Participant 9 shared similar concerns about market volatility:

"The cosmetics market became highly competitive, with price wars driving profits down to unsustainable levels." (Third Round, Participant 9)

These narratives underscore how economic pressures disproportionately impacted exit entrepreneurs, driving them toward more secure employment pathways.

Economic pressures played a pivotal role in shaping entrepreneurial pathways, revealing differences in participants' responses based on their hybrid status.

Persistent entrepreneurs' reliance on mastery experiences and stable employment aligns with Bandura's Mastery Experiences (SE) and Newman et al.'s Work Experience (ESE). Their dual roles provided a safety net, enabling them to manage rising costs and sustain their ventures.

Transitory entrepreneurs leveraged opportunity recognition and adaptability, reflecting SE's Emotional States and ESE's Individual Differences. Their ability to identify market gaps and reconfigure operations highlights the role of proactive strategies in navigating economic downturns.

Exit entrepreneurs, however, faced compounding challenges, with economic pressures exacerbating vulnerabilities in their ventures. Their decisions to exit reflect the interplay between SE's Emotional States and the structural constraints of ESE's Cultural and Institutional Environment, as they sought stability in the face of financial uncertainty.

Economic pressures thus emerged as a critical external factor, shaping hybrid entrepreneurs' pathways by influencing their ability to balance financial risks and rewards. These pressures highlighted the importance of resilience, opportunity recognition, and resource optimization in navigating volatile market conditions.

6.2.1.3 Structural Constraints and Evolving Consumer Behaviour

Structural constraints, including government regulations and industry-specific policies, coupled with evolving consumer behaviours, significantly influenced participants' entrepreneurial pathways. These factors often dictated market dynamics, altering the feasibility and profitability of entrepreneurial ventures over time.

Participants' narratives revealed how these structural and behavioural shifts shaped their decision-making, with notable differences across hybrid entrepreneurship types.

Structural Constraints

Government policies and regulatory frameworks posed significant challenges, particularly for participants operating in regulated industries. Persistent Hybrid Entrepreneurs, for instance, had to adjust their business models to ensure compliance while maintaining financial stability. Participant 3 described the impact of increased scrutiny in their sector:

"The focus on compliance rather than growth forced me to rethink my business strategies to stay within regulatory limits." (Second Round, Participant 3)

Similarly, Participant 2 highlighted how regulatory changes altered parental attitudes toward supplementary education:

"Parents became more reluctant to pay for extra classes because of the new policies discouraging over-enrolment." (Second Round, Participant 2)

For Transitory Hybrid Entrepreneurs, regulatory disruptions often necessitated significant operational changes. Participant 4, operating a private English studio, reported:

"The policy completely disrupted my operations. I had to shift to a covert model to keep the business running." (Second Round, Participant 4)

These experiences underscore the adaptive strategies employed by transitory entrepreneurs in response to structural barriers.

Exit Hybrid Entrepreneurs faced compounded challenges from structural constraints, leading to disengagement. Participant 7 reflected:

"Regulatory changes in the tax industry increased the administrative burden, making it harder to balance my job and side business." (Second Round, Participant 7)

Evolving Consumer Behaviour

Changing consumer preferences, shaped by post-COVID economic realities, added another layer of complexity to participants' pathways. Persistent Hybrid

Entrepreneurs observed shifts in demand and responded accordingly. Participant 2 stated:

"Parents now prefer group classes over one-on-one tutoring, which prompted me to offer hybrid models." (Third Round, Participant 2)

For Transitory Hybrid Entrepreneurs, evolving consumer behaviour created both challenges and opportunities. Participant 6 noted a rise in demand for digital services:

"People became more accustomed to online platforms, so I had to pivot my offerings to meet that demand." (Third Round, Participant 6)

Meanwhile, Exit Hybrid Entrepreneurs struggled to align with changing preferences. Participant 9 described the impact on their cosmetics business:

"Domestic products gained preference over imports, forcing me to diversify my portfolio and reduce reliance on overseas goods." (Third Round, Participant 9)

These examples and additional quotations from Table 6.5 illustrate how consumer behaviour shifts influenced the feasibility and direction of entrepreneurial ventures, often dictating the pace and nature of pathway changes.

Table 6.5: Quotations for Structural Constraints and Consumer Behaviour

Participant	Type	Quotation	Round
2	Persistent	<i>"Parents became more reluctant to pay for supplementary education due to regulatory changes."</i>	Second
3	Persistent	<i>"The focus on compliance rather than growth forced me to reconsider business strategies."</i>	Second
4	Transitory	<i>"The policy completely disrupted my English studio's operations; I had to operate covertly."</i>	Second
6	Transitory	<i>"People became more cautious with their spending post-COVID, which shifted demand towards essentials."</i>	Third
7	Exit	<i>"Consumers were less willing to spend on luxury goods; this impacted my revenue."</i>	Second
9	Exit	<i>"Domestic products gained preference over imports, forcing me to diversify."</i>	Third

Source: generated by the author

Structural constraints reflect ESE's Cultural and Institutional Environment, as participants navigated the challenges imposed by regulatory frameworks and industry-specific policies. Persistent entrepreneurs exhibited resilience, leveraging their mastery experiences to comply with new rules while maintaining operational stability. Transitory entrepreneurs demonstrated adaptability, often reconfiguring their business models to align with shifting regulations. For Exit entrepreneurs, structural barriers often represented insurmountable obstacles, pushing them toward full-time employment.

Evolving consumer behaviour connects to SE's Emotional and Physiological States, as participants managed the stress and uncertainty associated with fluctuating market demands. It also aligns with ESE's Work Experience and Industry Knowledge, as participants leveraged their understanding of market trends to identify opportunities or mitigate challenges.

The interplay of structural constraints and consumer behaviour highlights the importance of both external systems and internal strategies in shaping

entrepreneurial pathways. Persistent entrepreneurs' ability to anticipate and adapt to changes underscores the value of industry expertise, while transitory entrepreneurs' resilience reflects their capacity for innovation. For exit entrepreneurs, these external factors often exacerbated existing vulnerabilities, reinforcing their decisions to disengage.

These insights underscore the importance of external environmental factors, particularly structural constraints and evolving consumer behaviours, in influencing entrepreneurial pathways.

These examples illustrate how economic and institutional uncertainties led to significant pathway changes, aligning with Cultural and Institutional Environments (ESE) as they highlight the role of external systems in shaping entrepreneurial decision-making.

The External Environment theme is closely tied to self-efficacy's Emotional and Physiological States, as participants dealt with stress, uncertainty, and resilience while navigating challenges. For instance:

- Lockdowns and policy disruptions led to emotional strain, directly influencing decision-making.
- Post-pandemic recovery tested participants' adaptability and emotional resilience.

In addition, Cultural and Institutional Environments (ESE) played a critical role:

- Regulatory changes like the "Double Reduction" policy directly altered operational models.
- Economic downturns forced participants to adapt pricing and offerings to align with changing consumer behaviours.

6.2.1.4 Summary: The Interplay of External Factors

The External Environment theme underscores the profound impact of macro-level disruptions, regulatory policies, and economic conditions on hybrid

entrepreneurs. These external pressures not only shaped pathway changes but also highlighted the importance of resilience and adaptability. The integration of self-efficacy’s Emotional and Physiological States with Cultural and Institutional Environments (ESE) offers a nuanced understanding of how entrepreneurs navigate challenges and opportunities within complex external contexts. These factors influenced participants' emotional resilience, adaptability, and strategic decision-making, underscoring the complex relationship between external forces and entrepreneurial pathway changes.

6.2.2 Theme 2: Personality Traits

Personality traits emerged as a central theme influencing participants’ entrepreneurial pathways, shaping their risk appetite, adaptability, ambition, and responses to uncertainty. These traits connect directly to Bandura’s Emotional and Physiological States (SE) and Newman et al.’s Individual Differences (ESE). The following sections explore how these traits impact decision-making and career trajectories, supported by evidence from participants across persistent, transitory, and exit hybrid entrepreneurial types.

The theme of personality traits was derived from recurring patterns in participant narratives, emphasizing traits such as Risk Propensity, Fear of Uncertainty, Ambition, Passion, and Adaptability. These subthemes reflect distinct yet interconnected patterns of behaviour that shaped participants' entrepreneurial pathways. Table 6.6 below outlines how codes and subcodes contributed to this theme.

Table 6.6: Formation of Theme 2: Personality Traits

Codes	Subcodes	Patterns	Subthemes
Risk-taking behaviours	Calculated risk, avoiding risk	Persistent entrepreneurs managing dual roles; Exit entrepreneurs facing high risks	Risk Propensity
Hesitation, reliance on stability	Fear of failure, uncertainty in decision-making	Participants avoiding full-time entrepreneurship or returning to stable roles	Fear of Uncertainty
Goal-oriented behaviours	Drive for autonomy, ambition	Strong aspirations shaping transitions toward full-time entrepreneurship	Ambition
Interest-driven behaviours	Enthusiasm, passion for industry	Participants pursuing ventures aligned with personal interests	Passion
Strategic adjustments	Responding to market shifts, resilience	Participants adapting to external disruptions (e.g., COVID-19)	Adaptability

Source: generated by the author

6.2.2.1 Risk Propensity

Risk propensity emerged as a critical personality trait that distinctly influenced the participants' entrepreneurial pathways. Persistent hybrid entrepreneurs exhibited a clear preference for minimizing risk, aligning with their desire for stability and long-term security. For instance:

"I maintain my job because it provides a stable income while I grow my business slowly." (Participant 1, Second Round)

This tendency to prioritize stability reflects ESE's Individual Differences, where cautious risk management is a hallmark of this group. Participant 7 similarly noted: *"Small, calculated investments have allowed me to grow my side business without jeopardizing my job."* (Participant 7, Second Round)

Such approaches ensured that these participants could sustain hybrid entrepreneurship without facing financial insecurity or excessive pressure, making stability a defining feature of their pathway. By contrast, Transitory

hybrid entrepreneurs demonstrated higher risk tolerance. Participant 6, for example, chose to fully commit to entrepreneurship despite the uncertainties involved:

“Quitting my job was risky, but I believed it was necessary to fully commit to my vision.” (Participant 6, Third Round)

This ambition-driven risk-taking underscores a willingness to embrace uncertainty to achieve long-term independence, aligning with SE’s Emotional States, which reflect confidence and optimism in navigating challenges.

Exit hybrid entrepreneurs, however, often struggled to balance the emotional toll of risk. Participant 9 described their experience as:

“The uncertainty of managing a business full-time was overwhelming, and I decided to step back.” (Participant 9, Second Round)

This highlights how negative emotional states, such as stress and burnout, undermined their entrepreneurial self-efficacy, leading to their eventual withdrawal from entrepreneurship.

Risk Propensity appears to influence participants’ pathways in divergent ways. Persistent hybrid entrepreneurs prioritise risk mitigation, leveraging stable employment to support incremental business growth. Transitory entrepreneurs embrace greater risk as a means to achieve autonomy and fulfil long-term ambitions. Exit entrepreneurs, in contrast, often lack the emotional resilience to sustain high-risk ventures, contributing to their decision to return to salaried employment.

These findings underscore the interplay between ESE’s Individual Differences and SE’s Emotional States. Persistent entrepreneurs’ calculated risk management reflects their intrinsic personality traits, while Transitory entrepreneurs’ confidence in navigating uncertainty is tied to positive emotional states. For Exit entrepreneurs, negative emotional experiences highlight the limits of their self-

efficacy, illustrating the importance of emotional resilience in sustaining entrepreneurial efforts.

Table 6.7 provides a detailed view of how Risk Propensity manifests across different hybrid entrepreneur types and influences their pathways. The evidence illustrates distinct patterns, such as risk mitigation among Persistent types, risk acceptance among Transitory types, and risk aversion among Exit types.

Table 6.7: Examples of Quotations for Risk Propensity

Participant	Type	Quotation	Pathway Impact
1	Persistent	<i>"I maintain my job because it provides a stable income while I grow my business slowly."</i>	Supports stable hybrid entrepreneurship without jeopardizing stability.
3	Persistent	<i>"Small, calculated investments have allowed me to grow my side business without risking too much."</i>	Ensures sustainable growth within hybrid pathways.
4	Transitory	<i>"It felt like a gamble, but I was confident in my ability to make it work."</i>	Demonstrates high risk tolerance driving full-time transition.
6	Transitory	<i>"Quitting my job was risky, but I believed it was necessary to fully commit to my vision."</i>	Reflects ambition-driven risk-taking for long-term independence.
8	Exit	<i>"The uncertainty of managing a business full-time was overwhelming, and I decided to step back."</i>	Shows negative emotional states leading to exit.
9	Exit	<i>"I realized I didn't have the capacity to handle such risks long-term."</i>	Highlights emotional burnout contributing to withdrawal.

Source: generated by the author

Over time, Persistent entrepreneurs maintained consistent risk mitigation strategies, prioritising stability. Transitory entrepreneurs showed increasing

confidence and emotional resilience, transitioning into greater risk-taking. Exit entrepreneurs exhibited declining tolerance for risk due to stress and burnout, ultimately retreating to secure pathways. These patterns align with SE's Emotional States, highlighting evolving confidence levels, and ESE's Individual Differences, emphasizing varying levels of risk tolerance.

6.2.2.2 Ambition

Ambition emerged as a defining personality trait that influenced participants' decision-making and pathways, particularly in driving transitions toward full-time entrepreneurship or sustaining long-term hybrid ventures. This trait was especially pronounced among Transitory hybrid entrepreneurs, who demonstrated a strong desire to achieve autonomy and self-fulfilment.

For example, Participant 6 shared their long-term goal of owning an independent travel business:

"From the beginning, my dream was to run my own agency, and I knew I had to take risks to make it happen." (Participant 6, Second Round)

This ambition provided the necessary motivation to transition fully into entrepreneurship despite the uncertainties involved. Similarly, Participant 4 expressed a strong desire to overcome institutional constraints in their teaching career:

"I wanted to create something of my own, something that aligned with my vision for education." (Participant 4, Third Round)

Ambition also influenced Persistent hybrid entrepreneurs, though in a more measured way. Participant 2, for instance, described their incremental approach to achieving long-term financial stability:

"I've always wanted to build something meaningful, but I believe in doing it gradually—advancing step by step, without rushing, staying grounded and secure" (Participant 2, Second Round)

In contrast, Exit hybrid entrepreneurs often experienced unfulfilled ambition, which, combined with external challenges, led to frustration and eventual withdrawal. Participant 8 reflected on their struggle to balance ambition with practical limitations:

"I wanted to expand my business, but the pandemic and other pressures made it impossible." (Participant 8, Third Round)

Ambition significantly shapes entrepreneurial pathways by driving participants to pursue personal and professional goals. For Transitory entrepreneurs, ambition serves as a catalyst for taking bold steps toward independence, reflecting high levels of self-confidence and intrinsic motivation tied to SE's Emotional States and ESE's Individual Differences. Persistent entrepreneurs channel their ambition through calculated strategies, balancing aspirations with stability. Exit entrepreneurs, however, often face barriers that inhibit their ambition, highlighting the emotional toll of unfulfilled goals and its impact on self-efficacy.

Table 6.8 presents additional quotations from participant underscores the role of ambition as a double-edged sword: while it propels some entrepreneurs toward success, it can also exacerbate frustration and disengagement when external circumstances hinder progress.

Table 6.8: Examples of Quotations for Ambition

Participant	Type	Quotation	Pathway Impact
2	Persistent	<i>"I've always wanted to build something meaningful, but I believe in doing it gradually—advancing step by step, without rushing, staying grounded and secure"</i>	Balances long-term ambition with cautious hybrid entrepreneurship.
3	Persistent	<i>"My goal is to ensure my side business thrives without sacrificing my primary job."</i>	Reflects steady pursuit of entrepreneurial goals.
4	Transitory	<i>"I wanted to create something of my own, something that aligned with my vision for education."</i>	Ambition drives transition toward full-time entrepreneurship.
6	Transitory	<i>"From the beginning, my dream was to run my own agency, and I knew I had to take risks to make it happen."</i>	Demonstrates ambition-driven risk-taking for autonomy.
8	Exit	<i>"I wanted to expand my business, but the pandemic and other pressures made it impossible."</i>	Unfulfilled ambition contributes to frustration and exit.
9	Exit	<i>"I had big plans for my business, but everything fell apart during COVID."</i>	Highlights ambition hindered by external challenges.

Source: generated by the author

Persistent entrepreneurs sustained their ambition through stable hybrid pathways, balancing growth and security. Transitory entrepreneurs harnessed ambition to transition into full-time entrepreneurship, reflecting increased confidence. Exit entrepreneurs, however, struggled to realize their ambitions due to external constraints, resulting in frustration and disengagement. These dynamics illustrate the dual role of ambition in motivating and deterring entrepreneurial efforts, aligning with SE's Emotional States and ESE's Individual Differences.

6.2.2.3 Passion

Passion was another key personality trait that influenced participants' entrepreneurial journeys, often serving as a source of resilience and motivation. This trait was most evident among Transitory hybrid entrepreneurs, who pursued ventures aligned with their interests and values.

For instance, Participant 4 described their passion for education as a driving force behind their decision to establish a unique teaching studio:

"Teaching has always been my passion, and I wanted to create a space where students could truly thrive." (Participant 4, Second Round)

Similarly, Participant 6 cited their love for travel as a foundation for their entrepreneurial efforts:

"Travel is something I'm deeply passionate about, and I wanted to turn that into a career." (Participant 6, Second Round)

Persistent hybrid entrepreneurs also leveraged passion to sustain their dual roles. Participant 1, for example, expressed their commitment to improving their industry while maintaining their stable job:

"I genuinely enjoy what I do, both in my job and in my side business, which keeps me motivated." (Participant 1, Third Round)

For Exit hybrid entrepreneurs, passion often conflicted with external pressures, leading to difficult decisions. Participant 8 noted:

"I loved running my fitness studio, but the financial strain became too much to handle." (Participant 8, Third Round)

Passion acts as a critical motivator that sustains entrepreneurs through challenges and uncertainty. For Transitory entrepreneurs, it fuels bold decisions to prioritize personal fulfilment, aligning with SE's Emotional States and ESE's Individual Differences. Persistent entrepreneurs use passion to balance their dual roles, finding intrinsic satisfaction in their work. For Exit entrepreneurs, however, the

inability to align passion with practical realities often results in disengagement, highlighting the limits of passion as a standalone driver of entrepreneurial success.

Table 6.9 uses additional quotations to illustrate how passion interacts with other factors, such as emotional resilience and external constraints, to influence entrepreneurial outcomes.

Table 6.9: Examples of Quotations for Passion

Participant	Type	Quotation	Pathway Impact
1	Persistent	<i>"I genuinely enjoy what I do, both in my job and in my side business, which keeps me motivated."</i>	Passion sustains dual roles and hybrid entrepreneurship.
2	Persistent	<i>"My work gives me a sense of purpose, and I want to make a positive impact in my industry."</i>	Passion drives steady, purposeful growth.
4	Transitory	<i>"Teaching has always been my passion, and I wanted to create a space where students could thrive."</i>	Reflects passion-driven transition toward full-time entrepreneurship.
6	Transitory	<i>"Travel is something I'm deeply passionate about, and I wanted to turn that into a career."</i>	Demonstrates passion as a foundation for entrepreneurial efforts.
8	Exit	<i>"I loved running my fitness studio, but the financial strain became too much to handle."</i>	Passion conflicted with financial pressures, leading to exit.
9	Exit	<i>"My passion for this business kept me going, but eventually, the challenges outweighed it."</i>	Highlights limits of passion in sustaining entrepreneurial efforts.

Source: generated by the author

Persistent entrepreneurs consistently leveraged passion to sustain hybrid entrepreneurship. Transitory entrepreneurs used passion as a motivator during transitions, while Exit entrepreneurs struggled to sustain passion amidst external challenges. These findings connect to SE's Emotional States and ESE's Individual Differences, showing how passion interacts with resilience and external conditions.

6.2.2.4 Fear of Uncertainty

Fear of uncertainty emerged as a significant personality trait influencing hybrid entrepreneurs' decision-making processes and pathway changes. This trait often manifested as hesitancy in committing fully to entrepreneurship, with participants demonstrating cautious approaches to risk-taking. Fear of uncertainty was particularly evident among Persistent and Exit hybrid entrepreneurs.

For instance, Participant 1 (Persistent) explained their reluctance to abandon their stable job despite entrepreneurial success:

"I've built a reliable income from my side business, but leaving my salaried role feels too risky, especially in this economic climate." (Participant 1, Third Round)

Similarly, Participant 9 (Exit) described how uncertainty about long-term success contributed to their decision to return to full-time employment:

"The uncertainty of running my own business, especially with the market changing so fast, was too overwhelming." (Participant 9, Second Round)

This fear also impacted Transitory entrepreneurs, albeit in different ways. Participant 6 (Transitory) admitted to struggling with doubts during their transition to full-time entrepreneurship:

"I wasn't sure if the travel business could sustain itself, but I decided to take the leap anyway." (Participant 6, Third Round)

Fear of uncertainty was a persistent factor influencing participants' entrepreneurial decisions, but its manifestation varied across pathways. Persistent entrepreneurs maintained stable dual roles, driven by their aversion to risk and desire for security. Transitory entrepreneurs overcame their fears gradually, often through small successes and increased confidence. For Exit entrepreneurs, fear of uncertainty undermined their entrepreneurial self-efficacy, ultimately pushing them toward stable employment.

These findings highlight the interplay between SE's Emotional and Physiological States and ESE's Individual Differences. Persistent entrepreneurs' cautious approaches reflect emotional resilience and risk management, while Transitory entrepreneurs' gradual confidence-building underscores the dynamic nature of self-efficacy. In contrast, Exit entrepreneurs' inability to manage uncertainty emphasizes the emotional barriers that hinder entrepreneurial sustainability.

6.2.2.5 Adaptability

Adaptability was another critical trait that influenced participants' ability to navigate challenges and sustain their entrepreneurial efforts. This trait was particularly crucial in responding to external disruptions, such as the COVID-19 pandemic, and adjusting business strategies to align with evolving market demands.

Participant 4 (Transitory) demonstrated adaptability by reconfiguring their teaching studio to offer online classes during lockdowns:

"When the pandemic hit, I knew I had to adapt quickly. Shifting to online teaching was the only way to keep things running." (Participant 4, Second Round)

Participant 8 (Exit) also highlighted the importance of adaptability, though they struggled to implement effective changes:

"I tried to adjust to the new normal, but it was difficult to pivot my fitness business during the pandemic." (Participant 8, Third Round)

Persistent entrepreneurs showed adaptability in more stable contexts. Participant 3 described how they diversified their business offerings to meet changing customer needs:

"Expanding our services allowed us to stay competitive even during tough times." (Participant 3, Second Round)

Adaptability evolved over time, reflecting participants’ ability to respond to external disruptions and market shifts. Persistent entrepreneurs used adaptability to balance stability and growth, ensuring the continuity of their dual roles. Transitory entrepreneurs demonstrated resilience by implementing creative solutions to challenges, enabling their transitions to full-time entrepreneurship. Exit entrepreneurs, however, often lacked the resources or emotional resilience to adapt effectively, leading to their withdrawal from entrepreneurial pathways.

The findings illustrate the interplay between SE’s Emotional and Physiological States and ESE’s Individual Differences. Adaptability highlights participants’ capacity to manage stress, embrace change, and develop innovative strategies, with varying outcomes depending on their entrepreneurial pathways.

6.2.3 Theme 3: Industry Perception

Industry perception emerged as a pivotal theme, underscoring the importance of participants’ ability to navigate, predict, and leverage industry-specific dynamics to influence their entrepreneurial pathways. This theme is closely linked to Bandura’s Mastery Experience (SE) and Newman et al.’s Work Experience and Industry Expertise (ESE), as participants demonstrated how accumulated knowledge and insights shaped their decision-making. Industry perception reflects not only the participants’ technical and operational understanding but also their capacity to anticipate trends, recognize opportunities, and adjust to evolving market conditions.

This theme was derived from three subthemes: Work Experience, Industry Experience, and Opportunity Recognition, each demonstrating how industry perception shaped entrepreneurial pathways. Below is the formation table for this theme:

Table 6.10: Formation of Theme 3: Industry Perception

Subcodes	Codes	Patterns	Subthemes
Identifying niche markets	Opportunity recognition	Participants leveraged insights to identify underserved segments in their industries	Opportunity Recognition
Anticipating future trends		Recognised shifts in consumer demands or regulatory changes	
Leveraging domain knowledge	Industry experience	Participants utilised in-depth knowledge to refine business strategies	Industry Experience
Navigating industry-specific dynamics		Adapted operations to align with sector-specific opportunities or constraints	
Learning from prior ventures	Mastery experience	Lessons from previous successes and failures shaped decision-making	Mastery Experience
Developing practical expertise		Practical skills and past achievements informed entrepreneurial pathways	

Source: generated by the author

6.2.3.1 Work Experience

Work experience played a crucial role in shaping participants' industry perception, allowing them to develop operational skills, adapt to professional environments, and make informed entrepreneurial decisions. Persistent hybrid entrepreneurs leveraged work experience to maintain stable employment while pursuing business ventures. Participant 1, for instance, noted:

"My job as a construction finance manager taught me how to handle large budgets, which was instrumental in managing my side business efficiently." (Third round, Participant 1)

Similarly, Participant 3 highlighted how professional experience helped them anticipate market needs:

"Working in the diesel trade gave me the technical knowledge to diversify my business offerings while maintaining my role at the bank." (Second round, Participant 3)

Transitory hybrid entrepreneurs relied on work experience as a foundation for entrepreneurial transitions. Participant 5, for example, explained:

"My role in a travel agency made me realize the demand for customized visa services. It was this insight that drove me to start my own business." (Third round, Participant 5)

Exit hybrid entrepreneurs also acknowledged the value of work experience but often described its limitations. Participant 8 noted:

"Although I gained experience managing fitness programs, I struggled to translate those skills into business sustainability." (Second round, Participant 8)

Over time, participants' work experiences evolved from foundational skill-building in their primary jobs to becoming instrumental in shaping their entrepreneurial pathways. Persistent hybrid entrepreneurs consistently leveraged their professional roles to ensure stability, while simultaneously applying acquired skills to develop side ventures. Transitory entrepreneurs

transitioned from leveraging work experience as a stepping stone to seizing opportunities for full-time entrepreneurship. In contrast, Exit entrepreneurs often reflected on the limitations of their work experiences, which failed to translate into sustainable entrepreneurial ventures over time.

6.2.3.2 Industry Experience

Industry experience, characterized by participants' in-depth knowledge and understanding of sector-specific dynamics, emerged as another critical subtheme. Persistent hybrid entrepreneurs emphasized the importance of industry expertise in maintaining stable dual roles. Participant 2 stated:

"My long-standing experience in educational management helped me adapt to regulatory changes and maintain the reputation of my small-class teaching model."
(Second round, Participant 2)

Participant 3 further elaborated on how industry-specific knowledge allowed them to mitigate risks:

"Understanding the supply chain in the diesel trade was key to managing fluctuations and ensuring business continuity." (Third round, Participant 3)

Transitory hybrid entrepreneurs used industry experience to explore innovative business models. Participant 4 shared:

"My experience running English teaching programs helped me design a curriculum that aligned with market needs, even during the pandemic." (Third round, Participant 4)

In contrast, exit hybrid entrepreneurs often struggled to leverage industry experience effectively. Participant 7 explained:

"Despite my experience in the food industry, I couldn't sustain my night market stall due to rising costs and limited demand." (Second round, Participant 7)

Industry experience provided participants with sector-specific insights that adapted and deepened as market conditions evolved. Persistent hybrid

entrepreneurs used their industry knowledge to mitigate risks and adapt to regulatory or market changes. Transitory entrepreneurs expanded upon their experiences, exploring innovative models to drive full-time ventures. For Exit entrepreneurs, however, their industry experiences often proved insufficient when faced with external challenges such as rising costs or shifting demand, demonstrating limited applicability over time.

6.2.3.3 Opportunity Recognition

Opportunity recognition, defined as the ability to identify and capitalize on emerging market demands or underserved niches, was a unifying factor across all entrepreneurial pathways. This subtheme highlighted participants' capacity to align their ventures with industry trends and consumer needs. Persistent hybrid entrepreneurs utilized opportunity recognition for incremental growth. Participant 3 reflected:

"I noticed a gap in the diesel market for independent contractors, which became a focus for my side business." (Second round, Participant 3)

Transitory hybrid entrepreneurs demonstrated boldness in seizing opportunities. Participant 5 explained:

"The rise of independent travel after COVID presented a unique opportunity for visa services, which I quickly capitalized on." (Third round, Participant 5)

Similarly, Participant 6 shared:

"I saw how system construction projects were gaining traction and decided to invest more time in freelancing." (Second round, Participant 6)

For Exit hybrid entrepreneurs, opportunity recognition often highlighted challenges. Participant 9 noted:

"I recognised the demand for domestic products post-COVID, but I lacked the resources to scale my business." (Third round, Participant 9)

These insights underscore the importance of opportunity recognition as a driver of strategic decision-making. Persistent and Transitory entrepreneurs leveraged this skill to adapt and grow, while Exit entrepreneurs faced limitations in fully realizing identified opportunities.

Table 6.11: Examples of Quotations for Industry Perception

Participant	Type	Quotation	Subtheme
1	Persistent	<i>"My job as a construction finance manager taught me how to handle budgets."</i>	Work Experience
3	Persistent	<i>"Understanding the supply chain in diesel trade ensured business continuity."</i>	Industry Experience
5	Transitory	<i>"Independent travel after COVID was a unique opportunity for visa services."</i>	Opportunity Recognition
4	Transitory	<i>"Experience in English teaching helped me design market-relevant programs."</i>	Industry Experience
7	Exit	<i>"Despite my experience in food, I couldn't sustain the night market stall."</i>	Industry Experience
9	Exit	<i>"Demand for domestic products rose, but I lacked resources to scale."</i>	Opportunity Recognition

Source: generated by the author

Opportunity recognition highlighted participants' ability to evolve with emerging market trends and shifting demands. Persistent hybrid entrepreneurs refined their recognition skills incrementally, often using them to secure small but consistent business growth. Transitory entrepreneurs boldly acted on recognised opportunities to transition fully into entrepreneurship, particularly in response to post-COVID changes. Exit entrepreneurs, while capable of identifying opportunities, often faced barriers that hindered effective implementation, highlighting a disparity between recognition and execution over time.

6.2.3.4 Summary

The theme of Industry Perception illustrates the pivotal role of experiential knowledge in shaping entrepreneurial pathways. Through mastery and industry-specific experiences, participants developed the confidence and skills to recognise opportunities and navigate challenges. Persistent and Transitory hybrid entrepreneurs demonstrated the strategic application of industry perception, whereas Exit entrepreneurs often struggled to leverage it effectively, revealing the interplay between experiential learning, self-efficacy, and entrepreneurial self-efficacy. These findings underscore how industry perception drives decision-making and reinforces entrepreneurial resilience across varying pathways.

6.2.4 Theme 4: Social Influences

Social influences emerged as a pivotal theme shaping participants' entrepreneurial pathways, reflecting the role of social modelling, persuasion, and relational networks. This theme is closely connected to Bandura's Social Modelling and Social Persuasion (SE) and Newman et al.'s Role Models and Mentors as well as Cultural and Institutional Environment (ESE). The integration of personal relationships with institutional and cultural dynamics highlighted the critical role of guanxi in China's unique socio-economic environment, amplifying its impact on entrepreneurial pathways.

Participants utilised relational dynamics to navigate challenges, build confidence, and seize opportunities. This theme is categorised into three subthemes: Role Models and Mentors, Social Persuasion and Feedback, and Guanxi (Relationships). Each subtheme demonstrates how participants leveraged or struggled with social influences to shape their decisions and resilience. Below is the formation table summarising the progression from codes to themes.

Table 6.12: Formation of Theme 4: Social Influences

Subcodes	Codes	Patterns	Subthemes
Observing successful peers	Role modelling	Participants emulated strategies from admired individuals in their network	Role Models and Mentors
Receiving direct guidance		Participants benefited from mentorship to overcome challenges	
Encouraging feedback	Social persuasion	Positive reinforcement from customers, peers, or family members	Social Persuasion
Coping with criticism		Participants utilized critical feedback to refine strategies	
Leveraging personal networks	Guanxi	Participants relied on relational networks for referrals, funding, and market entry	Guanxi
Navigating institutional norms		Relational trust helped participants align with regulatory and cultural expectations	

Source: generated by the author

6.2.4.1 Role Models and Mentors

Role models and mentors significantly shaped participants' self-efficacy by demonstrating viable entrepreneurial strategies and providing direct guidance. Persistent hybrid entrepreneurs benefited from observing successful peers while balancing dual roles. For example:

"I watched my friend run a English studio while keeping his job, which showed me how to manage both sides." (Participant 2, Second Round)

This illustrates how role models reinforced confidence in managing hybrid pathways. Similarly, mentors offered direct support. Participant 1 shared:

"A senior colleague in my finance job guided me on risk management, which I applied to my side business." (Participant 1, Third Round)

For Transitory hybrid entrepreneurs, role models acted as a source of inspiration. Participant 5 explained:

"Seeing my cousin succeed in tourism motivated me to take the leap and start my own agency." (Participant 5, Second Round)

Exit hybrid entrepreneurs acknowledged role models but often faced challenges converting inspiration into sustainable outcomes. Participant 9 reflected:

"My parents were entrepreneurs, and while they inspired me, they also warned me about the risks involved." (Participant 9, Second Round)

Role models and mentors provided participants with both inspiration and actionable guidance, though their influence evolved over time. Persistent hybrid entrepreneurs consistently benefited from mentors who supported their dual roles and helped navigate challenges. Transitory entrepreneurs drew heavily on role models for inspiration during transitional phases, as they gained confidence to fully commit to entrepreneurship. However, Exit entrepreneurs often struggled to translate their initial inspiration from role models into long-term entrepreneurial success, reflecting a decline in the utility of this influence over time. These variations underscore the temporal and pathway-specific dynamics of role models and mentors in entrepreneurial journeys.

6.2.4.2 Social Persuasion and Feedback

Social persuasion, including positive reinforcement and constructive criticism, directly influenced participants' entrepreneurial decisions. Persistent hybrid entrepreneurs emphasized how customer feedback bolstered their confidence. Participant 3 stated:

"Clients praised my diesel trade services, which motivated me to expand my offerings." (Participant 3, Third Round)

Similarly, Participant 2 described:

"Parents appreciated my teaching methods, which encouraged me to keep improving." (Participant 2, Third Round)

For Transitory entrepreneurs, peer encouragement facilitated bold transitions. Participant 6 noted:

"Friends believed in my ability to succeed on my own, which pushed me to quit my job." (Participant 6, Third Round)

In contrast, Exit entrepreneurs often struggled with negative feedback. Participant 8 explained:

"Critical reviews about my fitness studio were discouraging, and I found it hard to recover." (Participant 8, Second Round)

Social persuasion, through feedback from customers, peers, and family, evolved significantly as participants' pathways progressed. Persistent hybrid entrepreneurs maintained confidence through continuous positive reinforcement, especially as their dual roles became more established. Transitory entrepreneurs relied on peer encouragement to take decisive steps toward full-time entrepreneurship, often spurred by timely support during critical transitions. In contrast, Exit entrepreneurs encountered diminishing returns from social persuasion, as negative feedback increasingly contributed to emotional fatigue and reduced entrepreneurial self-efficacy over time. The longitudinal shifts in social persuasion highlight its role as both a motivator and a barrier, depending on participants' trajectories and external circumstances.

6.2.4.3 Guanxi (Relationships)

Guanxi, or relational networks, played a uniquely significant role in the Chinese context, blending cultural expectations with practical benefits. Persistent hybrid entrepreneurs leveraged guanxi to sustain dual roles and expand business opportunities. Participant 3 shared:

"Connections in the diesel trade helped me secure contracts that I couldn't manage alone." (Participant 3, Third Round)

Participant 2 emphasised trust-based relationships:
"Parents referred me to other clients because they trusted my teaching approach."
(Participant 2, Second Round)

Transitory hybrid entrepreneurs relied on guanxi for critical transitions. Participant 4 explained:
"A family connection introduced me to a business partner, opening new opportunities." (Participant 4, Third Round)

Exit entrepreneurs utilized guanxi as a safety net for re-entering traditional employment. Participant 9 described:
"A relative connected me to a new opportunity in the restaurant industry, which I'm considering." (Participant 9, Third Round)

These examples highlight the dual role of guanxi as both a practical resource and a cultural norm. The findings align with Cultural and Institutional Environment (ESE), illustrating how relational trust helps participants navigate institutional constraints. Additionally, guanxi reflects Social Modelling (SE) by reinforcing behaviour patterns through trusted relationships.

Table 6.13 demonstrates how participants across types leveraged social influences in varied ways, from role models fostering confidence to guanxi facilitating institutional navigation. For Persistent entrepreneurs, social feedback and relational trust bolstered their dual roles, reflecting stability and gradual growth. Transitory entrepreneurs leaned heavily on relationships to transition into full-time ventures, while Exit entrepreneurs often relied on guanxi as a safety net after facing challenges.

Table 6.13: Examples of Quotations for Social Influences

Participant	Type	Quotation	Subtheme
1	Persistent	<i>"A senior colleague in my finance job guided me on risk management."</i>	Role Models and Mentors
2	Persistent	<i>"Parents referred me to other clients because they trusted my methods."</i>	Guanxi (Relationships)
3	Persistent	<i>"Clients praised my diesel trade services, which motivated me to expand."</i>	Social Persuasion
4	Transitory	<i>"A family connection introduced me to a business partner."</i>	Guanxi (Relationships)
5	Transitory	<i>"Seeing my cousin succeed motivated me to start my own agency."</i>	Role Models and Mentors
9	Exit	<i>"A relative connected me to a new opportunity in the restaurant industry."</i>	Guanxi (Relationships)

Source: generated by the author

The role of guanxi in participants' entrepreneurial pathways was deeply embedded in cultural and institutional contexts and demonstrated notable evolution over time. Persistent hybrid entrepreneurs consistently leveraged guanxi for stable business growth and maintaining dual roles, reflecting long-term relational trust. Transitory entrepreneurs utilized guanxi to facilitate critical transitions, such as securing partnerships or entering new markets, with its influence peaking during their shift to full-time entrepreneurship. For Exit entrepreneurs, guanxi often served as a fallback mechanism, enabling them to re-enter traditional employment or explore alternative ventures after setbacks. These longitudinal patterns illustrate guanxi's dual function as a strategic resource and a cultural norm, with its significance adapting to participants' shifting needs.

6.2.4.4 Summary

The theme of Social Influences highlights the multifaceted impact of relational dynamics on hybrid entrepreneurs. Role models, feedback, and guanxi collectively shaped participants' confidence, resilience, and strategic decision-making. These influences are deeply tied to Bandura's Social Modelling and Social Persuasion (SE) and Newman et al.'s Role Models and Mentors as well as Cultural and Institutional Environment (ESE). These influences reveal the relational and cultural foundations of entrepreneurial pathways in China, highlighting the unique importance of guanxi as a socio-cultural asset. Persistent and Transitory entrepreneurs effectively leveraged these dynamics for growth and resilience, while Exit entrepreneurs often struggled to sustain long-term success. This theme underscores the critical role of relational networks and feedback in shaping hybrid entrepreneurs' decisions and pathways.

6.2.5 Theme 5 Financial Aspects

Financial considerations emerged as a central theme shaping participants' decisions to engage in hybrid entrepreneurship and influencing their career pathway changes. The interplay between family-driven responsibilities, personal aspirations, and the need for financial stability illustrates the diverse ways in which financial motivations guide entrepreneurial behaviour.

Although financial pressures are not explicitly addressed within either Bandura's self-efficacy theory or Newman et al.'s Entrepreneurial Self-Efficacy framework, this theme presents a novel yet theoretically resonant dimension. Financial concerns—particularly those tied to familial expectations, long-term security, and intergenerational responsibility—emerged as a pervasive influence on entrepreneurial behaviour. These pressures are closely linked to Bandura's (1997) notion of Emotional and Physiological States, insofar as financial instability or ambition shaped participants' emotional resilience and confidence in pursuing hybrid ventures. Simultaneously, the theme aligns with Newman et al.'s (2019) Cultural and Institutional Environment, which encompasses socio-economic structures, cultural expectations around family roles, and perceived norms

regarding financial success. Thus, while not canonically defined within SE/ESE constructs, financial dynamics emerge here as a culturally embedded, psychologically significant force in hybrid entrepreneurial decision-making.

The financial aspects theme was derived from three interconnected subthemes: Family-Oriented Financial Responsibilities, Financial Stability, and Personal Financial Aspirations. Below is a summary of how the codes, subcodes, and patterns were synthesized to form this theme.

Table 6.14: Formation of Theme 5: Financial Aspects

Codes	Subcodes	Patterns	Subthemes
Family financial needs	Breadwinner role	Participants' responsibility to improve family living standards	Family-Oriented Financial Responsibilities
Social insurance benefits	Income stability, welfare	Retaining employment to ensure consistent income	Financial Stability
Rising costs	Managing inflation	Striving to balance business costs with family obligations	
Wealth accumulation goals	Long-term financial goals	Pursuit of independence and personal financial growth	Personal Financial Aspirations

Source: generated by the author

Table 6.14 highlights how financial pressures and aspirations influenced participants' hybrid entrepreneurship pathways. Family responsibilities, particularly among Persistent and Exit entrepreneurs, emphasized the cultural expectation of men as breadwinners. Financial stability was equally critical, driving participants to retain salaried roles. Personal aspirations, on the other hand, reflect the ambition for autonomy and wealth accumulation, especially among Transitory entrepreneurs.

6.2.5.1 Family-Oriented Financial Responsibilities

For many participants, family responsibilities were the primary driver of their entrepreneurial choices. Male participants often emphasized their role as breadwinners, prioritizing their family's well-being over individual ambitions.

Persistent entrepreneurs, such as Participant 1, demonstrated a cautious approach, balancing stable income with side businesses to ensure family security: *"I'm the breadwinner of my family. My state-owned enterprise job gives me stability, while my side business supports additional needs."* (Second round, Participant 1)

Similarly, Participant 3 retained her banking job, emphasizing the importance of social insurance benefits:

"My job provides five types of insurance and one housing fund. These benefits are essential for my family's stability." (Second round, Participant 3)

Transitory entrepreneurs exhibited greater financial risk but were similarly motivated by family considerations. Participant 5 noted:

"I see myself as the breadwinner. Expanding my business is the only way to secure a better future for my family." (Second round)

Exit entrepreneurs often struggled to meet family obligations, leading to emotional strain. Participant 8 shared:

"I started my fitness studio because I wanted to provide for my family, but it became overwhelming." (Second round)

Table 6.15: Examples of Quotes for Family-Oriented Financial Responsibilities

Participant	Type	Quotation	Round
1	Persistent	<i>"I'm the breadwinner of my family. My job gives me stability while my side business supports additional needs."</i>	Second
3	Persistent	<i>"My job provides five types of insurance and one housing fund."</i>	Third
5	Transitory	<i>"I see myself as the breadwinner. Expanding my business is the only way to secure a better future for my family."</i>	Third
6	Transitory	<i>"Freelancing allowed me to meet my financial obligations while pursuing my dreams."</i>	Second
8	Exit	<i>"I started my fitness studio because I wanted to provide for my family."</i>	Second
9	Exit	<i>"I needed to improve my family's living standards, but it became too difficult to manage."</i>	Third

Source: generated by the author

Family-oriented financial responsibilities were a dominant factor across all participant types. Persistent entrepreneurs, like Participant 1 and 3, relied on stable employment to fulfill family obligations, reflecting cautious strategies. Transitory entrepreneurs, as seen in Participant 5, took greater risks to improve family circumstances. Exit entrepreneurs, however, often faced challenges in balancing family needs with business pressures, contributing to their pathway changes.

Over time, family-oriented financial responsibilities remained a consistent motivator across pathways. However, Persistent entrepreneurs showed resilience in maintaining dual roles to support their families, while Transitory entrepreneurs leveraged family aspirations to transition into full-time ventures. Exit entrepreneurs initially pursued entrepreneurship for family needs but often reverted to stable employment due to financial strain. These longitudinal patterns

underscore the enduring but varied influence of family-driven financial responsibilities.

This subtheme aligns with ESE's Cultural and Institutional Environments, emphasizing how cultural norms surrounding family obligations influence financial motivations. Additionally, it reflects SE's Emotional States, as financial responsibilities create both resilience and emotional strain.

6.2.5.2 Financial Stability

Financial stability provided a critical foundation for Persistent and Exit hybrid entrepreneurs. Persistent entrepreneurs prioritized stability to sustain dual roles, whereas Exit entrepreneurs often cited instability as a reason for withdrawing from entrepreneurship.

For Persistent entrepreneurs, stable employment provided a safety net, allowing them to explore entrepreneurial opportunities without risking financial insecurity. For example, Participant 1 reflected:

"My paid employment is within a state-owned enterprise giving me a sense of security and a satisfying income." (Second round, Participant 1)

This sentiment is echoed by Participant 3, who emphasized the benefits of social insurance:

"The social insurance system in China ensures basic livelihood and promotes social stability, which is why I keep my bank job." (Third round, Participant 3)

Conversely, Exit entrepreneurs highlighted how a lack of financial stability forced them to abandon entrepreneurial pursuits. Participant 9 shared:

"Price wars and rising costs made it impossible to sustain; I started considering other industries." (Third round, Participant 9)

Table 6.16 demonstrates how financial stability served as both a protective mechanism and a constraint across participant types. Persistent entrepreneurs

leveraged stability to balance dual roles, as seen in Participants 1 and 3, while Exit entrepreneurs like Participant 9 cited instability as a primary reason for their exit. Transitory entrepreneurs used short-term strategies, such as freelancing, to navigate financial challenges while preparing for transitions.

Table 6.16: Examples of Quotations for Financial Stability

Participant	Type	Quotation	Round
1	Persistent	<i>"My paid employment is within a state-owned enterprise giving me a sense of security and a satisfying income."</i>	Second
3	Persistent	<i>"The social insurance system in China ensures basic livelihood and promotes social stability."</i>	Second
7	Exit	<i>"The pandemic's impact on my stall's revenue left me with no choice but to seek stable employment."</i>	Second
9	Exit	<i>"Price wars and rising costs made it impossible to sustain; I started considering other industries."</i>	Third
6	Transitory	<i>"Freelancing gave me financial breathing room when my main business faced challenges."</i>	Third
4	Transitory	<i>"Economic conditions pushed me to maintain stability while preparing for my transition."</i>	Third

Source: generated by the author

Over time, Persistent entrepreneurs consistently prioritized stability, using salaried jobs as a foundation for sustained entrepreneurial efforts. Transitory entrepreneurs viewed stability as a stepping stone, leveraging it to transition into full-time ventures. Exit entrepreneurs, however, often faced a decline in stability, highlighting its critical role in sustaining entrepreneurial pathways.

This subtheme underscores the alignment with SE's Emotional and Physiological States, as financial security reduced stress and fostered confidence among Persistent and Transitory entrepreneurs. For Exit entrepreneurs, financial

instability heightened emotional strain, leading to disengagement from entrepreneurship.

6.2.5.3 Financial Aspirations

Financial aspirations were particularly influential for Transitory entrepreneurs, who often viewed entrepreneurship as a pathway to achieve wealth and independence. This sub-theme also influenced Persistent and Exit entrepreneurs, albeit to varying degrees.

Participant 6 emphasized the pursuit of financial independence as a motivating factor:

"Working for myself meant all profits would go directly to me." (Third round, Participant 6)

Persistent entrepreneurs balanced aspirations with stability. Participant 2 explained:

"I've found ways to earn extra income within legal boundaries, which allows me to pursue long-term goals." (Third round, Participant 2)

However, for Exit entrepreneurs, unfulfilled financial aspirations often led to frustration. Participant 8 described:

"I wanted to expand my business, but the financial challenges made it unsustainable." (Second round, Participant 8)

The data in Table 6.17 reflects the diversity in how financial aspirations influence pathways. For Persistent entrepreneurs, aspirations are tempered by the need for security. Transitory entrepreneurs, as seen in Participants 4 and 6, embrace entrepreneurial risks to achieve independence. Exit entrepreneurs, however, often find their aspirations constrained by external challenges, leading to frustration and disengagement.

Table 6.17: Examples of Quotations for Financial Aspirations

Participant	Type	Quotation	Round
3	Persistent	<i>"I've found ways to earn extra income to improve my daughters' life standard."</i>	Third
4	Transitory	<i>"The profit I made from collaborations with institutions allowed me to run my own studio."</i>	Second
6	Transitory	<i>"Working for myself meant all profits would go directly to me."</i>	Second
8	Exit	<i>"I wanted to expand my business, but the financial challenges made it unsustainable."</i>	Third

Source: generated by the author

Longitudinally, Persistent entrepreneurs maintained aspirations while prioritizing incremental progress. Transitory entrepreneurs demonstrated ambitious leaps driven by aspirations, though often supported by calculated risk-taking. Exit entrepreneurs faced challenges reconciling their aspirations with practical constraints, leading to pathway changes. This evolution highlights the interplay between individual ambition and external factors over time.

This subtheme reveals connections to ESE’s Individual Differences, highlighting how personal goals drive entrepreneurial efforts, and SE’s Emotional and Physiological States, emphasizing how unfulfilled aspirations impact confidence and persistence.

6.2.5.2 Summary

The theme of Financial Aspects highlights the complex interplay between cultural norms, personal aspirations, and the practicalities of financial management. Family responsibilities and financial stability emerged as critical motivators, shaping participants' hybrid entrepreneurship pathways. The integration of SE’s Emotional and Physiological States with ESE’s Cultural and Institutional Environments provides a nuanced understanding of how financial considerations influence decision-making, resilience, and strategic transitions.

6.3 Summary of the Chapter

This chapter has provided an in-depth analysis of the factors influencing hybrid entrepreneurs' pathway changes, based on evidence derived from both the second and third rounds of interviews. The findings were structured around five emergent themes: External Environment, Personality Traits, Industry Perception, Social Influences, and Financial Aspects. Each theme was supported by quotations and analytical interpretations, ensuring a rich and comprehensive understanding of how these factors shape entrepreneurial trajectories.

Theme 1: External Environment explored the macro-level forces impacting hybrid entrepreneurship, including post-COVID recovery, economic pressures, and evolving consumer behaviour. These factors revealed the dynamic relationship between external conditions and entrepreneurs' resilience, adaptability, and decision-making, linking closely to SE's Emotional and Physiological States and ESE's Cultural and Institutional Environment.

Theme 2: Personality Traits focused on the individual characteristics that influenced entrepreneurial pathways, including risk propensity, fear of uncertainty, ambition, passion, and adaptability. These traits underscored the importance of SE's Emotional States and ESE's Individual Differences, showing how intrinsic factors drive or limit entrepreneurial decisions.

Theme 3: Industry Perception highlighted the role of work and industry experience in shaping participants' entrepreneurial outlook and opportunity recognition. The participants demonstrated how mastery and industry-specific expertise facilitated their ability to predict trends and adapt to market changes, closely aligning with SE's Mastery Experiences and ESE's Work Experience.

Theme 4: Social Influences examined the significance of guanxi (relationships), role models, and mentors in shaping participants' entrepreneurial self-efficacy. Social persuasion, social modelling, and cultural norms were key mechanisms

through which participants gained confidence and navigated challenges, emphasising the interplay between SE's Social Modelling and ESE's Role Models and Cultural Environment.

Theme 5: Financial Aspects delved into the financial motivations underpinning hybrid entrepreneurship, encompassing family-oriented responsibilities, aspirations for stability, and personal financial goals. The findings demonstrated how financial pressures and ambitions influenced decisions to persist in hybrid entrepreneurship, transition to full-time entrepreneurship, or exit entrepreneurial pathways.

Throughout these themes, longitudinal analysis revealed how participants' pathways evolved over time. The findings demonstrated that hybrid entrepreneurship is not static but shaped by an interplay of changing external environments, intrinsic traits, social dynamics, industry insights, and financial motivations. By examining second and third-round data, this chapter captured the nuanced shifts in participants' decisions and their adaptations to varying conditions. To further illustrate these transitions, Table 6.18 below maps the longitudinal progression of each participant across the three interview rounds. This visual representation highlights the dynamic and non-linear nature of hybrid entrepreneurship, underscoring how initial intentions often shifted in response to personal, contextual, or structural developments. Such mapping reinforces the value of a longitudinal design in capturing decision-making as a fluid, evolving process.

Table 6.18: Evolution of Hybrid Status Across Interview Rounds

Participant ID	Round 1 Status	Round 2 Status	Round 3 Status	Final Classification
P1	Persistent	Persistent	Persistent	Persistent Hybrid Entrepreneur
P2	Persistent	Persistent	Persistent	Persistent Hybrid Entrepreneur
P3	Persistent	Persistent	Hybrid	Persistent Hybrid Entrepreneur
P4	Transitory	Transitory	Transitory	Transitory Hybrid Entrepreneur
P5	Transitory	Transitory	Transitory	Transitory Hybrid Entrepreneur
P6	Transitory	Freelancer (Exit& Transitory)	Freelancer	Transitory Hybrid Entrepreneur/Freelancer
P7	Exit	Exit	Exit	Exit Hybrid Entrepreneur
P8	Exit	Persistent	Transitory	Transitory Hybrid Entrepreneur
P9	Exit	Transitory	Transitory	Transitory Hybrid Entrepreneur

Source: generated by the author

This chapter demonstrates that hybrid entrepreneurs' pathway changes are shaped by the interplay of five key thematic influences: external environment, personality traits, industry perception, social dynamics, and financial considerations. These themes collectively reveal how diverse factors interact to shape entrepreneurial resilience, adaptability, and decision-making processes over time. Longitudinally, the findings illustrate how participants' responses evolved across life stages and structural conditions—strategic pivots were often triggered by environmental shifts, while changes in financial obligations prompted decisions to persist, transition, or exit.

The interweaving of Bandura's SE sources and Newman et al.'s ESE antecedents over time underscores the complexity and fluidity of hybrid entrepreneurship, emphasising the need for temporally sensitive analytical models. While the SE/ESE framework provided a robust lens for unpacking psychological and

contextual influences, it is worth considering how alternative theoretical perspectives—such as effectuation theory, institutional theory, or life course theory—might have foregrounded different dynamics, particularly regarding opportunity construction, structural embeddedness, or temporal sequencing. Although these alternatives were not adopted in this study, acknowledging their potential contributions reinforces the critical orientation of the analytical approach.

The findings presented in this chapter lay the foundation for a critical discussion in the following chapter. Drawing on insights from three rounds of interviews conducted over a four-year period, the study provides a rare longitudinal perspective on hybrid entrepreneurship. The strength of this research lies not only in its conceptual framing through SE and ESE but also in the depth of participant engagement—nine entrepreneurs who remained committed across the study duration, enabling a rich temporal analysis of behavioural change, shifting motivations, and adaptive strategies.

The next chapter will contextualise these findings within the broader literature on self-efficacy (SE) and entrepreneurial self-efficacy (ESE). It will compare and contrast how the themes identified here align with or diverge from existing research, assessing whether Bandura’s four sources of SE and Newman et al.’s six ESE antecedents adequately account for the dynamic and situationally responsive nature of hybrid entrepreneurial experiences. In doing so, the discussion will not only critically assess theoretical fit but also reflect on the methodological and conceptual strengths of this study, offering new directions for theory development in the hybrid entrepreneurship field.

Chapter 7 Discussion and Implications

7.1 Introduction

The discussion of hybrid entrepreneurship has historically revolved around the assumption that individuals use hybrid entrepreneurship as a transitional phase before fully committing to self-employment (Folta et al., 2010; Petrova, 2011). This assumption has shaped much of the existing academic discourse, particularly in Western economies such as the United States and Europe (Bruton et al., 2008; Welter and Lasch, 2008). However, this study challenges these conventional perspectives by presenting a more nuanced view of hybrid entrepreneurship, based on empirical findings from Chinese hybrid entrepreneurs operating in distinct socio-economic conditions.

Drawing on three rounds of interviews conducted between 2020 and 2024, this study's longitudinal findings reveal that hybrid entrepreneurship is a far more complex and context-dependent career strategy. Unlike existing literature, which largely assumes hybrid entrepreneurship is a stepping stone towards full-time self-employment, this study demonstrates that many individuals actively choose to remain in hybrid careers or return to paid employment, driven by a combination of psychological, economic, and social factors, highlighting the existence of three distinct entrepreneurial pathways:

- **Persistent Hybrid Entrepreneurs (PHEs):** individuals who remain in hybrid entrepreneurship long-term, intentionally balancing salaried employment with self-employment.
- **Transitory Hybrid Entrepreneurs (THEs):** individuals who successfully transition into full-time self-employment. Based on the findings of this study, this transition is not solely driven by financial readiness but often shaped by external shocks, institutional influences, and opportunity recognition.

- Exit Hybrid Entrepreneurs (EHEs): individuals who disengage from entrepreneurship and return to full-time salaried employment. This third type emerged directly from the empirical data, reflecting exits driven by emotional exhaustion, financial instability, and contextual disruptions rather than purely economic failure.

These categories were not pre-defined but instead emerged inductively from the longitudinal interview data. As such, they represent a core empirical contribution of this study, extending existing frameworks which often overlook exit as a distinct hybrid entrepreneurial outcome (see also Folta et al., 2010; Block and Landgraf, 2016). Whilst these findings diverge in several respects from prior research—particularly in acknowledging non-linear trajectories and long-term hybrid persistence—they also align with earlier studies that highlight risk mitigation and role balancing as central to hybrid entrepreneurship (Petrova, 2011; Schulz et al., 2017).

By adopting Self-Efficacy Theory (Bandura, 1997) and Entrepreneurial Self-Efficacy (Newman et al., 2019) as analytical lenses, this study provides a comprehensive framework to explain why some hybrid entrepreneurs persist, why others transition into full-time self-employment, and why a third category (exit hybrid entrepreneurs) disengage from entrepreneurial activities altogether and re-enter salaried employment.

Importantly, the study situates these decisions within a broader institutional and socio-cultural context. Whilst much of the existing literature is grounded in Western settings, this research highlights the significance of localised factors—such as *guanxi* (interpersonal networks), institutional ambiguity, and societal expectations—in shaping perceived self-efficacy. These contextual dynamics interact with internal belief systems to influence how entrepreneurs interpret their own capability trajectories.

It is also important to note that the interviews were conducted between 2020 and 2024, a period which coincided with the global COVID-19 pandemic. As such, participants' narratives and decisions were inevitably shaped by the uncertainty, disruption, and volatility brought about by this exceptional context. Whilst factors such as institutional structures and cultural expectations remain enduring, the pandemic represents a temporally specific shock which amplified the psychological and economic pressures experienced by hybrid entrepreneurs.

This chapter critically evaluates the empirical findings in light of existing research, identifying both points of alignment and theoretical divergence. It also considers the practical and policy implications of these findings, particularly in non-Western contexts. Finally, the chapter reflects on the contributions and limitations of the study and outlines directions for future research.

7.2 Revisiting the Research Objectives: A Longitudinal Perspective on Hybrid Entrepreneurship

The research objectives of this study were designed to address critical gaps in the hybrid entrepreneurship literature, as identified in Chapter 3 (Literature Review). These include:

1. The assumption that hybrid entrepreneurship is inherently temporary, with self-employment as its inevitable endpoint (Folta et al., 2010; Tornikoski et al., 2015), neglecting the diversity of hybrid entrepreneurial pathways and the underlying psychological, social, and contextual drivers of career decisions.
2. The limited exploration of hybrid entrepreneurship within diverse cultural contexts, as existing research has predominantly examined Western economies (Bruton et al., 2008; Welter and Smallbone, 2011).
3. The limited exploration of psychological and behavioural factors influencing why individuals choose different career pathways within hybrid entrepreneurship (Newman et al., 2019).

To achieve these objectives, this research was guided by the following three research questions:

1. How do self-efficacy and entrepreneurial self-efficacy shape hybrid entrepreneurs' decisions to remain in the hybrid status persistently (Persistent Hybrid Entrepreneurs)?
2. How do self-efficacy and entrepreneurial self-efficacy drive hybrid entrepreneurs to transition to full-time entrepreneurship (Transitory Hybrid Entrepreneurs)?
3. How do declining self-efficacy and entrepreneurial self-efficacy influence hybrid entrepreneurs' decisions to exit entrepreneurial activities (Exit Hybrid Entrepreneurs)?

By incorporating longitudinal data, particularly from both the second and third rounds of interviews, this study provides a dynamic, evolving perspective on hybrid entrepreneurial careers, revealing how career decisions shift in response to economic, psychological, and social factors over time.

7.3 Discussion of Key Findings

The subsequent sections explore the three hybrid entrepreneurial pathways in detail, focusing on how psychological capacities (self-efficacy and ESE), social capital (GUANXI), and external market conditions collectively shape hybrid entrepreneurs' career decisions. This process-oriented approach offers a clearer understanding of why some hybrid entrepreneurs sustain their dual careers over time, others transition to full-time entrepreneurship, and some ultimately return to paid employment.

Each pathway is discussed in relation to the broader research questions outlined in Section 7.2, illustrating how the dynamic interplay between entrepreneurs' perceived capabilities, adaptive decision-making, and evolving contextual pressures shapes hybrid entrepreneurial career trajectories over time.

7.3.1 How Do Self-Efficacy and Entrepreneurial Self-Efficacy Shape Hybrid Entrepreneurs' Decisions to Remain in Hybrid Status Persistently?

Persistent Hybrid Entrepreneurs (PHEs)—Participants 1, 2, and 3—consistently maintained their hybrid status, despite the passage of time and changes in external market conditions. While their career pathways remained unchanged across the three rounds of interviews, the rationale underpinning their persistence evolved, shaped by the intersection of personality traits, industry experiences, and institutionalised forms of Guanxi, which affected participants' self-efficacy and entrepreneurial self-efficacy (ESE) over time. This evolution underscores that high self-efficacy does not inevitably lead to full-time transition, but rather equips individuals to optimise hybrid models as stability-oriented entrepreneurial solutions.

The analysis below identifies three key factors driving hybrid persistence, including: personality traits, industry experience and Guanxi.

7.3.1.1 Personality Traits: Risk Aversion and Fear of Uncertainty as Stability-Reinforcing Mechanisms

A critical factor underpinning hybrid persistence among PHEs was the role of risk aversion and uncertainty intolerance, which, rather than deterring entrepreneurial action, operated as stabilising forces that encouraged the retention of dual careers. Participants 1, 2, and 3 consistently demonstrated confidence in their entrepreneurial abilities, a hallmark of high ESE. However, their heightened sensitivity to financial insecurity and future uncertainty shaped their decision to maintain hybrid status, ensuring continued access to the income and social security benefits associated with salaried employment.

In the second-round interviews in 2022, risk aversion was closely tied to the immediate impacts of COVID-19. Participants expressed concerns about the volatility of their respective industries, with Participant 1 highlighting the

slowdown in construction projects and Participant 2 noting the disruption of in-person teaching. These fears were not simply reflective of a lack of entrepreneurial self-confidence; rather, they represented a rational response to uncertainty, wherein hybrid status served as a protective buffer. This echoes Cacciotti et al.'s (2016) assertion that fear of uncertainty often coexists with entrepreneurial intentions, shaping the structure of business engagement rather than precluding it altogether.

By the third round of interviews conducted in 2024, this risk-averse orientation had been further reinforced. China's broader economic stagnation and weakened consumer demand heightened participants' perceptions of external vulnerability. Participant 1, for instance, described his strategic withdrawal from growth-oriented construction projects, preferring instead to selectively accept smaller contracts when opportunities arose. This shift was not driven by declining entrepreneurial confidence but by an intensifying desire to avoid overexposure to financial risk. On the other hand, Participant 3 emphasised that while her side business had expanded into automotive accessories, her primary motivation for retaining her banking role was the long-term security offered by social welfare entitlements such as pensions and healthcare. These findings align with Kollmann et al. (2017), who argue that entrepreneurs with high uncertainty avoidance are more likely to pursue portfolio career strategies, allowing them to diversify income streams while minimising downside risk.

This study thus extends existing research by illustrating that risk aversion and fear of uncertainty can reinforce hybrid persistence, even when entrepreneurial competence (ESE) is high.

7.3.1.2 Industry Experience as a Longitudinal Enabler of Hybrid Persistence

A second critical mechanism sustaining hybrid persistence was the role of industry experience, which emerged across three rounds of interviews as a particularly salient and refined category compared to the broader constructs of mastery experience and work experience commonly discussed in self-efficacy and

entrepreneurial self-efficacy literature respectively (Bandura, 1997; Newman et al., 2019). While mastery experience—defined as repeated success in performing tasks—has been widely recognised as the primary source of self-efficacy development (Bandura, 1997), and work experience is often treated as a key antecedent of ESE (Newman et al., 2019). This study suggests that industry experience appears to bridge and refine these concepts in the specific context of hybrid entrepreneurs in China.

Findings from both the second and third rounds of interviews illustrate that Persistent Hybrid Entrepreneurs (PHEs) consistently leveraged industry experience to sustain their hybrid status, but the nature and perceived value of this experience evolved over time. Initially, during the second round, industry experience primarily facilitated business initiation and early operational stability, aligning with the concept of mastery experience (Bandura, 1997). Participants' familiarity with sector-specific processes, regulations, and client needs enabled them to achieve small but significant entrepreneurial milestones, fostering self-efficacy in their ability to balance dual careers. This aligns with research suggesting that early entrepreneurial successes serve as efficacy-confirming experiences, enhancing entrepreneurs' belief in their capability to manage business challenges (Gielnik et al., 2012).

However, by the third round, the longitudinal data revealed that industry experience assumed a more defensive and adaptive function, enabling PHEs to navigate external shocks, such as the economic downturn following COVID-19, while further embedding their hybrid status. Rather than driving business expansion or transition to full-time self-employment, industry experience became a risk-buffering mechanism, allowing entrepreneurs to retain business viability without escalating their entrepreneurial commitments. This observation supports Burmeister-Lamp et al. (2012), who also found that industry competence can reduce entrepreneurial uncertainty, but extends their work by demonstrating that in uncertain macroeconomic environments, industry experience can reinforce hybrid persistence rather than encourage transition.

For instance, Participant 2, a private tutor, relied heavily on his education sector expertise to reposition his business towards high-end clients in response to tightening regulations on the private tuition industry in China. This adaptive capacity, facilitated by industry experience, enabled him to sustain his hybrid status without perceiving the need to transition into full-time self-employment. This reflects Bandura's (1997) assertion that individuals with task-specific mastery are more likely to perceive challenges as surmountable rather than threatening.

Similarly, Participant 1, operating in the construction industry, illustrated how sectoral experience became increasingly important during the third round as the industry faced sustained pandemic-induced slowdowns. Rather than seeking to scale his business, Participant 1 selectively engaged in subcontracting work within his professional network, focusing on lower-risk, lower-commitment projects. His industry familiarity not only enabled him to identify such low-risk opportunities, but also allowed him to scale down entrepreneurial ambitions while maintaining self-efficacy in his capacity to generate side income when market conditions improved. This resonates with Hatak and Snir's (2017) finding that entrepreneurs who perceive their skills as contextually relevant are more likely to adjust their business scope without entirely disengaging, thereby sustaining entrepreneurial persistence.

Notably, Participant 3's trajectory during the third round further underscores the dual influence of industry experience and Guanxi, which will be elaborated in the following section. While her primary banking employment continued to anchor her hybrid status due to pension and social security concerns, she simultaneously expanded her entrepreneurial activities into the trading of automotive accessories and tyres. This diversification was not merely driven by industry competence, but also facilitated by pre-existing supplier connections and embedded Guanxi networks accumulated during her earlier work within the finance sector. This aligns with research by Bruton et al. (2008), suggesting that in Guanxi-driven

economies, industry-specific expertise is often inseparable from relationship-based market access, further complicating the simplistic distinction between mastery experience and social capital as discrete drivers of entrepreneurial persistence.

These longitudinal insights demonstrate that industry experience is not a static asset but a dynamic resource, whose function shifts in response to external economic conditions and entrepreneurs' evolving career evaluations. In the second round of interviews, it was primarily a foundation for mastery experience and ESE development, while by the third round, it acted as a resilience mechanism, allowing PHEs to mitigate external volatility without altering their hybrid status. This dynamic role reflects Bandura's (1997) view that self-efficacy is continuously recalibrated through new performance experiences, while also aligning with more recent work suggesting that work experience contributes to the evolution of ESE throughout an entrepreneurial career (Newman et al., 2019; Zhao et al., 2005).

Table 7.1 summarises how the role of industry experience evolved longitudinally across the second and third rounds of interviews, and how it contributed to both self-efficacy (SE) and entrepreneurial self-efficacy (ESE):

Table 7.1 The impact of Industry Experience for PHEs

Phase of Longitudinal Data Collection	Function of Industry Experience	SE/ESE Source	Impact on Hybrid Persistence	Supporting Literature
Second Round (COVID Recovery)	Facilitating business initiation and operational stability	Mastery Experience (SE); Work Experience (ESE)	Strengthened belief in entrepreneurial competence	Bandura (1997); Gielnik et al. (2012)
Third Round (Economic Stagnation)	Buffering risk; enabling adaptive business adjustments and diversification	Reinforcement of SE and ESE through sustained practice	Reduced perceived risk of hybrid disengagement	Burmeister-Lamp et al. (2012); Hatak and Snir (2017)

Source: generated by the author

Table 7.1 illustrates that industry experience in this study served not merely as a static competency, but as a longitudinally evolving resource that facilitated hybrid stability by reinforcing both self-efficacy and entrepreneurial self-efficacy. Moreover, Participant 3's expansion into automotive parts trading in the third round further demonstrates how industry knowledge often interacts with Guanxi, suggesting that these two drivers of hybrid persistence may become increasingly intertwined over time in the Chinese context—a point that will be developed in the following section.

This finding provides nuance to existing self-efficacy literature by demonstrating that the development and application of efficacy beliefs are temporally situated and contextually contingent. While Bandura's (1997) framework conceptualises mastery experience as a linear accumulation of performance successes, this study suggests that in hybrid entrepreneurial contexts, industry experience functions as a cyclical and adaptive mastery source, allowing individuals to calibrate their entrepreneurial engagement in response to shifting external conditions.

Furthermore, the contextual embeddedness of industry experience within China's Guanxi-driven economy (Bruton et al., 2008) amplifies its importance as a mechanism for sustaining hybrid careers, particularly in times of market uncertainty.

Taken together, these findings underscore the necessity of longitudinal approaches to understanding the development and application of self-efficacy and ESE in hybrid entrepreneurship. Cross-sectional studies may overestimate the linear relationship between industry experience and entrepreneurial transition, while underappreciating the adaptive and stabilising functions that industry expertise can assume over time.

7.3.1.3 Guanxi as a Dual Resource: Entrepreneurial Legitimacy and Employment Stability

A particularly novel insight emerging from this study is the role of guanxi (social capital) as a dual-purpose resource that simultaneously supports entrepreneurial legitimacy and employment security in hybrid careers. Whilst Western entrepreneurship literature has largely focused on institutional support and venture funding as drivers of entrepreneurial success (Bruton et al., 2008), the findings from this study suggest that, for this sample of hybrid entrepreneurs in China, resilience and entrepreneurial progression are often embedded in culturally specific relational networks.

In the second round of interviews, participants primarily described guanxi as a business enabler—a tool for acquiring clients, gaining credibility, and securing trust in uncertain markets (Bruton et al., 2008; Luo et al., 2012). For instance, Participant 5 highlighted that his first corporate contract was secured not through formal tendering, but through a former employer-turned-referral who “trusted me enough to try a pilot.” This reflects guanxi's role as a mechanism of legitimacy and relational trust, particularly crucial in early-stage ventures lacking formal reputational capital.

By the third round, however, as economic conditions deteriorated, participants increasingly emphasised Guanxi's stabilising function in safeguarding their salaried positions. Participant 3, for example, noted that her professional networks within the banking sector insulated her from workforce reductions, while Participant 1 highlighted that his supplier and subcontractor relationships allowed him to sustain his entrepreneurial activities on an ad-hoc basis without expanding his risk exposure.

Unlike Western entrepreneurs, who often keep their employment and business identities separate, Chinese hybrid entrepreneurs actively integrate their dual careers, leveraging workplace connections to generate business referrals. This aligns with Carlisle and Flynn (2005), who argue that GUANXI is not merely a business tool, but a critical mechanism of career stability and professional legitimacy in China. Therefore, Guanxi serves as both a business facilitator and an occupational safety net in times of economic uncertainty. Its significance fluctuates according to market conditions, underscoring the dynamic nature of social capital in hybrid entrepreneurial careers.

7.3.1.4 Summary

Overall, this section examines why Persistent Hybrid Entrepreneurs (PHEs)—Participants 1, 2, and 3—maintained their hybrid status across three interview rounds, despite evolving external conditions. The analysis highlights that high self-efficacy (SE) and entrepreneurial self-efficacy (ESE) did not necessarily lead to full-time transition but instead empowered participants to sustain hybrid careers as a long-term, stability-oriented strategy. This persistence was underpinned by the dynamic interplay of personality traits, industry experience, and Guanxi, each influencing SE and ESE development over time. Table 7.2 summarises that hybrid persistence evolved from a COVID-era resilience mechanism into a rational response to economic stagnation, with SE and ESE interacting dynamically with shifting external conditions.

Table 7.2 Longitudinal Evolution of Drivers Sustaining Hybrid Persistence for PHEs

Key Factor	SE/ESE Source	Round 2 – COVID Recovery	Round 3 – Economic Stagnation
Personality Traits (Risk Aversion, Fear of Uncertainty)	Emotional & Physiological States (SE), Individual Differences (ESE)	Hybrid status as a buffer during COVID uncertainty	Fear of prolonged stagnation entrenched hybrid status as long-term security
Industry Experience	Mastery (SE), Work Experience (ESE)	Industry competence supported dual roles	Buffering risk; enabling adaptive business adjustments and diversification
Guanxi (Social Capital)	Social Persuasion (SE), Cultural and Institutional Environment (ESE)	Client acquisition and market legitimacy	Reinforced workplace security and business stability

Source: generated by the author

The first major influence on this hybrid persistence was the intersection of risk aversion and fear of uncertainty, which acted not as a barrier to entrepreneurship, but rather as a stabilising mechanism reinforcing hybrid status. Participants 1, 2, and 3 all exhibited strong confidence in their entrepreneurial competence, indicative of high ESE. However, their decision to retain salaried roles stemmed from a heightened sensitivity to financial insecurity and future unpredictability, particularly within the volatile post-pandemic economy. The heightened unpredictability of the post-pandemic economy became especially salient during the second round of interviews carried out in 2022. For instance, Participant 1 highlighted the slowdown in construction projects, while Participant 2 navigated regulatory shifts in the private education sector, both viewing hybrid status as a buffer against external risks. By the third round in 2024, China's broader economic stagnation and weakened consumer demand further reinforced these risk-averse orientations. Participant 1 described scaling back growth ambitions, limiting his construction engagements to selective subcontracting, while

Participant 3 emphasised the importance of pension and healthcare entitlements associated with her salaried banking position, despite having expanded her side business into automotive accessories. These accounts suggest that risk aversion and uncertainty intolerance interacted with high ESE to anchor hybrid persistence, allowing participants to exercise entrepreneurial competence within a risk-mitigating, dual-career structure. This finding extends Cacciotti et al.'s (2016) work on uncertainty and entrepreneurship, suggesting that risk-averse entrepreneurs with high ESE are not necessarily deterred from entrepreneurial action but are inclined to structure their careers in hybrid forms to safeguard against downside risks.

The second key mechanism underpinning hybrid persistence was industry experience, which emerged not merely as a backdrop to entrepreneurial action but as an evolving enabler that bridged and refined the broader constructs of mastery experience (SE) and work experience (ESE) (Bandura, 1997; Newman et al., 2019). This study suggests that industry experience represents a contextually specific source of efficacy development for hybrid entrepreneurs in China's Guanxi-driven economy, operating as both a mastery-enhancing asset and a resilience mechanism. During the second round of interviews, industry-specific competence primarily facilitated business initiation and early operational stability, fostering mastery experiences that strengthened self-efficacy. Participant 2, for instance, leveraged his expertise in the education sector to structure his tutoring business around familiar demands, while Participant 1's construction knowledge enabled him to confidently manage small projects alongside his salaried role. These initial entrepreneurial achievements validated their perceptions of competence, consistent with Bandura's (1997) emphasis on mastery experiences as the primary source of self-efficacy.

However, by the third round, the function of industry experience had shifted. Rather than driving business growth or transition into full-time entrepreneurship, it increasingly operated as a risk-buffering mechanism, allowing participants to adapt their business practices while maintaining hybrid stability amid economic

uncertainty. Participant 2, for example, pivoted his tutoring services toward premium clients, adapting to tightening regulations within the education sector. Participant 1, facing a prolonged construction slowdown, opted to selectively accept low-risk subcontracting work, using his industry familiarity to navigate the downturn without jeopardising his salaried income. Similarly, Participant 3's expansion into automotive accessories—while reflective of entrepreneurial growth—was underpinned by supplier networks and sector-specific knowledge developed during her salaried career. These adaptive strategies reflect Burmeister-Lamp et al.'s (2012) observation that industry competence reduces entrepreneurial uncertainty, but the longitudinal data from this study extends this understanding by demonstrating that in protracted economic downturns, industry experience becomes not a springboard for transition, but a stabilising force enabling hybrid persistence.

Lastly, Guanxi emerged as a dual resource, facilitating both entrepreneurial legitimacy and employment security, with its role evolving over time in response to economic conditions. During the second round, Guanxi primarily functioned as a business enabler, helping participants secure early clients and suppliers—a pattern consistent with Bruton et al. (2008) and Luo et al. (2012). Yet, by the third round, as economic stagnation intensified, Guanxi's significance shifted, becoming increasingly valued as a protective mechanism safeguarding salaried employment. Participant 3, for instance, noted that her professional networks within the banking sector insulated her from potential layoffs, while Participant 1 relied on supplier and subcontractor ties to sustain his business without expanding risk exposure. This dual stabilising role—supporting both business and employment security—reflects Carlisle and Flynn's (2005) assertion that Guanxi operates as both a resource-acquisition mechanism and a safety net in Chinese entrepreneurial contexts. Importantly, Participant 3's diversification into automotive accessories during the third round illustrates the convergence of industry experience and Guanxi, highlighting that the two drivers often operate in tandem in Guanxi-driven economies.

Collectively, these findings contribute to the self-efficacy and hybrid entrepreneurship literature by demonstrating that high ESE does not invariably result in full-time entrepreneurial transition. Instead, in contexts marked by prolonged uncertainty and embedded social networks, high SE and ESE may reinforce hybrid persistence, enabling entrepreneurs to adapt their business engagement without severing employment security. Industry experience is revealed as a longitudinally evolving resource, shifting from a mastery-enabling catalyst to a risk-mitigating tool, while Guanxi's dual stabilising effect challenges Western-centric conceptualisations of social capital. Ultimately, this study underscores the necessity of longitudinal perspectives in understanding how SE and ESE are dynamically recalibrated in response to shifting external environments, especially in institutionally embedded, network-oriented economies like China.

7.3.2 How do self-efficacy and entrepreneurial self-efficacy drive hybrid entrepreneurs to transition to full-time entrepreneurship (Transitory Hybrid Entrepreneurs)?

The decision to transition from hybrid entrepreneurship to full-time self-employment is often perceived as a linear progression, assumed to follow the accumulation of business success and increasing entrepreneurial self-efficacy (ESE). Scholars such as Folta et al. (2010) and Raffiee and Feng (2014) have conceptualised hybrid entrepreneurship as a preparatory phase—a 'testing ground'—before entrepreneurs transition into full-time business ownership. However, findings from this longitudinal study reveal that such transitions are neither automatic nor inevitable. Transitory Hybrid Entrepreneurs (THEs)—Participants 4, 5, and 6—navigated complex psychological and contextual processes in their shift towards full-time entrepreneurship. While their pathways ultimately converged on entrepreneurial transition, the motivations and factors underpinning their decisions were multifaceted and evolved across the second and third interview rounds.

This section identifies three interrelated drivers of this transition including Opportunity Recognition Enabled by Industry Experience, Risk-Taking and Growth-Oriented Personality Traits, and Social Persuasion from Customer Validation.

7.3.2.1 Opportunity Recognition Enabled by Industry Experience

A central mechanism driving THEs' transition was the development of industry-specific expertise, which not only bolstered their self-efficacy but also enabled acute opportunity recognition. This study refines existing self-efficacy models by demonstrating that for THEs, industry experience served as a bridge between mastery experiences (SE) and work experience (ESE), echoing the conclusions drawn in section 7.3.1 concerning Persistent Hybrid Entrepreneurs (PHEs). However, for THEs, the outcome was markedly different—industry experience triggered an expansion-oriented mindset, encouraging transition rather than hybrid persistence.

During the second round in 2022, Participants 4 and 5 highlighted how their prior industry knowledge enabled them to navigate initial challenges in their hybrid businesses with relative ease. Participant 4, leveraging his extensive teaching background, adapted his English tutoring studio to suit evolving student demands. Similarly, Participant 5's familiarity with tourism services allowed him to identify gaps in the recovering post-COVID travel market. These initial achievements aligned with Bandura's (1997) conceptualisation of mastery experiences, which reinforced their belief in their entrepreneurial competence.

By the third round in 2024, however, the significance of industry experience had shifted. For Participant 5, it became a tool for proactive market positioning—he expanded his tourism consultancy services to accommodate emerging demands for overseas visa processing and bespoke travel arrangements. This expansion was not driven merely by ESE, but by his perception of an untapped market—a capacity cultivated through industry familiarity. Participant 4 similarly reported scaling his education business, emphasising that his sectoral knowledge enabled

him to adapt his offerings towards premium, niche tutoring services targeting affluent clients.

Participant 6's trajectory offers a more nuanced case. Having initially exited hybrid entrepreneurship in 2022 to return to state-sector employment, she found the rigid structure unfulfilling. Within three months, she re-entered self-employment as a freelance project manager, driven by her prior industry experience in project consulting. Her transition highlights how industry knowledge facilitated both opportunity recognition and rapid career recalibration, enabling her to pivot towards freelancing as a flexible entrepreneurial solution. This aligns with research by Timmons (1986) and Willard et al. (2002), who emphasise the role of sectoral competence in enabling entrepreneurs to identify and exploit opportunities.

These longitudinal insights underscore that industry experience was not merely a preparatory resource but an active driver of transition. By enhancing both SE through task success and ESE via industry-specific familiarity, it empowered THEs to perceive entrepreneurial growth as a feasible and desirable pathway.

7.3.2.2 Risk-Taking and Growth-Oriented Personality Traits

A second fundamental driver distinguishing Transitory Hybrid Entrepreneurs (THEs) from Persistent Hybrid Entrepreneurs (PHEs) was their greater risk propensity, coupled with the role of emotional states as both motivators and reinforcers in their decision-making processes. While existing entrepreneurship literature often positions risk tolerance as an innate personality trait that dichotomises entrepreneurs from non-entrepreneurs (Stewart & Roth, 2001; Zhao et al., 2010), findings from this study suggest a more dynamic and interactive relationship between risk propensity, affective experiences, and entrepreneurial self-efficacy (ESE). For THEs, risk acceptance evolved over time, facilitated by positive mastery experiences and emotional reinforcement, transforming uncertainty into an arena for opportunity recognition rather than a threat to be mitigated (McMullen and Shepherd, 2006; Hmieleski and Baron, 2009).

Bandura (1997) acknowledges that positive emotional states can enhance self-efficacy, but the longitudinal data in this study extend this premise by demonstrating how emotional and affective processes interacted with personality traits to sustain entrepreneurial progression amidst uncertainty. This builds on the work of Cardon et al. (2012), who emphasise the affective nature of entrepreneurial passion, while aligning with Uy et al. (2013), who argue that entrepreneurial decisions are not merely cognitive but profoundly emotional, particularly during uncertain phases.

The second round of interviews, conducted during the pandemic recovery period, unveiled a critical tension between uncertainty and resilience. For THEs, risk acceptance was not static, but shaped by their affective responses to market disruptions and the necessity to sustain entrepreneurial activity during the crisis.

Participant 4's experience exemplified the coalescence of risk propensity and emotional resilience. Confronted by the Double Reduction Policy and COVID-19's restrictions on in-person teaching, his business faced an existential threat. Rather than retreating into hybrid security, he opted to retain staff, open a branch school, and persevere through the uncertainty. This decision was not merely a rational bet on future recovery, but an emotionally anchored act of perseverance, driven by his confidence in his self-designed curriculum and his self-belief in superior retention rates compared to competitors. These emotional states—rooted in pride and competence—served as affective buffers, allowing him to frame regulatory and pandemic-induced uncertainty as a surmountable challenge rather than a justification for retreat. This resonates with Hayward et al.'s (2010) conceptualisation of entrepreneurial optimism as a bias that enables individuals to sustain action despite adversity.

Participant 5's trajectory similarly reflected the affective burden of uncertainty. Embedded in the tourism sector, his business endured a severe contraction in client demand, exacerbating financial strain from multiple mortgage repayments.

While his entrepreneurial competence (ESE) remained intact, his psychological state deteriorated, marked by stress and anxiety during the income shortfall. Unlike PHEs, who would likely have tightened their hybrid security, Participant 5 did not revert to salaried work. Instead, his endurance was underpinned by an affective balancing act, whereby short-term emotional strain was offset by his longer-term commitment to entrepreneurial autonomy. His willingness to withstand income volatility aligns with Karabulut's (2016) assertion that risk tolerance among entrepreneurs is often reinforced by autonomy-seeking traits, further supported by Ryan and Deci's (2017) self-determination theory, which positions entrepreneurial autonomy as an intrinsic motivator capable of sustaining individuals through adversity.

Participant 6's pathway reveals the ambivalence of emotional states. Having briefly exited to rejoin a state-owned enterprise, she experienced emotional disillusionment with bureaucratic rigidity, prompting a rapid return to freelancing after only three months. Her transition was less about embracing entrepreneurial risk and more about rejecting institutional constraints, supporting Uy et al.'s (2013) argument that negative emotional experiences can act as entrepreneurial catalysts when individuals perceive employment as emotionally stifling. Crucially, her resilience to freelancing's uncertainty evolved over time, as she reappraised risk through the lens of autonomy-driven emotional fulfilment.

By the third round in 2024, THEs had not merely tolerated risk—they had incorporated it as an intrinsic element of their entrepreneurial identities. Their risk acceptance had transcended situational resilience, becoming part of a growth-oriented cognitive schema, underpinned by emotional rewards derived from past risk endurance.

Participant 4's narrative encapsulates this progression. Having endured the regulatory and pandemic-induced uncertainty of 2022, his subsequent stability reinforced his risk-taking disposition. By 2024, he had expanded his service

portfolio, indicating not only confidence in his entrepreneurial competence (ESE) but also an internalisation of risk-taking as a necessity for long-term growth. His emotional resilience, bolstered by mastery experiences, allowed him to perceive uncertainty as a manageable challenge rather than a deterrent. This aligns with Baron et al. (2016), who posit that positive affect promotes opportunity identification, and McMullen and Shepherd (2006), who stress that entrepreneurs must actively frame uncertainty as opportunity to sustain venture growth.

Participant 5's transformation was equally telling. Having weathered the tourism downturn, he emerged stronger in 2024, reporting a surge in clientele as competitors exited the market. His endurance during the income drought of 2022 became an emotional victory, reinforcing his belief in his entrepreneurial competence. This reflects Shepherd's (2003) concept of emotional recovery, whereby surviving hardship strengthens resilience and heightens risk tolerance. By 2024, risk was no longer viewed as a burden but as a precursor to market consolidation, mirroring Nabi et al.'s (2017) assertion that entrepreneurs who emotionally reframe setbacks as progress develop stronger future-oriented agency.

Participant 6's path consolidated her freelancer identity, highlighting the emotional appeal of autonomy. While income fluctuations persisted, her affective satisfaction with self-directed work outweighed financial uncertainty, illustrating Cardon and Patel's (2015) finding that entrepreneurs often prioritise emotional autonomy over financial maximisation.

Crucially, THES' risk-taking behaviours were not simply dispositional but dynamically reinforced over time through the interplay of mastery experiences, positive emotional states, and entrepreneurial progression. While initial risk-taking may have stemmed from growth-oriented personality traits (Karabulut, 2016), their endurance of external shocks during the second round led to emotional payoffs in the third round, which further normalised risk-taking as part of their entrepreneurial schema (Baron et al., 2016; Shepherd, 2003).

These findings offer a nuanced contribution to the SE and ESE literature by demonstrating that risk propensity is not merely an exogenous trait; rather, it evolves through affective experiences and mastery over uncertainty, recalibrating entrepreneurs' perceptions of risk over time (McMullen and Shepherd, 2006; Uy et al., 2013).

7.3.2.3 Social Persuasion from Customer Validation

The third critical driver was social persuasion, particularly in the form of positive feedback from customers and clients. While social persuasion is often associated with encouragement from family and peers (Ambad and Damit, 2016; Meoli et al., 2020), findings from this study suggest that for THEs, customer validation functioned as a more salient and direct source of social persuasion, particularly during uncertain market conditions. This expands on Ma et al.'s (2023) work, which demonstrates that positive feedback can significantly elevate entrepreneurial self-efficacy, by illustrating how such feedback becomes particularly potent in hybrid contexts where entrepreneurs continuously assess the viability of full-time transition.

During the second round, Participants 4 and 5 noted that their initial business success was reinforced by student satisfaction and repeat bookings. Participant 4's students praised his innovative curriculum, while Participant 5 described how positive client reviews fuelled his desire to scale his travel services. Such feedback functioned as what Bandura (1997) describes as verbal persuasion—an external source of efficacy enhancement that bolstered their confidence in transitioning to full-time entrepreneurship.

By the third round of interviews conducted in 2024, the broader entrepreneurial landscape had shifted significantly due to improved market stability and evolving consumer behaviours. Within this changing context, customer validation emerged as a decisive transition catalyst for all three transitory hybrid entrepreneurs (THEs), providing psychological affirmation and external proof of business

feasibility. Participant 4's narrative demonstrated how social persuasion transitioned from absence to affirmation. Having weathered the policy uncertainty and pandemic-related disruptions of 2022, he reported that student enrolments had gradually recovered, albeit amid increased competition from other tutoring centres that engaged in aggressive price-cutting and student-poaching tactics. Despite these challenges, Participant 4's confidence had stabilised, largely because his self-designed curriculum led to high student retention rates, generating consistent positive feedback from parents. This sustained validation not only bolstered his ESE, but also affirmed his belief that his pedagogical distinctiveness could withstand competitive pressures. This reflects Rae's (2005) observation that entrepreneurial identity is reinforced through external recognition, while also aligning with Drnovšek et al. (2010), who highlight the reciprocal relationship between perceived competence and market approval in self-efficacy formation.

Participant 5's experience further exemplified the transformative power of customer validation. By 2024, he reported a surge in tourism demand, as many competitors had exited the market during the pandemic downturn. This post-pandemic market rebound provided a strong psychological affirmation of his business viability, transforming the anxiety of 2022 into a sense of triumph and market advantage. He described customer referrals and repeat business as key drivers of his confidence, underscoring how observable success can recalibrate risk perception (Shepherd, 2003; Ma et al., 2023). This is consistent with Bandura's (1997) assertion that verbal persuasion is most effective when coupled with tangible performance improvements, and extends Wood and Bandura's (1989) claim that actual task performance reinforces self-efficacy more strongly than verbal encouragement alone.

By 2024, Participant 6, had fully embedded herself within a freelance career, drawing satisfaction from client referrals and project continuity. While she had not expanded her business significantly, she reported that positive client relationships and stable income streams provided her with a sense of professional

legitimacy, strengthening her ESE and cementing her transition away from hybrid status. This aligns with Rauch and Frese's (2007) finding that perceived entrepreneurial success consolidates self-efficacy beliefs, while also reflecting Bandura's (1997) insight that external encouragement gains salience when entrepreneurs perceive their efforts as yielding concrete results.

To summarise, these longitudinal findings suggest that social persuasion in the form of customer validation operated as a reinforcing loop, particularly for THes navigating post-pandemic market uncertainties. While initial transition decisions may have been influenced by internal self-efficacy and autonomy-seeking traits, sustained business success validated their entrepreneurial capabilities, amplifying their ESE and reducing perceived risk over time (Rosenbusch et al., 2021; Shepherd et al., 2009). This challenges Bandura's (1997) relatively static view of social persuasion as an isolated source of self-efficacy, instead suggesting that in hybrid-to-full-time transitions, validation functions iteratively, strengthening entrepreneurs' belief in their competence through cyclical feedback loops.

Furthermore, these findings extend existing hybrid entrepreneurship literature by demonstrating that customer feedback can serve as the decisive external trigger, tipping entrepreneurs from experimental hybrid engagement into committed self-employment, particularly in volatile post-crisis markets (Nordström et al., 2016; Folta et al., 2010).

7.3.2.4 Summary

Overall, this section has examined the factors shaping the transition of Transitory Hybrid Entrepreneurs (THes)—Participants 4, 5, and 6—from hybrid status to full-time self-employment across three interview rounds. While conventional transition models often depict this shift as a linear consequence of business growth and increasing entrepreneurial self-efficacy (ESE) (Folta et al., 2010; Raffiee and Feng, 2014), the longitudinal evidence from this study reveals a far more nuanced and dynamic process. Transition was not a mere outcome of

financial success but a consequence of the interaction between individual self-efficacy, personality traits, social validation, and industry-specific opportunity recognition—each evolving in response to changing market conditions and personal evaluations over time.

Crucially, this section highlights that high self-efficacy (SE) and entrepreneurial self-efficacy (ESE) enabled THEs to actively engage with uncertainty, transforming it into a site of opportunity rather than a deterrent. This contrasts with the stability-oriented strategies adopted by Persistent Hybrid Entrepreneurs (PHEs) (see Section 7.3.1). THEs demonstrated a future-oriented, growth-seeking disposition, reinforced by mastery experiences, positive emotional states, and customer validation, which collectively emboldened them to relinquish salaried security in favour of full-time entrepreneurship.

Three key transition drivers were identified:

1. **Industry Experience as a Catalyst for Opportunity Recognition:**

For THEs, industry experience extended beyond the development of competence; it fostered acute market sensitivity, enabling participants to identify and act upon emerging opportunities (Timmons, 1986; Willard et al., 2002). In the second round (2022), this experience underpinned their ability to adapt to COVID-19 disruptions. By the third round (2024), it facilitated business expansion and strategic positioning in response to market recovery, consolidating both SE and ESE.

2. **Risk-Taking and Growth-Oriented Personality Traits:**

THEs exhibited a greater propensity to accept risk, supported by positive emotional states and resilience (Karabulut, 2016; Stewart & Roth, 2001). The second round revealed this as a defining factor during the pandemic recovery, when THEs sustained or expanded their ventures despite volatility. By the third round, having endured these uncertainties, their risk orientation had been further reinforced, evolving into an entrepreneurial mindset where uncertainty was reframed as an enabler of growth (McMullen & Shepherd, 2006).

3. **Social Persuasion Through Customer Validation:**

Positive feedback from customers functioned as a powerful source of social

persuasion, enhancing ESE and confirming the viability of full-time entrepreneurship (Bandura, 1997; Ma et al., 2023). In the second round, customer appreciation provided resilience amid uncertainty. By the third round, sustained demand validated their business competence, tipping the balance towards transition by reducing perceived risks associated with full-time entrepreneurship.

As illustrated in Table 7.3 below, transition was an iterative process, shaped by the interaction of individual self-efficacy, emotional states, and market conditions across multiple time points.

Table 7.3 Longitudinal Evolution of Transition Drivers for THEs

Key Factor	SE/ESE Source	Round 2 – COVID Recovery	Round 3 – Economic Stagnation and Recovery
Industry Experience and Opportunity Recognition	Mastery (SE), Work Experience (ESE)	Industry knowledge enabled business adaptation	Industry competence facilitated opportunity recognition and business expansion
Risk-Taking and Growth-Oriented Personality Traits	Emotional and Physiological States (SE), Individual Differences (ESE)	Risk acceptance emerged during crisis-driven resilience	Risk orientation solidified through success, reframing uncertainty as opportunity
Social Persuasion from Customer Validation	Social Persuasion (SE), Verbal Reinforcement (ESE)	Positive client feedback reinforced business competence	Sustained validation confirmed market viability, reducing perceived transition risk

Source: generated by the author

These findings advance the SE and ESE literature by demonstrating that transition decisions are not merely contingent upon self-efficacy levels, but are dynamically co-constructed through performance successes, affective reinforcement, and external validation over time.

7.3.3 How do self-efficacy and entrepreneurial self-efficacy influence hybrid entrepreneurs' decisions to exit entrepreneurial activities (Exit Hybrid Entrepreneurs)?

The entrepreneurial exit process is often reductively conceptualised as a failure, contrasting starkly with the romanticised image of entrepreneurship as a pathway towards independence and wealth (Cope, 2011; Ucbasaran et al., 2013). However, the longitudinal evidence in this study challenges this simplistic success-failure binary. It demonstrates that the decisions of Exit Hybrid Entrepreneurs (EHEs) – Participants 7, 8, and 9 – were shaped by declining self-efficacy (SE) and entrepreneurial self-efficacy (ESE), alongside their dynamic interaction with personality traits, emotional states, and external market realities.

While Participant 7 emerged as the clearest exemplar of a definitive entrepreneurial exit, Participants 8 and 9 engaged in more fluid career recalibrations, transitioning between hybrid, full-time entrepreneurship, and potential sectoral shifts. Despite these variations, three key factors, including emotional and physiological states, personality traits and *guanxi* were identified to consistently underpin their decisions to either disengage or recalibrate their entrepreneurial activities.

7.3.3.1 Emotional and Physiological States

Emotional and physiological states are widely recognised as fundamental sources of self-efficacy, with Bandura (1997) arguing that negative affective experiences—such as stress, anxiety, and burnout—can erode individuals' perceptions of their competence, ultimately diminishing their capacity to persist in entrepreneurial activities. This study reinforces and extends this understanding by illustrating how emotional depletion, often exacerbated by financial strain, triggered declining self-efficacy and disengagement from entrepreneurial ventures among Exit Hybrid Entrepreneurs (EHEs).

Participant 7's experience exemplifies the compounding effect of emotional exhaustion and financial unease. By the second round (2022), he was increasingly overwhelmed by the pressures of balancing his salaried work with his online financial services business. Time management failures meant that he struggled to handle after-sales issues, leading to mounting customer complaints. These operational deficiencies precipitated a cycle of negative feedback, eroding his entrepreneurial self-efficacy and inducing feelings of frustration and stress. He described feeling "constantly under pressure" and reluctant to "push the business further" due to fears of overextending himself financially. This aligns with Shepherd et al. (2020), who argue that perceived underperformance and mounting entrepreneurial stress generate negative affect, which, in turn, lowers self-efficacy and increases the likelihood of disengagement. Furthermore, the financial uncertainty surrounding his online venture heightened his sense of risk, echoing Gielnik et al. (2012), who suggest that entrepreneurs experiencing both emotional strain and financial insecurity are particularly vulnerable to exit decisions.

By the third round (2024), the aftermath of the pandemic had entrenched his financial conservatism. The broader economic stagnation and declining consumer purchasing power intensified his preference for the stability offered by salaried employment. He ultimately abandoned his entrepreneurial activities, viewing his employment as a much-needed "safety net" in the uncertain post-pandemic landscape. This decision reflects Cope's (2011) notion of "entrepreneurial grief," whereby business setbacks provoke psychological distress, prompting entrepreneurs to disengage in pursuit of emotional and financial recovery.

While Participant 8's pathway diverged towards entrepreneurial expansion by the third round, emotional strain similarly precipitated his temporary retreat into hybrid status during the second round. His fitness studio collapsed under the weight of pandemic-induced closures and accumulating debt. Faced with urgent financial obligations, he sought stability by working as a salaried fitness coach. This response was not merely a financial adjustment but also an emotional

necessity, reflecting his need to “breathe” after the psychological strain of watching his business fail. His experience echoes Patel and Thatcher’s (2014) assertion that hybrid entrepreneurs are particularly susceptible to emotional exhaustion due to the dual demands of salaried work and business management.

Participant 9’s experience similarly underscored the interplay between emotional strain and financial anxiety. By the third round, her import-export business had become increasingly unsustainable due to weakened consumer demand and persistent post-pandemic stagnation. She described feeling “exhausted” and “anxious about the future,” revealing that the emotional burden of sustaining a declining business was beginning to eclipse her entrepreneurial self-efficacy. However, unlike Participant 7, her emotional depletion did not lead to a full exit; instead, it motivated her to pivot towards a new entrepreneurial opportunity in the restaurant sector, facilitated by a family connection in France. Her experience reflects Cardon and Patel’s (2015) work on entrepreneurial passion, suggesting that while emotional strain can erode ESE, the prospect of new opportunities can simultaneously reignite entrepreneurial drive.

These longitudinal accounts highlight that emotional depletion often precedes declining self-efficacy in hybrid entrepreneurial exits. Importantly, financial insecurity amplifies emotional strain, creating a dual-pressure system that accelerates disengagement—a finding consistent with Gorgievski and Stephan (2016), who stress the interdependence of financial and psychological well-being in entrepreneurial persistence.

7.3.3.2 Personality Traits

While personality traits are often framed as stable dispositional factors that predict entrepreneurial success (Rauch & Frese, 2007; Zhao et al., 2010), this study suggests that specific personality characteristics can undermine entrepreneurial self-efficacy when misaligned with the demands of hybrid entrepreneurship. For EHEs, perfectionism, time management challenges, and a

low tolerance for operational uncertainty emerged as particularly damaging traits that contributed to their eventual exit.

Participant 7's narrative encapsulates this dynamic tension. His perfectionist tendencies, coupled with his reluctance to delegate, resulted in chronic time management failures during the second round. He recounted being "constantly stretched," struggling to meet both his salaried and entrepreneurial obligations. These operational bottlenecks not only triggered negative customer feedback, but also led to a decline in his confidence in his entrepreneurial competence. This resonates with Hayward et al.'s (2010) observation that cognitive overload can impair entrepreneurial decision-making, while also supporting Zhao et al.'s (2005) notion of the "self-efficacy-performance spiral," wherein early operational struggles progressively undermine perceived competence.

By the third round, his personality-driven aversion to risk and reluctance to "overcommit" financially had crystallised into a decisive retreat from entrepreneurial activity. He explicitly cited his desire to avoid "pressuring [himself] again" with entrepreneurial responsibilities, preferring the predictability of salaried employment. This echoes Stewart and Roth's (2001) assertion that entrepreneurs with lower risk tolerance are more likely to disengage when confronted with operational uncertainty.

Participant 8's experience demonstrated the ambivalence of personality traits in entrepreneurial trajectories. His ambition and resilience drove his eventual transition to full-time entrepreneurship by the third round. However, during the second round, his risk-taking disposition exposed him to significant financial vulnerability when his fitness studio collapsed under pandemic restrictions. His interim return to salaried work was thus partly a corrective response to his earlier entrepreneurial overreach. This aligns with Karabulut (2016), who suggests that while growth-oriented traits enhance entrepreneurial perseverance, they can also increase individuals' exposure to financial shocks.

Participant 9's pathway further highlighted the tension between personality and business sustainability. Her preference for autonomy—expressed as her aversion to structured salaried work—initially reinforced her entrepreneurial commitment during the second round. However, by the third round, this same trait clashed with the increasing administrative demands of her declining import business. Her contemplation of a sectoral shift towards the restaurant industry reflects the work of Bolton and Lane (2012), who suggest that while autonomy orientation motivates entrepreneurial entry, it can complicate long-term business management when operational burdens accumulate.

These findings highlight that personality traits are not static determinants but dynamic moderators that interact with contextual pressures to shape entrepreneurial self-efficacy. When traits such as perfectionism, poor time management, or autonomy orientation clash with the demands of hybrid entrepreneurship, they erode self-efficacy and increase the likelihood of exit.

7.3.3.3 Guanxi as a Dual Safety Net and Enabler of Career Mobility

In the Chinese context, guanxi is widely recognised as a critical form of social capital that facilitates entrepreneurial success by enabling access to resources and market opportunities (Bruton et al., 2008; Luo et al., 2012). However, this study reveals that guanxi also plays a crucial role in entrepreneurial exit, functioning as a safety net that lowers the perceived risks of returning to paid employment.

Participant 7's post-exit career adjustment illustrates this well. Having cultivated professional relationships during his time in financial services, he was able to secure a stable salaried role shortly after abandoning his business. He described the process as "straightforward," crediting his industry network with helping him transition seamlessly. This reflects Batjargal's (2007) finding that guanxi often mitigates the stigma of entrepreneurial failure by ensuring employment security.

Participant 8's third-round entrepreneurial expansion also underscored the enabling role of guanxi. His entry into the weight-loss camp business was

facilitated by a former classmate's invitation, highlighting how personal networks continue to shape entrepreneurial opportunities even after prior setbacks. This supports Anderson et al.'s (2010) view that entrepreneurial opportunities often emerge from pre-existing social ties.

Participant 9's anticipated pivot towards the restaurant industry was similarly guanxi-mediated, with a family member in France facilitating her planned transition. This reflects Chen and Tan's (2009) work on diasporic guanxi, which highlights the transnational dimensions of Chinese entrepreneurial networks.

These findings suggest that in guanxi-driven economies, entrepreneurial exit is often reframed as career recalibration rather than failure. Guanxi not only cushions the financial impact of exit but also sustains entrepreneurs' long-term career mobility, challenging Western narratives that equate exit with defeat (Ucbasaran et al., 2013).

Together, these insights demonstrate that declining self-efficacy in hybrid entrepreneurship is rarely driven by a single factor. Rather, it emerges from the intersection of emotional strain, personality misalignment, and the availability of guanxi-based safety nets, prompting individuals to recalibrate their career trajectories rather than simply "fail."

7.3.3.4 Summary

This section has explored the underlying mechanisms driving the decisions of Exit Hybrid Entrepreneurs (EHEs)—most notably Participant 7, alongside the transitional experiences of Participants 8 and 9—to disengage from entrepreneurial activity and reorient their careers toward salaried employment. Unlike Persistent Hybrid Entrepreneurs (PHEs), who maintained dual careers as a stability mechanism, or Transitory Hybrid Entrepreneurs (THEs), who transitioned to full-time entrepreneurship, EHEs experienced a gradual erosion of entrepreneurial self-efficacy (ESE). This decline was not solely a consequence of business underperformance but was shaped by the cumulative impact of

emotional strain, misalignment between personal traits and entrepreneurial demands, and the structural support of Guanxi, which facilitated smooth re-entry into paid employment.

The longitudinal findings challenge conventional success-failure binaries (Cope, 2011; Ucbasaran et al., 2013) by illustrating that entrepreneurial exit can represent an adaptive recalibration rather than definitive failure. Table 7.4 summarises how three interrelated drivers—emotional and physiological states, personality traits, and Guanxi—interacted across the second and third rounds, collectively undermining EHEs' ESE and prompting their career reconfiguration.

Table 7.4 Longitudinal Evolution of Exit Drivers for EHEs

Key Factor	SE/ESE Source	Round 2 – COVID Recovery	Round 3 – Economic Stagnation
Emotional and Physiological Burnout	Emotional and Physiological States (SE), Emotional Exhaustion (ESE)	Emerging workload stress; client dissatisfaction undermining self-belief	Emotional exhaustion, entrepreneurial disillusionment; exit as emotional relief
Personality Traits and Time Management	Individual Differences (ESE), Cognitive Overload (SE)	Operational inefficiencies; perfectionism amplifying self-doubt	Personality misalignment reinforcing perceived unsuitability for entrepreneurship
Guanxi as Safety Net and Career Enabler	Social Persuasion (SE), Cultural and Institutional Environment (ESE)	Leveraged for business referrals and support	Facilitated smooth re-entry into salaried employment; sustained career adaptability

Source: generated by the author

First, emotional and physiological states emerged as the most immediate factor eroding ESE. By the second round of interviews in 2022, Participant 7 was clearly struggling with time management failures, operational pressures, and mounting customer dissatisfaction. These challenges induced feelings of stress and underperformance, echoing Shepherd et al. (2020) and Patel and Thatcher (2014),

who emphasise the destabilising impact of entrepreneurial burnout. By the third round of interviews in 2024, this strain had evolved into disillusionment, prompting Participant 7's complete exit. Emotional fatigue also featured in Participant 8's temporary hybrid retreat and Participant 9's increasing dissatisfaction with the plateaued growth of her import-export business highlighted a perceived mismatch between effort and outcome, reinforcing Bandura's (1997) assertion that negative affective states corrode self-efficacy beliefs over time.

Second, personality traits—particularly perfectionism and limited adaptability—exacerbated ESE decline for Participant 6. His overcommitment and reluctance to delegate created a cycle of underperformance, amplifying his sense of inadequacy (Hayward et al., 2010; Zhao et al., 2005). In contrast, Participants 8 and 9 exhibited more adaptive traits—ambition and autonomy-seeking—which helped them endure financial strain, though their experiences highlight that resilience can waver when business challenges persist.

Third, Guanxi functioned as a dual resource, initially enabling entrepreneurial opportunity but ultimately easing the transition back to salaried security. By the third round, Participant 7's professional network facilitated his re-entry into financial services, mitigating the perceived costs of exit. Participant 8's entrepreneurial resurgence and Participant 9's anticipated move into the restaurant sector were similarly network-driven, underscoring Guanxi's pervasive role in career mobility within China (Luo et al., 2012; Batjargal, 2007). In summary, this study illustrates that EHEs' exit trajectories were not abrupt but evolved over time as emotional strain accumulated, personality limitations surfaced, and Guanxi emerged as a viable safety net. These findings contribute to hybrid entrepreneurship research, with exit decisions reflecting the intersection of psychological depletion and relational career security in China's Guanxi-driven economy.

7.4 Theoretical Contributions

This study contributes to the literature on hybrid entrepreneurship, self-efficacy, and entrepreneurial career development by identifying areas of both continuity and divergence with prior research. Whilst it affirms existing understandings of hybrid entrepreneurship as a risk-hedging strategy (e.g. Folta et al., 2010; Petrova, 2011), It also offers a more nuanced perspective on prevailing assumptions by conceptualising hybrid trajectories as non-linear, psychologically shaped, and contextually embedded. While prior research has often portrayed hybrid entrepreneurship as a temporary phase leading to full-time self-employment (Folta et al., 2010; Raffiee and Feng, 2014), the findings from this study demonstrate that hybrid entrepreneurship is not necessarily a stepping stone but a viable long-term career choice for many individuals.

By integrating Self-Efficacy Theory (Bandura, 1997) and Entrepreneurial Self-Efficacy (Newman et al., 2019) with empirical evidence from Chinese entrepreneurs, this study highlights the complex and multi-directional nature of hybrid career trajectories. Rather than following a linear transition model, hybrid entrepreneurs navigate career decisions based on evolving psychological, social, and economic considerations. These findings contribute to four major theoretical domains, each of which is examined below.

7.4.1 Challenging the Linear Transition Model: Longitudinal Evidence of Career Fluidity

A prevailing assumption in hybrid entrepreneurship literature is that entrepreneurs gradually accumulate experience and capital until they transition into full-time self-employment (Folta et al., 2010; Raffiee & Feng, 2014). This assumption is rooted in the opportunity-cost framework, which suggests that once entrepreneurial income surpasses salaried income, the individual will make a rational decision to transition (Burmeister-Lamp et al., 2012).

However, longitudinal findings from this study contradict this assumption, demonstrating that many hybrid entrepreneurs deliberately sustain hybrid careers for extended periods, while others alternate between employment and self-employment in response to changing external conditions. The following key longitudinal insights emerged from both the second and third rounds of interviews:

- Persistent Hybrid Entrepreneurs (PHEs) demonstrated a strong and consistent preference for sustaining dual careers across both the second and third interview rounds, viewing hybrid entrepreneurship as a deliberate long-term strategy rather than a transitional phase. Their decisions were primarily driven by a combination of financial security concerns, aversion to entrepreneurial risk, and the advantages of maintaining stable employment benefits, such as social insurance and pensions. This aligns with Schmitt & Lane (2009), who argue that entrepreneurs with high-paying, stable jobs are less inclined to transition into full-time self-employment, even when their businesses achieve financial viability.
- One Transitory Hybrid Entrepreneur (Participant 6) who had initially moved into paid employment by the second round later pivoted to freelancing, maintaining multiple side businesses by the third round. This case highlights that entrepreneurial transitions are not always linear but can involve iterative adjustments based on individual experiences and external constraints. Rather than fully committing to salaried employment or self-employment, some entrepreneurs navigate flexible, mixed-career models, challenging the assumption that entrepreneurial pathways are unidirectional. This suggests that transitions are not unidirectional but cyclical, contradicting the traditional assumption that once an entrepreneur moves to full-time self-employment, they remain there permanently (Wennberg et al., 2010).

These insights demonstrate that hybrid entrepreneurial careers are far more fluid than previously assumed, evolving in response to market conditions, financial constraints, and personal reassessments over time.

Table 7.5 summarises the career fluidity observed over time, illustrating how hybrid entrepreneurship is shaped by dynamic factors rather than a predictable, linear trajectory.

Table 7.5: Hybrid Entrepreneurial Career Transitions Over Time

Career Pathway	Findings from Second-Round Interviews	Findings from Third-Round Interviews	Supporting Literature
Persistent Hybrid Entrepreneurs (PHEs)	Consistently viewed hybrid careers as a long-term strategy	Maintained hybrid careers, prioritising financial stability and employment benefits (e.g., pensions, social insurance)	Schmitt and Lane (2009); Bhidé (2000)
Transitory Hybrid Entrepreneurs (THEs)	Transitioned into full-time self-employment	Some remained full-time entrepreneurs, while others pivoted to freelancing or mixed-income models	Wennberg et al. (2010); Ucbasaran et al. (2013)
Exit Hybrid Entrepreneurs (EHEs)	One participant (P7) exited due to financial strain, while another (P9) exited but transitioned successfully to full-time entrepreneurship	Used Guanxi to secure salaried employment or diversify income sources	Luo et al. (2012); Bruton et al. (2008)

Source: generated by the author

These findings suggest that career transitions are neither linear nor permanent, highlighting the importance of longitudinal research in understanding hybrid entrepreneurial careers. This challenges static models of entrepreneurial transition that fail to account for the cyclical and context-driven nature of career decisions.

7.4.2 Self-Efficacy, Entrepreneurial Self-Efficacy, and the Dynamic Adjustment Mechanism in Hybrid Entrepreneurial Careers

While self-efficacy (SE) and entrepreneurial self-efficacy (ESE) have been widely recognised as pivotal psychological determinants of entrepreneurial intentions and persistence (Bandura, 1997; Boyd and Vozikis, 1994; Newman et al., 2019), existing research predominantly conceptualises these constructs as stable, trait-like beliefs that drive individuals towards entrepreneurial entry and long-term business engagement. However, the longitudinal evidence from this study challenges this static view, highlighting the need to reframe SE and ESE as dynamic and contextually responsive constructs that continuously recalibrate in response to external uncertainties, personal evaluations of financial stability, and affective experiences. This more fluid interpretation is particularly salient in the context of hybrid entrepreneurship, where individuals navigate the dual pressures of salaried work and business ownership, with career decisions evolving iteratively rather than progressing linearly towards full-time self-employment.

SE and ESE as Dual Anchors: Balancing Competence and Security

A critical insight emerging from this study is that, for Persistent Hybrid Entrepreneurs (PHEs), SE and ESE do not function solely as reflections of entrepreneurial competence but also serve as anchors of financial security. While these individuals exhibit high ESE, evidenced by their ability to initiate and sustain businesses, their decision to remain in hybrid status is underpinned by a concurrent need to preserve stable income and employment-related benefits (e.g., pensions, social insurance). This finding refines the dominant view in SE/ESE literature, which emphasises efficacy beliefs as enablers of entrepreneurial risk-taking (Chen et al., 1998; Hmieleski and Baron, 2009), by demonstrating that in contexts of financial uncertainty, SE and ESE can reinforce risk-averse behaviour, leading individuals to leverage hybrid entrepreneurship as a long-term security strategy (Schmitt and Lane, 2009).

This security-oriented function of SE/ESE is particularly pertinent in China, where entrepreneurial failure is perceived to carry high social and economic costs, and state welfare provision remains limited compared to Western economies (Bruton et al., 2008; Welter, 2011). Consequently, PHEs' SE/ESE is not merely a reflection of their belief in entrepreneurial competence, but also their confidence in maintaining a dual-career structure that safeguards against income volatility. This nuance expands Kollmann et al.'s (2017) argument that uncertainty-avoidant entrepreneurs prefer portfolio careers, highlighting that SE/ESE itself can embody a duality of competence and security in hybrid contexts.

Emotional and Financial Strain as Erosion Mechanisms: The Downward Spiral of SE/ESE

Conversely, among Exit Hybrid Entrepreneurs (EHEs), this study reveals a progressive erosion of SE/ESE, driven by the compounding effects of emotional exhaustion and financial strain. Participants' experiences underscore that hybrid entrepreneurs, who simultaneously manage salaried employment and business responsibilities, are particularly vulnerable to burnout and cognitive overload (Patel and Thatcher, 2014). Over time, these affective stressors diminish entrepreneurs' perceptions of their competence, inducing self-doubt and a withdrawal from entrepreneurial activity (Shepherd et al., 2020). This process reflects what Zhao et al. (2005) describe as the "performance spiral," whereby operational difficulties trigger a decline in ESE, which further impairs entrepreneurial performance and accelerates exit.

However, this study extends existing literature by demonstrating that financial anxiety often amplifies this affective deterioration, particularly in cultural contexts where entrepreneurs are primary household providers. Several EHEs cited family pressures and the imperative to sustain stable income as key drivers of their disengagement, a factor often overlooked in Western-centric SE/ESE models. This observation aligns with Welter (2011), who emphasises the salience of familial obligations in transitional economies, but it further demonstrates that

family expectations operate as a latent stressor that interacts with declining ESE, hastening entrepreneurial exit.

Industry Expertise and Customer Validation as Reinforcing Loops: The Iterative Enhancement of SE/ESE

In contrast, Transitory Hybrid Entrepreneurs (THEs) exemplify a reinforcing relationship between task mastery, market validation, and entrepreneurial progression, wherein SE/ESE evolves iteratively through industry-specific competence and customer feedback. Consistent with Bandura's (1997) assertion that mastery experiences are the most potent source of self-efficacy, THEs leveraged their sectoral knowledge to navigate uncertainties and adapt their business models, thereby cultivating a sense of entrepreneurial competence. However, this study reveals that, in hybrid contexts, positive client feedback (verbal persuasion) often operates as an immediate and salient validation mechanism, particularly during economic uncertainty.

Customer validation emerged as a critical ESE amplifier in the transition from hybrid to full-time entrepreneurship. THEs frequently cited affirmative market responses—such as repeat business and referrals—as pivotal in recalibrating their risk perception and emboldening their transition to full-time self-employment. This observation complements Ma et al.'s (2023) recent findings on the impact of positive feedback on ESE, but it extends their work by demonstrating that in hybrid careers, customer validation represents not merely verbal encouragement but an ongoing market signal that concretises entrepreneurial competence.

Towards a Contextually Embedded, Dynamic Model of SE/ESE

To summarise these findings, Table 7.6 presents the key mechanisms influencing the evolution of SE/ESE in hybrid entrepreneurship, distinguishing between reinforcing and erosion mechanisms across different entrepreneurial trajectories. This provides a structured comparison of how SE/ESE can either sustain hybrid persistence, facilitate transition, or lead to disengagement, depending on the

interplay of competence, financial security, emotional resilience, and market validation.

Table 7.6 key mechanisms influencing the evolution of SE/ESE in hybrid entrepreneurship

Mechanism	Positive SE/ESE Reinforcement	SE/ESE Erosion
Mastery Experience (Competence)	Industry expertise; task success	Operational inefficiencies; underperformance
Financial Stability/Security	Dual income buffering risk; employment benefits	Income volatility; familial financial expectations
Emotional and Physiological State	Positive emotions; resilience; entrepreneurial autonomy	Burnout; time strain; financial anxiety
Social Persuasion (Customer Feedback)	Client satisfaction; repeat business; market recognition	Customer complaints; lack of market traction

Source: generated by the author

This dynamic conceptualisation advances existing SE/ESE models, which often privilege individual agency and cognitive appraisal (e.g., Hmieleski & Baron, 2009), by incorporating contextual pressures, particularly financial and familial responsibilities, as mediating variables. This contextual embeddedness is especially critical in China, where family welfare obligations and limited state support heighten the perceived costs of entrepreneurial failure (Bruton et al., 2008; Welter, 2011).

Implications for Self-Efficacy Theory and Hybrid Entrepreneurship

This study contributes to the SE/ESE literature in three key ways:

1. Temporal Plasticity of SE/ESE: Rather than static predictors of entrepreneurial action, SE/ESE are fluid constructs that adapt across different phases of hybrid entrepreneurial careers, necessitating

longitudinal examination beyond cross-sectional measurements (Cardon & Patel, 2015; Shepherd et al., 2020).

2. **Security Dimension of ESE:** In hybrid contexts, ESE is not merely a belief in entrepreneurial competence but also an assessment of one's capacity to sustain financial and emotional stability, particularly in high-stakes environments like China.
3. **Social and Market Validation as Iterative Drivers:** Client feedback and market validation function as cyclical reinforcement mechanisms that continuously recalibrate ESE, offering context-sensitive insights beyond the conventional emphasis on family and peer support (Bandura, 1997; Ma et al., 2023).

These findings align with and extend the work of Bandura (1997), Boyd & Vozikis (1994), and Newman et al. (2019), while addressing contextual gaps identified by Hopp & Stephan (2012) and Welter (2011), particularly regarding the intersection of financial insecurity, family obligations, and ESE in transitional economies.

7.4.3 The Influence of External Market Shocks: The Role of COVID-19 in Entrepreneurial Trajectories

The third-round interviews offered a longitudinal perspective on how hybrid entrepreneurs responded to the prolonged economic aftershocks of the COVID-19 pandemic, enriching existing literature on economic crises and entrepreneurial adaptation. Prior research suggests that external shocks can act as both a catalyst for business creation and a deterrent to entrepreneurial persistence (Engel et al., 2014; Cowling et al., 2020). Studies focusing on necessity entrepreneurship highlight that during economic downturns, individuals often enter self-employment due to job losses, while others disengage from business ownership due to financial strain (Fairlie, 2020). However, this study's longitudinal design provides greater nuance, revealing that hybrid entrepreneurs do not simply enter or exit in response to crises. Instead, many adopt adaptive strategies, oscillating

between hybrid, full-time, and freelancing pathways over time, as they recalibrate their risk perceptions and business viability in changing market conditions.

The third round of interviews provided critical insights into how the prolonged economic aftershocks of the COVID-19 pandemic influenced hybrid entrepreneurial career pathways. While the second-round interviews, conducted during the later stages of the pandemic, captured the immediate disruptions and initial adaptation strategies of hybrid entrepreneurs, the third round revealed more sustained, long-term effects on entrepreneurial decision-making. Notably, while the broader economic downturn remained a common external challenge, its impact on individual pathways was highly differentiated, with some entrepreneurs seizing new opportunities while others faced increasing constraints. For example, Participant 8, whose ambition to transition to full-time self-employment was evident from the outset, temporarily retreated to hybrid status during the pandemic (second round) before finally committing to full-time entrepreneurship in the third round. Yet, his post-pandemic reality remained fraught with uncertainty, particularly venue-related constraints in his fitness training business, demonstrating that sector-specific challenges can outweigh macroeconomic recovery. This highlights that even when entrepreneurs transition to full-time self-employment, external structural barriers such as access to resources and seasonality can shape long-term sustainability (Wennberg et al., 2010; Hessels et al., 2018).

Similarly, Participant 9, who had initially exited entrepreneurship for a secure state-owned enterprise position, re-entered business in the second round, but pandemic-related pressures on import-export trade led her to pivot to domestic sales. By the third round, she anticipated business failure due to declining consumer spending power, ultimately deciding to shift to the restaurant sector in France through a family connection (*guanxi*). This illustrates that entrepreneurs may cycle through multiple phases of transition and adaptation, particularly in uncertain economic climates. This challenges traditional models of entrepreneurial persistence, demonstrating that full-time entrepreneurship is not

inherently stable, and business continuity often requires sectoral shifts and international mobility (Fairlie, 2020; Cowling et al., 2020).

However, not all hybrid entrepreneurs faced negative consequences. Participant 5 experienced business growth rather than decline, as shifting consumer behaviours in the post-pandemic era created new opportunities. With group travel declining in favour of individual and small-group tourism, demand for visa application assistance surged, benefitting his business. Furthermore, the pandemic had forced many competitors out of the market, increasing his client base and strengthening his market position. This reinforces the argument that economic crises, while disruptive, can lead to creative destruction, enabling surviving firms to consolidate market share in the aftermath of disruption (Bruton et al., 2008; Shepherd et al., 2020).

For Persistent Hybrid Entrepreneurs (Participants 1, 2, and 3), the pandemic served not as a catalyst for transition but as a reinforcement of their existing hybrid status, with employment stability valued even more highly amidst uncertainty. These differentiated responses challenge binary models of crisis-induced entrepreneurship, emphasising that the hybrid model itself functions as a risk-hedging mechanism. Hybrid entrepreneurs, rather than reacting uniformly to crises, exhibit career fluidity, adjusting their entrepreneurial intensity, revenue streams, or sectoral focus without necessarily abandoning hybrid status (Kibler et al., 2019; Cowling et al., 2020).

For the remaining participants, the pandemic's long-term economic effects were acknowledged but did not significantly alter their entrepreneurial pathways. This aligns with recent literature on crisis-driven entrepreneurship, which argues that while macroeconomic downturns affect all businesses, their impact varies significantly based on industry type, adaptability, and access to resources (Shepherd et al., 2020; Kibler et al., 2019). These findings contribute to a more nuanced understanding of hybrid entrepreneurial resilience, challenging assumptions that economic crises necessarily lead to either full-time transition or

business exit. Instead, entrepreneurs engage in complex, iterative decision-making processes, adjusting their strategies based on both personal circumstances and industry-specific challenges. Table 7.7 presents how COVID-19 affected different hybrid entrepreneurial pathways over time:

Table 7.7 The Impact of COVID-19 on Hybrid Entrepreneurial Career Trajectories

Entrepreneur Type	Findings from Second-Round Interviews (Late Pandemic)	Findings from Third-Round Interviews (Post-Pandemic Aftershocks)	Supporting Literature
Persistent Hybrid Entrepreneurs (PHEs)	Maintained hybrid status, prioritising financial stability over expansion.	Reinforced hybrid commitment, valuing employment benefits amidst economic uncertainty.	Schmitt and Lane (2009); Patel and Thatcher (2014)
Transitory Hybrid Entrepreneurs (THEs)	Some transitioned to full-time self-employment, while others deferred transition due to uncertainty.	Mixed outcomes: Some sustained full-time status despite struggles; others pivoted into freelancing or diversified business models.	Wennberg et al. (2010); Hessels et al. (2018)
Exit Hybrid Entrepreneurs (EHEs)	Exited entrepreneurship due to financial strain or shifted into employment during pandemic uncertainty.	Some remained in employment; others re-entered self-employment by pivoting to new industries or leveraging Guanxi.	Luo et al. (2012); Bruton et al. (2008)

Source: generated by the author

These findings challenge prior models of entrepreneurial transition, which often assume that career decisions are primarily based on financial and motivational factors. Instead, this study demonstrates that external economic disruptions can override internal career intentions, forcing entrepreneurs to reassess their risk tolerance and career trajectories over time (Welter and Lasch, 2008). Previous studies have found that during economic downturns, some individuals enter entrepreneurship due to job losses (necessity entrepreneurship) while others abandon self-employment due to financial strain (Fairlie, 2020). However, this

study provides a longitudinal perspective, demonstrating that the same individuals may transition in and out of entrepreneurship multiple times in response to changing external conditions.

7.4.4 The Role of Social Capital (GUANXI) in Shaping Hybrid Entrepreneurial Career Transitions

One of the most significant longitudinal insights emerging across all three rounds of interviews was the complex and evolving role of Guanxi (social capital) in shaping hybrid entrepreneurial career transitions. While existing research has long established that Guanxi provides entrepreneurs with crucial access to resources, clients, and business legitimacy in China (Bruton et al., 2008; Luo et al., 2012), this study's longitudinal approach reveals that Guanxi operates in a more multifaceted and time-sensitive manner. Specifically, while the first and second interview rounds highlighted Guanxi's pivotal role in enabling hybrid entrepreneurs to launch and stabilise their businesses, the third round revealed a relative decline in its immediate utility, as broader economic deterioration, weakened consumer purchasing power, and shifts in post-pandemic attitudes towards spending and business relations eroded the effectiveness of Guanxi-based resource mobilisation.

This temporal shift underscores that Guanxi is not a static resource but one whose significance fluctuates depending on the broader economic context, with its influence weakening in periods of economic uncertainty and market contraction. Nevertheless, Guanxi's enduring legacy was most clearly reflected in its intersection with prior industry-specific experience, which emerged as a particularly critical antecedent to entrepreneurial self-efficacy (ESE) development for hybrid entrepreneurs in this study. While general work experience is recognised as a key source of ESE in the existing literature (Newman et al., 2019), longitudinal findings from this research suggest that, in the Chinese context, industry experience—characterised by accumulated sectoral knowledge and embedded Guanxi networks—was more influential in enabling hybrid

entrepreneurs to develop confidence in their entrepreneurial competence. This was evident among Persistent and Transitory Hybrid Entrepreneurs, such as Participants 1, 2, 4, 5, and 8, whose sector-specific familiarity and established relationships facilitated access to early clients, suppliers, and partners upon launching their businesses. For instance, Participant 5, who worked in the tourism industry before launching his visa consulting business, described how industry contacts built during his salaried career became his initial client base. These initial successes not only provided the mastery experiences that are widely recognised as a primary source of self-efficacy development (Bandura, 1997) but also enabled participants to perceive their entrepreneurial risks as more manageable. This aligns with Burmeister-Lamp et al. (2012), who argue that prior industry experience enhances entrepreneurs' confidence in their ability to control business outcomes, suggesting that, within Guanxi-driven economies like China, industry-embedded experience acts as a context-specific mechanism through which work experience translates into mastery experiences, thereby strengthening entrepreneurial self-efficacy. This dynamic was not limited to those who engaged in entrepreneurship. Exit Hybrid Entrepreneurs Participant 7, who relied on long-established professional connections to secure a return to paid employment, illustrating that industry experience coupled with Guanxi can facilitate both entrepreneurial entry and career reintegration. This supports research suggesting that in collectivist cultures, networks not only facilitate business initiation but also cushion the personal and professional risks associated with entrepreneurial disengagement (Carlisle and Flynn, 2005; Liu et al., 2015).

However, by the third round of interviews, the impact of Guanxi had visibly weakened as participants across all categories highlighted the deteriorating economic environment as the primary obstacle to business growth. Entrepreneurs such as Participant 8 described venue acquisition challenges as more critical to his fitness business than Guanxi connections, while Participant 5, despite thriving post-pandemic, acknowledged that the surge in demand for individual travel visas was driven more by market shifts than relational support. This suggests that in times of systemic economic strain, the structural limitations

of consumer purchasing power and sector-specific barriers outweigh the buffering effects of Guanxi. This is consistent with Kloosterman (2010), who emphasises that entrepreneurial success is not solely determined by personal networks but is contingent upon the opportunity structure of the broader economy. While Guanxi facilitates market entry during stable periods, its protective capacity may erode when structural demand declines, complicating simplistic notions that Guanxi unconditionally guarantees entrepreneurial success (Bruton et al., 2008; Luo et al., 2012). Table 7.8 summarises the different roles of GUANXI in hybrid entrepreneurial career transitions:

Table 7.8 The Roles of Guanxi in Hybrid Entrepreneurial Career Pathways

Entrepreneur Type	First & Second-Round Interviews	Third-Round Interviews	Connection to Self-Efficacy (SE) and Entrepreneurial Self-Efficacy (ESE)	Supporting Literature
Persistent Hybrid Entrepreneurs (PHEs)	Guanxi facilitated business establishment by securing initial clients, suppliers, and industry knowledge.	Guanxi's role diminished; business stability relied more on market demand and industry trends.	Industry-specific experience (Guanxi-enabled) contributed to mastery experiences (SE) and work experience (ESE), enhancing confidence in business competence.	Bandura (1997); Newman et al. (2019); Burmeister-Lamp et al. (2012)
Transitory Hybrid Entrepreneurs (THEs)	Guanxi reduced market uncertainty, helping to secure early contracts and partnerships, supporting the transition to full-time.	Guanxi's influence waned; business survival depended more on overcoming operational challenges (e.g., venue acquisition).	Early success fostered mastery experiences (SE), while prior industry-linked Guanxi reinforced industry-specific work experience (ESE).	Bandura (1997); Chen et al. (1998); Burmeister-Lamp et al. (2012)
Exit Hybrid Entrepreneurs (EHEs)	Guanxi facilitated re-entry into paid employment upon business exit, reducing career risk.	Continued reliance on Guanxi for employment security; broader economic pressures constrained business re-entry.	Guanxi-based industry experience enabled smoother career reintegration, indirectly preserving self-efficacy during exit.	Carlisle and Flynn (2005); Liu et al. (2015)

Source: generated by the author

The longitudinal insights across the three rounds of interviews reveal that Guanxi is not a uniform or static resource but one that evolves in its significance over time, particularly in response to external crises such as the COVID-19 pandemic and post-pandemic economic stagnation. The early reliance on Guanxi for business initiation and stability, especially during the first and second rounds, is consistent with prior research on social capital in China (Bruton et al., 2008; Luo et al., 2012). However, the third round underscored that Guanxi's influence weakened in the face of economic decline, as market contraction and operational challenges outweighed the buffering effect of personal networks.

Guanxi's legacy endured through its embedded relationship with industry experience, which proved to be a crucial antecedent to self-efficacy and entrepreneurial self-efficacy (ESE). For Persistent and Transitory Hybrid Entrepreneurs, early business success—facilitated by Guanxi and industry experience—strengthened their entrepreneurial confidence, enabling them to either sustain hybrid careers or transition to full-time self-employment. For Exit Hybrid Entrepreneurs, Guanxi-linked industry experience softened the impact of business closure, supporting re-entry into salaried employment and preserving self-efficacy despite disengagement from entrepreneurship.

The longitudinal research design was instrumental in uncovering this temporal complexity. A single cross-sectional study would likely have overemphasised Guanxi's positive influence on hybrid entrepreneurial success, aligning with the dominant narrative in existing literature. However, tracking participants over time revealed that Guanxi's influence fluctuates depending on macroeconomic conditions, business lifecycle stages, and individual career transitions. This demonstrates that the relationship between Guanxi, industry experience, and self-efficacy is not static—it is adaptive, context-dependent, and subject to erosion under economic strain.

7.5 Practical, Managerial and Policy Implications

The findings of this study have significant implications for entrepreneurs, business support organisations, and policymakers, particularly in light of the growing recognition that hybrid entrepreneurship represents a diverse and evolving career strategy, rather than a linear progression towards full-time self-employment (Folta et al., 2010; Kibler et al., 2019; Block et al., 2021). This study challenges the dominant transition-centric model that has long underpinned both academic discourse and policy interventions (Raffiee and Feng, 2014; Wennberg et al., 2010), demonstrating that for the hybrid entrepreneurs participating in this research, fluid, adaptive pathways were shaped by self-efficacy (SE), entrepreneurial self-efficacy (ESE), and socio-cultural factors such as Guanxi over time. In addition, national and local government regulations and policy frameworks also played an influential role in shaping entrepreneurial possibilities and constraints, particularly during and after the COVID-19 period.

This longitudinal insight into Persistent Hybrid Entrepreneurs (PHEs), Transitory Hybrid Entrepreneurs (THEs), and Exit Hybrid Entrepreneurs (EHEs) reveals that entrepreneurial career choices are driven not merely by financial performance but also by emotional resilience, time management capacity, and access to network-based safety nets. Accordingly, this section highlights key practical, managerial, and policy-oriented adjustments needed to align entrepreneurship support systems with the realities of hybrid career paths.

7.5.1 Recognising Hybrid Entrepreneurship as a Long-Term Career Model

A primary practical and policy implication concerns the need to redefine success in hybrid entrepreneurship. Findings from this study underscore that Persistent Hybrid Entrepreneurs (e.g., Participants 1, 2, and 3) deliberately sustain dual careers as a rational, long-term strategy for income diversification and risk management, rather than viewing hybrid status as a temporary stepping stone. This aligns with recent work by Block and Landgraf (2016) and Kibler et al.

(2019), which advocates for recognising hybrid entrepreneurship as a viable equilibrium state rather than an inferior precursor to full-time entrepreneurship.

While this study did not set out to focus on policy, the data suggest that existing entrepreneurship policy and funding structures globally remain biased towards full-time entrepreneurs (OECD, 2021; Burke et al., 2008). Rigid financing schemes, tax disincentives, and legal restrictions on hybrid entrepreneurial activity often penalise individuals who seek to balance employment and entrepreneurship, thereby overlooking the resilience and economic contributions of hybrid entrepreneurs (Burmeister-Lamp et al., 2012; Block et al., 2021).

Policy and Practical Recommendations:

- Develop hybrid-inclusive entrepreneurial support systems, including micro-financing schemes, tax incentives, and flexible business advisory services designed specifically for hybrid entrepreneurs (OECD, 2021).
- Review employment legislation to ensure non-compete clauses and company policies allow individuals to engage in entrepreneurial activities alongside salaried work without fear of contract breaches (Henley, 2021).

Managerial Implication:

- Entrepreneurs and advisors should reframe hybrid status as a sustainable career choice, encouraging individuals to leverage salaried employment as a buffer rather than viewing entrepreneurial success solely through the lens of full-time transition.

7.5.2 Tailoring Entrepreneurial Support to Pathway Diversity

The pathway-specific nature of hybrid entrepreneurship revealed in this study further challenges standardised entrepreneurship support models. While Transitory Hybrid Entrepreneurs (e.g., Participants 4, 5, and 8) ultimately transitioned to full-time self-employment, their journeys were marked by non-linear adjustments, temporary retreats into hybrid status, and emotional and financial volatility. Conversely, Exit Hybrid Entrepreneurs (e.g., Participant 7)

demonstrated that entrepreneurial disengagement is not necessarily a failure, but a strategic recalibration, facilitated by Guanxi-based re-entry into salaried employment.

These findings align with Shepherd et al. (2020) and Wennberg et al. (2010), who emphasise the need for differentiated entrepreneurial support frameworks, as entrepreneurs pursue divergent paths depending on their self-efficacy trajectories and risk perceptions.

Policy and Practical Recommendations:

Segment entrepreneurship support services into pathway-specific streams:

- PHEs: Focus on risk-mitigation advice, financial literacy, and operational efficiency training.
- THEs: Provide growth-stage financing and resilience coaching to facilitate the transition to full-time self-employment.
- EHEs: Offer career reintegration assistance that leverages their entrepreneurial experience as an asset, recognising that entrepreneurial exit can enrich employability (Burmeister-Lamp et al., 2012; Cope, 2011).

Managerial Implication:

- Business mentors should avoid imposing linear entrepreneurial success models on hybrid entrepreneurs, instead adapting support to their evolving career goals.

7.5.3 Strengthening Entrepreneurial Resilience and Time Management Capacity

This study also reveals emotional exhaustion and work-business conflict as critical factors driving entrepreneurial exit (e.g., Participant 7), or temporary retreat into hybrid status (e.g., Participant 8), aligning with Patel and Thatcher (2014) and Uy et al. (2013), who highlight the vulnerability of hybrid entrepreneurs to burnout due to dual workloads. Despite increasing recognition

of entrepreneurial well-being as a performance determinant (Shepherd et al., 2020; Cardon & Patel, 2015), resilience and time management training remain underdeveloped within entrepreneurship support ecosystems.

Policy and Practical Recommendations:

- Integrate mental health support and resilience training into entrepreneurship incubators and business development programmes (Stephan, 2018; Warriner and Tanwar, 2021).
- Time management workshops tailored to hybrid entrepreneurs should be embedded in training schemes, helping individuals balance dual work commitments without compromising their mental health.

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Managerial Implication:

Entrepreneurs should view emotional resilience and time efficiency as business-critical competencies, while advisors should encourage hybrid entrepreneurs to monitor emotional states and workload capacity.

7.5.4 Guanxi as a Dual Resource for Market Access and Exit Security

Finally, this study enriches the literature on Guanxi by revealing its dual role as both a business enabler and an employment safety net. While Guanxi facilitated entrepreneurial market entry during early hybrid stages, it also enabled EHEs (e.g., Participant 7) to secure re-entry into salaried employment, reducing the stigma and financial risk of business exit—a dynamic underexplored in Western entrepreneurship failure literature (Cope, 2011; Ucbasaran et al., 2013). This reflects Carlisle and Flynn's (2005) observation that social capital in China cushions entrepreneurial uncertainty, while extending Liu et al.'s (2015) work on network-based career mobility.

Policy and Practical Recommendations:

- Strengthen cross-sector Guanxi platforms, such as business networking forums and alumni networks, which support both entrepreneurial ventures and employment re-entry.
- Encourage Guanxi-driven mentorship schemes that connect hybrid entrepreneurs with industry peers, enhancing both market access and career reversibility.

Managerial Implication:

Hybrid entrepreneurs should cultivate Guanxi not only for business growth but also as a fallback mechanism, recognising its dual protective capacity. Table 7.9 summarises the key managerial, practical and policy implication of this study. These recommendations collectively underscore the need for a more flexible, pathway-sensitive, and resilience-oriented approach to hybrid entrepreneurship support.

Table 7.9: Integrated Managerial, Practical, and Policy Implications

Key Area	Managerial Implication	Practical & Policy Recommendation	Supporting Literature
Hybrid as Long-Term Career Model	Reframe success beyond full-time transition	Hybrid-friendly tax policies; remove non-compete barriers	Block et al. (2021); Kibler et al. (2019)
Pathway-Specific Support Systems	Tailor guidance to hybrid typologies	Funding streams and advisory services matched to PHE, THE, EHE needs	Shepherd et al. (2020); Wennberg et al. (2010)
Emotional Resilience and Time Management	Promote workload self-assessment	Embed resilience and time management into entrepreneurship training	Stephan (2018); Patel and Thatcher (2014)
Guanxi as Dual Resource	Cultivate Guanxi as both market and career buffer	Develop Guanxi-driven business & employment networks	Liu et al. (2015); Carlisle and Flynn (2005)

Source: generated by the author

7.6 Limitations and Future Research Directions

While this study provides valuable insights into hybrid entrepreneurship pathways, it is essential to acknowledge its limitations and identify areas for future research. As with any empirical study, certain methodological, contextual, and theoretical constraints influence the scope of its findings. These limitations do not detract from the study's contributions but rather highlight avenues for further academic inquiry and theoretical refinement.

The limitations and future research directions are categorised into four key areas including: Sample and Generalisability, Longitudinal Tracking of Hybrid Entrepreneurs, Industry-Specific Variations and Cultural and Institutional Comparisons. Each of these areas is discussed as follows:

7.6.1 Sample and Generalisability: Expanding the Scope of Hybrid Entrepreneurship Research

A key limitation of this study lies in its relatively small sample size and its geographic concentration on hybrid entrepreneurs in China. However, this context also presents a valuable strength: by applying Western-derived theories such as Self-Efficacy and Entrepreneurial Self-Efficacy in a non-Western setting, the study offers a rare opportunity to examine their cultural transferability and contextual relevance. Given that the majority of hybrid entrepreneurship research has focused on developed Western economies, the present study addresses a significant empirical gap and contributes to the globalisation of entrepreneurial theory.

While this research offers rich qualitative insights into hybrid entrepreneurial decision-making within the specific context studied, the findings may not be generalisable to other cultural or institutional contexts, nor necessarily to other regions within China where variations in regulation and industry structure may shape entrepreneurial behaviour differently. Hybrid entrepreneurship is a globally relevant phenomenon, yet its prevalence, motivations, and career

trajectories vary across different economies due to policy environments, labour market structures, and social norms (Bruton et al., 2008; Welter, 2011).

For instance, hybrid entrepreneurship in Western economies is often associated with flexible gig work models, venture capital ecosystems, and individualistic career motivations (Welter and Lasch, 2008; Block and Landgraf, 2016). In contrast, China's hybrid entrepreneurship is deeply embedded in guanxi networks, state employment structures, and collectivist family expectations (Carlisle and Flynn, 2005; Dubey and Sahu, 2022). These contrasts are not simply contextual variations but offer important insights into the ways in which entrepreneurial motivation and identity are shaped by different institutional logics. Moreover, while the qualitative, interview-based methodology inherently limits statistical generalisability, it affords significant depth of understanding. The longitudinal narratives collected through repeated interviews enabled the capture of evolving self-efficacy beliefs, career recalibrations, and emotional trajectories that are often obscured in cross-sectional designs. Although bounded to a specific cultural and temporal context, the richness of the data provides theoretical transferability to other relationally oriented, institutionally ambiguous, or dual labour market settings beyond China. Rather than limiting the study's relevance, the Chinese context serves as a critical vantage point from which to re-examine assumptions embedded in Western-centric entrepreneurial models. This perspective enriches the broader theorisation of hybrid career dynamics across diverse economic and socio-cultural landscapes.

Additionally, the qualitative, interview-based methodology employed in this study allows for in-depth understanding, but it inherently limits statistical generalisability. Future research could employ larger-scale quantitative designs, using survey methods or mixed-methods approaches to test hypotheses generated from the current study. A broader dataset would enable researchers to identify statistical patterns in hybrid entrepreneurial transitions and determine which factors most strongly predict persistence, transition, or exit outcomes.

There is also considerable potential to explore regional and sectoral differences, both within China and across other emerging economies. Future studies might examine whether hybrid career decisions vary across geographic regions with differing institutional support, or between industries characterised by contrasting levels of entrepreneurial flexibility, market volatility, or regulatory burden.

7.6.2 Longitudinal Tracking of Hybrid Entrepreneurs: Examining Career Trajectories Over Time

Whilst this study extends prior research by adopting a longitudinal approach—conducting interviews across a four-year period—it remains limited in terms of tracking frequency and the temporal depth of observation. Interviews were conducted approximately every two years, which allowed for the identification of broad shifts in hybrid entrepreneurs' behaviour and motivation. However, this design may not fully capture the short-term fluctuations, transitional dynamics, and feedback loops that are often central to entrepreneurial decision-making.

Entrepreneurial career decisions are inherently dynamic, shaped by economic cycles, personal circumstances, and evolving market conditions (Wennberg et al., 2010; Hessels et al., 2018). Whilst this study offers initial longitudinal insight into the emergence and divergence of hybrid entrepreneurial pathways, the time intervals between data collection points limit its ability to fully capture the fluid transitions and possible movement between categories in real time. Fine-grained, temporal decision-making processes—such as momentary self-efficacy fluctuations, emotional tipping points, and opportunity evaluation shifts—may be overlooked within a two-year interview cycle.

Future research should adopt more intensive longitudinal designs that follow hybrid entrepreneurs over extended periods, incorporating more frequent data points, such as annual interviews or regular digital journaling methods to capture short-term decision inflection points. Digital journaling, in particular, could provide researchers with contemporaneous insights into how hybrid

entrepreneurs navigate uncertainty, balance dual roles, and adjust career intentions in response to rapidly changing circumstances. Such methods would allow scholars to capture the evolution of self-efficacy, the impact of external shocks, and how individual motivations adapt over time. More longitudinal studies could address several underexplored questions:

- Do Persistent Hybrid Entrepreneurs (PHEs) eventually transition to full-time self-employment, or do they sustain hybrid status indefinitely?
- How do Transitory Hybrid Entrepreneurs (THEs) fare post-transition—do they achieve sustainable business growth, or do some revert to hybrid status or salaried employment?
- What factors influence whether Exit Hybrid Entrepreneurs (EHEs) re-enter entrepreneurship later in their careers?

By capturing entrepreneurial career trajectories as unfolding and path-dependent processes, researchers could develop more robust and predictive models of hybrid entrepreneurship. Such work would not only advance theoretical frameworks that account for flexibility and responsiveness but also inform policy interventions designed to support entrepreneurs across different phases of hybrid engagement.

7.6.3 Industry-Specific Variations: Understanding How Sectors Influence Hybrid Career Paths

Although this study draws upon a sample representing a range of industry sectors, it does not systematically explore how industry-specific dynamics shape hybrid entrepreneurial pathways—a limitation that warrants further investigation. Prior research has noted that some sectors may be more conducive to hybrid entrepreneurship than others. For instance, service-based industries such as consulting, digital services, and the creative arts allow for greater temporal

flexibility and lower capital requirements, making them easier to reconcile with salaried employment (Burmeister-Lamp et al., 2012; Ferreira, 2020).

This observation aligns with the discussion in Chapter 3, where hybrid entrepreneurship was shown to span diverse sectors, reflecting varying levels of institutional friction, scalability, and entry barriers. However, capital-intensive or highly regulated sectors, such as manufacturing or retail, may pose substantial obstacles to hybrid engagement due to time intensity, financial exposure, or compliance demands.

Findings from this study indicate that specific sectoral conditions influence hybrid entrepreneurial pathways, including:

- **Regulatory Barriers:** Hybrid entrepreneurs in tightly regulated industries (e.g., finance, healthcare, education) may face legal and organisational restrictions that constrain their ability to expand entrepreneurial activity.
- **Technology and Digitalisation:** Those operating in tech-enabled sectors may benefit from low fixed costs and flexible work models, allowing them to sustain hybrid ventures alongside employment.
- **Market Volatility:** Entrepreneurs in sectors such as hospitality, fitness, and tourism faced heightened risk during the COVID-19 pandemic, prompting business pivots or complete disengagement from entrepreneurial activity.

Future research should explore how different industries create unique opportunities and constraints for hybrid entrepreneurs. In particular, sector-specific qualitative studies, comparative case research, or mixed-methods designs could help clarify how industry characteristics intersect with entrepreneurial motivation, resource access, career resilience, and exit dynamics. Furthermore, research could investigate how digital transformation reshapes sectoral opportunities for hybrid entrepreneurship, particularly in post-pandemic

economies where remote work and platform-based entrepreneurship have become increasingly viable career strategies.

7.6.4 Cultural and Institutional Comparisons: Hybrid Entrepreneurship in Emerging and Developed Economies

This study highlights the role of GUANXI, social capital, and government policies in shaping hybrid entrepreneurship in China. However, these findings may not fully capture how hybrid entrepreneurship operates across different institutional environments. For instance, hybrid entrepreneurs in developed economies with strong social welfare systems may have greater financial security to experiment with entrepreneurship, while those in developing economies may pursue hybrid careers out of necessity rather than choice (Welter, 2011; Block et al., 2022). Whilst China's hybrid entrepreneurial dynamics offer important insights, particularly around relational embeddedness and career risk mitigation, they are embedded in a specific socio-cultural and institutional context characterised by strong family obligations, collectivist norms, and state-mediated employment structures. Consequently, findings from this study should not be automatically extrapolated to entrepreneurial ecosystems that prioritise individualism, deregulation, or market-driven flexibility.

Future research could explore several comparative dimensions:

1. Hybrid Entrepreneurship in Emerging Markets: How do economic instability, informal employment structures, and weak financial institutions impact hybrid entrepreneurial motivations and pathways?
2. Hybrid Entrepreneurship in Gig Economies: Does the rise of platform-based work (e.g., Uber, Fiverr, Upwork) transform the feasibility and desirability of hybrid entrepreneurship, particularly in contexts with limited formal employment protections?
3. Comparisons Between Collectivist and Individualist Cultures: To what extent do family expectations, social capital resources, and community ties influence

entrepreneurial persistence, opportunity recognition, and exit decisions across different cultural settings?

By examining institutional and cultural variations, researchers can develop a globally relevant understanding of hybrid entrepreneurship, moving beyond Western-centric models that often assume entrepreneurial autonomy and opportunity-seeking behaviour as universal. Rather than treating the Chinese context as an anomaly or boundary case, this study uses it as a critical vantage point for re-examining dominant entrepreneurial assumptions—particularly regarding agency, motivation, and institutional framing. In doing so, it advocates for a more pluralistic and context-sensitive theorisation of hybrid entrepreneurial careers.

7.6.5 Summary

This study makes significant contributions to hybrid entrepreneurship research but also highlights key areas for further investigation. Future research should:

1. Expand sample sizes and conduct comparative studies across multiple economies to assess how national policies and cultural norms shape hybrid career trajectories.
2. Employ longitudinal research designs to track hybrid entrepreneurs over time, capturing career transitions and business survival rates.
3. Investigate industry-specific variations, examining which sectors facilitate or constrain hybrid entrepreneurship.
4. Explore the role of institutions and policies, particularly in emerging economies and gig-based labour markets.

By addressing these gaps, future studies can build on the theoretical and empirical foundations laid by this research, ensuring that hybrid entrepreneurship is better understood, supported, and integrated into global economic and labour policies.

Chapter 8 Conclusion

8.1 Re-engaging with the Research Questions

This study set out to explore why hybrid entrepreneurs follow divergent career pathways and how psychological, relational, and structural factors shape their decisions to persist, transition, or exit entrepreneurial activity. Motivated by the lack of longitudinal, context-sensitive investigations into hybrid entrepreneurship, the research was guided by the following core questions:

- How do self-efficacy and entrepreneurial self-efficacy shape hybrid entrepreneurs' decisions to remain in the hybrid status persistently (Persistent Hybrid Entrepreneurs)?
- How do self-efficacy and entrepreneurial self-efficacy drive hybrid entrepreneurs to transition to full-time entrepreneurship (Transitory Hybrid Entrepreneurs)?
- How do declining self-efficacy and entrepreneurial self-efficacy influence hybrid entrepreneurs' decisions to exit entrepreneurial activities (Exit Hybrid Entrepreneurs)?

Through a longitudinal qualitative design involving three rounds of interviews with nine hybrid entrepreneurs in China between 2020 and 2024, the study offered a rare opportunity to examine the dynamic interplay of personal beliefs, contextual pressures, and cultural practices over time. Rather than treating hybrid entrepreneurship as a transitory or homogenous category, the research reconceptualised it as a flexible, non-linear career strategy shaped by fluctuations in self-efficacy, the availability of social capital, and broader environmental uncertainties. These questions were not merely answered in a descriptive sense, but served as analytical anchors around which the typology of hybrid career pathways—Persistent, Transitory, and Exit—was constructed.

8.2 Summary of Key Findings and Theoretical Contributions

This study makes four significant theoretical contributions to the literature on hybrid entrepreneurship, self-efficacy theory, and entrepreneurial career development.

First, it reconceptualises hybrid entrepreneurship not as a transitional phase en route to full-time self-employment, but as a strategic, adaptive career configuration in its own right. The emergence of Persistent Hybrid Entrepreneurs (PHEs) demonstrates that for some individuals, sustaining dual roles represents a deliberate and long-term choice, enabling them to manage uncertainty, access dual income streams, and retain organisational benefits. This challenges the dominant transition-centric paradigm that has long underpinned both policy and academic discourse (Folta et al., 2010; Raffiee and Feng, 2014) around entrepreneurship.

Second, the study advances self-efficacy theory by illustrating its dynamic, context-sensitive nature. Rather than treating self-efficacy as a stable individual trait, the findings show that it fluctuates in response to emotional states, social feedback, financial pressure, and institutional volatility. Entrepreneurial self-efficacy (ESE), in particular, was shown to play a pivotal role in shaping transitions: rising ESE enabled transitory entrepreneurs to move into full-time self-employment, whereas declining ESE, often compounded by emotional fatigue or market shocks, led others to exit. These findings offer a more nuanced understanding of how psychological mechanisms influence entrepreneurial decision-making over time.

Third, the research foregrounds the importance of social capital—particularly *guanxi*—as both an entrepreneurial resource and a form of career security. In the Chinese context, *guanxi* emerged not only as a catalyst for opportunity recognition and client acquisition, but also as a relational buffer that protected entrepreneurs'

salaried roles and mitigated the risk of failure. This dual function extends existing conceptualisations of social capital by highlighting its role in mediating hybrid career resilience, especially in collectivist, relationally oriented economies.

Fourth, the study underscores the role of external conditions—economic disruption, policy shifts, and industry volatility—as key moderators of hybrid career pathways. While individual traits and motivations remain important, the findings indicate that contextual shocks (e.g. the COVID-19 pandemic) significantly shaped participants' perceived feasibility and desirability of hybrid entrepreneurship. In this way, the study contributes to a more integrated model of hybrid career decision-making, one that situates psychological and relational constructs within a broader structural and institutional landscape.

8.3 Practical Implications

The findings of this study hold several practical implications for hybrid entrepreneurs, employers, and business support organisations. By highlighting the non-linear and adaptive nature of hybrid career trajectories, the research underscores the need to rethink how entrepreneurial support is designed, delivered, and institutionalised. Although not the primary focus of this study, some broader considerations relevant to policy frameworks also emerge.

For hybrid entrepreneurs, the findings emphasise the importance of sustaining resilience and adaptability over time. Rather than viewing hybrid entrepreneurship merely as a transitional phase, individuals are encouraged to approach it as a flexible and evolving career model offering both autonomy and stability. Proactively managing self-efficacy—through mastery experiences, peer support, and realistic goal-setting—can help maintain entrepreneurial momentum and mitigate the risks of burnout. Furthermore, cultivating strategic *guanxi* ties can enhance business development prospects while simultaneously providing relational safety nets within salaried employment, thereby facilitating smoother transitions or exits when necessary.

For employers and support organisations, hybrid entrepreneurs should be recognised as valuable innovation assets rather than being perceived solely through the lens of divided loyalty or compliance risk. Organisations can benefit from the entrepreneurial mindsets, adaptability, and problem-solving capacities that hybrid workers bring, especially when these qualities are fostered within intrapreneurial roles. Support programmes and incubators should also tailor their services to address the specific challenges faced by hybrid entrepreneurs—such as time constraints, identity conflict, and dual-role fatigue—through initiatives like part-time mentoring, peer-learning communities, and resilience-focused coaching models.

While direct policy analysis was beyond the scope of this research, the findings suggest that more flexible, hybrid-inclusive entrepreneurship frameworks could be beneficial. Existing support structures often assume a binary distinction between employment and entrepreneurship, failing to accommodate the grey areas in which many hybrid entrepreneurs operate. Governments and business support agencies might consider offering flexible grant schemes, tax arrangements, and benefits portability that better reflect the fluidity of hybrid career models. By fostering more inclusive and adaptive entrepreneurial ecosystems, such measures could enhance economic resilience, particularly during periods of labour market disruption.

In sum, this study advocates for a shift in how hybrid entrepreneurship is conceptualised and supported—not merely as a stepping-stone towards full-time entrepreneurship, but as a legitimate, strategic, and sustainable career pathway in its own right.

8.4 Future Research Directions

Building on the contributions and limitations of this study, several avenues for future research are proposed to advance understanding of hybrid entrepreneurship as a dynamic and context-sensitive career form.

First, future studies should deepen and extend the longitudinal analysis of hybrid entrepreneurial pathways. While this research traced changes over a four-year period, more frequent and sustained tracking would allow scholars to examine short-term fluctuations in self-efficacy, role conflict, and opportunity recognition. Digital diary methods or more regular longitudinal interviews could be adopted in future research to capture micro-transitions and moments of decision-making that may be missed with wider intervals.

Second, there is considerable scope to investigate cross-cultural and institutional differences in hybrid entrepreneurship. Most existing studies are concentrated in Western, developed economies, where labour markets, entrepreneurial infrastructures, and welfare regimes differ markedly from those in emerging contexts. Comparative research across countries—particularly in Asia, Africa, and Latin America—could shed light on how hybrid entrepreneurship is shaped by divergent cultural values (e.g., collectivism vs. individualism), regulatory burdens, and social protection systems. Such work would also help test the portability of self-efficacy and career theory constructs across settings.

Third, industry-specific studies are needed to unpack how sectoral dynamics influence hybrid entrepreneurial strategies. As this study indicates, industries such as technology, consultancy, and education may offer different constraints and affordances compared to manufacturing, logistics, or healthcare. Future research might adopt a comparative case study design across sectors or examine specific industry responses to hybridisation trends, especially in light of post-pandemic work reconfigurations and digitalisation.

Fourth, quantitative or mixed-methods research could complement the current study's qualitative findings. Large-scale surveys, experiments, or longitudinal panel studies could help validate the typology of Persistent, Transitory, and Exit Hybrid Entrepreneurs, while also examining statistical relationships between self-efficacy, social capital, and transition outcomes. Mixed-methods designs may be particularly valuable in capturing both the depth of individual experience and the breadth of structural patterns.

Finally, future research should pay closer attention to hybrid entrepreneurs' own identity work and meaning-making practices. How do individuals construct narratives about hybridity, reconcile role conflict, and frame success or failure over time? Incorporating a narrative identity or discursive lens could reveal the subjective logics through which hybrid entrepreneurs legitimise their career decisions, particularly in settings where hybrid work is stigmatised or misunderstood.

In sum, advancing hybrid entrepreneurship research requires theoretical innovation, methodological pluralism, and contextual diversity. By attending more closely to psychological, institutional, and sectoral complexity, future studies can deepen our understanding of how hybrid careers are formed, sustained, and transformed across time and place.

8.5 Final Reflections: Rethinking Hybrid Entrepreneurship in Uncertain Times

Hybrid entrepreneurship has often been viewed through a transitional lens—an in-between space, a preparatory phase, or a stepping-stone to 'real' entrepreneurship. This study has sought to challenge that framing. By tracing the lived experiences of hybrid entrepreneurs over time, and situating those experiences within a broader constellation of psychological, social, and institutional influences, the research calls for a fundamental rethinking of what it means to build an entrepreneurial career in the twenty-first century.

In an era marked by economic precarity, digital transformation, and evolving work norms, hybrid entrepreneurship offers not a temporary deviation, but a legitimate and often strategic mode of navigating uncertainty. It allows individuals to experiment, adapt, and hedge risk—not in spite of complexity, but because of it. This hybridity is not merely occupational; it is epistemological, demanding that researchers adopt frameworks that account for fluidity, contradiction, and contextual embeddedness.

The study's longitudinal design, rooted in a non-Western setting and informed by interpretivist epistemology, contributes to the diversification of both voice and vantage point within entrepreneurship research. It invites us to move beyond binary logics of success and failure, or employment and entrepreneurship, and instead recognise the spectrum of entrepreneurial possibility that hybrid pathways embody.

For researchers, practitioners and policymakers alike, the task ahead is to support more inclusive, flexible, and resilient entrepreneurial ecosystems—ones that acknowledge the legitimacy of hybridity and embrace its inherent tensions. As traditional career scripts unravel and new economic realities take shape, understanding how individuals craft meaning, manage uncertainty, and sustain

momentum across shifting terrains becomes not only academically relevant, but socially imperative.

This study represents one step in that journey. It offers not definitive answers, but a conceptual and empirical foundation upon which future work can build—towards a more nuanced, global, and humane understanding of entrepreneurship in all its hybrid forms.

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Appendices

Appendix 1: First Round Interview Questions

Thank you so much for agreeing to participate in this interview. The purpose of the study is to explore the factors have affected your entrepreneurial career choices. Just to remind you that all the information about this research project can be found in the information sheet that I have already given to you. Just to make it clear, you've already provided your consent to participate in this interview, which will be digitally recorded. This is strictly for academic purposes and there are no third parties in the process.

To start our interview, I would first like to ask a few general questions about your background and your business.

Basic information

1. Can you please tell me about yourself?
2. What is your current career status?
3. Tell me about your business

Check the points below towards the end of interview

Personal information:

- a- age;
- b- gender (can be observed);
- c- education experience and degree;
- d- single or married, if married, any children?
- e- Have your parents been entrepreneurs before?

Business idea:

- a- nature of the business enterprise
- b- When the business starts
- c- How did you come up with a business idea in the first place?
- d- How did you obtain investment to start your business?
- e- How many employees do you have?
- f- Who are the main customers?
- g- How is your operating status?
- h- What is the special of your business that makes you different from other similar businesses?

4. As you've already mentioned your current situation, could you tell me how does it happen?

Motivation

1. Why did you decide to start your business? What motivates you to be an entrepreneur?
2. Who did you discuss with to develop the idea? What role do relationships play in your life as an entrepreneur and specifically in the process of becoming an entrepreneur?
3. Who has influenced your decision-making so far? Any family members? / To what extent your background or family circumstances have influenced you in starting your own business?
4. Did your previous experience influence what you did this time around? If so, how?
5. What is your thought about the risk involved in entrepreneurship?
6. What did you expect from entrepreneurship vs. how it actually is?
7. How did financial matters influence your decision making?
8. Do you intend to be persist in current status (having a job and a business simultaneously) or return to be employed or transit to full-time entrepreneurship? Why?
9. What are in your opinion the advantages and disadvantages of being an entrepreneur vs. having a job and a business at the same time vs. being an employee? (check characteristics/skills/abilities)

Environmental/contextual factors

1. What is your opinion about the government policies towards entrepreneurship? Is it helpful for you or not? Why?
2. What is your opinion about general socio-economic conditions before COVID-19 occurs? Is it helpful for you or not? Why?
3. How has COVID-19 influenced what you do now?
4. Thinking about your entrepreneurial venture, what kind of culture exists in the company you founded, and do you think the cultural differences are the barriers or motivates for your entrepreneurial choices?

5. What is your opinion about entrepreneurial education? Is it useful for you or not? Why?

Ending

1. What was your biggest setback or obstacle when you started up your business?
2. What has been most helpful for you in continuing to be an entrepreneur?
3. How do you see your business in the next 3 to 5 years?
4. May I contact you again in the future?
5. Is there anything that we haven't discussed that has been important to you in relation to entrepreneurship you would like to add?

Thank you very much for your time and for contributing to this research. As earlier mentioned, this interview is confidential and your name and personal details will be concealed to avoid you being identified in the thesis. I hope I can contact you again anytime in the future for more information or to reconfirm any aspects of the interview. Thank you.

Appendix 2: Second Round Interview Questions

Tracking current work status

1. What is your current career status and have changed your job since our last interview?

Self-Efficacy

2. Mastery Experiences

- a. Based on your past paid employment experience, could you please describe a situation where you completed a task successfully with your colleagues
- b. Based on your past paid employment experience, could you please describe a situation where you were unable to conquer a challenge?
- c. Based on your entrepreneurial experience so far, could you please describe a situation where completed a task or achieved your goal successfully?
- d. Based on your entrepreneurial experience so far, could you please describe a situation where you were unable to complete a task or achieve your goal?

3. Social Modelling (combined with Role Models and Mentors)

- a. Have you got opportunities to watch and learn your business skills from others?
- b. What have you learned by watching other business people who are successful?
- c. What have you learned by watching other business people who are not as successful?
- d. How does watching and learning from others influence your confidence in your business?
- e. Do you have role models?

4. Social Persuasions

- a. Have people encouraged you to start a business?
- b. Who were they? How did they encourage you?
- c. How often did/do you receive these kinds of encouragement?
- d. What has been the most powerful encouragement you have gotten?
- e. How has the encouragement influenced your confidence in your business?
- f. Have people discouraged you from starting a business?
- g. How has the discouragement influenced your confidence in your business?

5. Physiological and Emotional States

- a. Did you feel that you were fully prepared to start your business venture? Did you think you can succeed?
- b. In daily life, do you think you are an optimist or a pessimist? Do acquaintances describe you as optimistic?
- c. Do you think optimism or pessimism has any impact on your entrepreneurship?
- d. What has been the most stressful thing about starting this business?
- e. Were you more stressed when you started or are you more stressed now?
- f. How do you cope with stress?
- g. How does stress influence your confidence with business?

Entrepreneurial Self-Efficacy

6. Cultural and Institutional Environment

- a. As you mentioned that GUANXI does have a positive impact on your entrepreneurship in our first interview, could you take examples to explain how GUANXI affected your confidence in doing business or decisions on remaining the hybrid status or returning to full-time employment?
- b. Have you benefited from any institutional support for your entrepreneurial activities or have you identified any entrepreneurial opportunities under the supportive institutional environment? If so, how did it influence your confidence in running your business?

7. Firm Characteristics

- a. When you make a great decision for your business, do you usually discuss it with your employees? If so, how many and are they playing important roles for your company? How did it affect your confidence?
- b. When you make a great decision for your business, do you seek help from external advisors? If so, how did it affect your confidence?
- c. When you make a great decision for your business, do you usually make a comprehensive plan or any quantitative analysis before you make such decisions? If so, what kind of data do you use? (do you rely on historical data or on projections or forecasts of future results, or you would try to access the 'real-time' data? How did it influence your confidence?
- d. How do you measure your business's potential in terms of growth? How does it affect your confidence in running your business continuously?

8. Education and Training

- a. Have you attended any training/education related to the business you want to start?

If yes:

- b. What prompted you to go to the training? What were you hoping to gain from

it?

- c. What role did that training play in your confidence to start the business?
- d. What was particularly useful about the training that helped in your business?

If no:

- e. Do you think your educational background/highest degree has an impact on your belief to practice entrepreneurship? If so, is it a positive impact or a negative impact?
- f. Do you need any qualifications to start your business? If so, how does the qualification influence your confidence to start the business?

9. Work Experience

Do you think past work experience has influenced your decisions in practicing entrepreneurship? If so, in what way?

10.Role Models and Mentors (see social modelling)

11.Individual Differences.

- a. Do you think gender had an impact on your choice to engage in entrepreneurial activities or on your confidence ? What do you think about the impact of gender on the level of confidence when you started your own business?
- b. Do you deem yourself a risk-taker? Do acquaintances describe you as a risk-taker? If so (not), could you give me an example?
- c. Do you describe yourself as an intuitive or an analytic person? Why? Could you give me an example of it?
- d. Are you passionate about your entrepreneurial activities? Or are there any other reasons when deciding to engage in current entrepreneurial activities?
- e. Are you a flexible person in daily life? Does your mind turn fast? Are you stubborn?
- f. Do you have many ideas when you encounter problems? When in trouble, do you think you can control the situation? Do people you know think you are a flexible person?
- g. Do you think your personal characteristics influence your decisions on entrepreneurial choices? If so, what kind of characteristics matter and could you give me an example of it?
- h. How did COVID-19 affect your confidence in running the business and in keeping your wage job in these two years?

Appendix 3: Third Round Interview Questions

Section 1: General Overview

1. Looking back over the past two years, how would you describe the evolution of your career as a hybrid entrepreneur?
2. Has there been a change in the balance between your salaried role and entrepreneurial venture? What prompted these changes?
3. Are you currently on the same pathway (persistent, transitory, or exit) you anticipated two years ago? Why or why not?

Section 2: Pathway-Specific Changes

For Persistent Entrepreneurs:

1. What factors have kept you in this dual role over the past two years?
2. Have your motivations (e.g., financial security, risk aversion) changed? How so?
3. What challenges have you faced in maintaining your hybrid role?

For Transitory Entrepreneurs:

1. What steps have you taken toward transitioning to full-time entrepreneurship?
2. Were there any turning points in the last two years that accelerated or delayed your transition?
3. How do you evaluate your readiness for full-time entrepreneurship today compared to two years ago?

For Exit Entrepreneurs:

1. What led to your decision to exit entrepreneurship or salaried employment?
2. Do you see this exit as temporary or permanent? Why?
3. Reflecting on your entrepreneurial journey, what could have helped you sustain or transition further?

Section 3: Self-Efficacy and Entrepreneurial Self-Efficacy

Mastery Experiences (SE)

- Can you share key entrepreneurial milestones or challenges from the last two years? How did they shape your confidence in your entrepreneurial abilities?
- What was the most significant achievement in your entrepreneurial journey, and how did it validate your decision to persist or transition?
- Reflecting on failures or setbacks, how have they impacted your belief in your entrepreneurial skills or decision-making?

Key Source: Bandura (1977); Krueger et al. (2000).

Social Modelling (SE)

- Over the past two years, have you observed successful entrepreneurs in your field? What lessons or inspiration have you drawn from their experiences?
- Were there specific role models or mentors who shaped your confidence to try new ventures or approaches? How did they influence you?
- Have you ever been discouraged by observing others' entrepreneurial failures? How did this affect your own entrepreneurial self-efficacy?

Key Source: BarNir et al. (2011); Chen and He (2011).

Social Persuasion (SE)

- Can you describe a moment when someone's encouragement or critique changed your confidence level about your entrepreneurial decisions?
- How have family, colleagues, or mentors supported or challenged your belief in your entrepreneurial abilities over the past two years?
- How do cultural or community attitudes toward entrepreneurship affect your willingness to pursue your goals?

Key Source: Gist and Mitchell (1992); Zahra et al. (1999).

Emotional and Physiological States (SE)

- How have emotions (e.g., excitement, stress, or anxiety) influenced your confidence to balance your dual roles over the past two years?
- What strategies do you use to maintain emotional resilience when managing setbacks in your entrepreneurial activities?
- Have you experienced burnout or emotional fatigue? If so, how has it shaped your entrepreneurial decisions and self-belief?

Key Source: Welpel et al. (2012); Ardianti et al. (2022).

Cultural and Institutional Environment (ESE)

- How has the entrepreneurial ecosystem in your region influenced your confidence to innovate or grow your business?
- Have cultural norms or institutional support systems (e.g., government policies, networking opportunities) played a role in shaping your entrepreneurial self-efficacy?
- Do you feel that societal attitudes toward entrepreneurship have encouraged or discouraged your persistence or transition?

Key Source: Miao et al. (2017); Hopp and Stephan (2012).

Firm Characteristics (ESE)

- Has your workplace or salaried job contributed resources, skills, or networks that strengthened your entrepreneurial confidence?
- Do you think working in an entrepreneurial or innovation-driven environment affected your belief in your ability to succeed in your venture?

- How does the organizational culture of your salaried role influence your entrepreneurial self-efficacy and decision-making?

Key Source: Forbes (2005); Marshall et al. (2019).

Education and Training (ESE)

- Have you participated in entrepreneurial education or skill-development programs in the past two years? How did they impact your confidence?
- If given more access to training or mentorship programs, what skills would you focus on to enhance your entrepreneurial self-efficacy?
- Have informal learning opportunities, such as peer networks or online courses, influenced your confidence in managing your venture?

Key Source: Wilson et al. (2007); Sanchez (2013).

Work Experience (ESE)

- What aspects of your professional experience have been most transferable to your entrepreneurial activities?
- How has your work experience outside of entrepreneurship contributed to your confidence in managing and growing your business?
- Have you encountered gaps in your work experience that you feel have impacted your entrepreneurial self-efficacy?

Key Source: Ribeiro et al. (2023); Sardeshmukh and Corbett (2011).

Role Models and Mentors (ESE)

- Have mentors or role models played a significant role in your entrepreneurial growth over the past two years? How so?
- What specific advice or guidance from a mentor has been most influential in your entrepreneurial decisions?
- Do you find mentorship more impactful at certain stages of your entrepreneurial journey? Why?

Key Source: BarNir et al. (2011); Carr and Sequeira (2007).

Individual Differences (ESE)

- How do you think your personality traits (e.g., risk tolerance, resilience) have influenced your entrepreneurial confidence?
- Over the past two years, has your entrepreneurial passion or proactive attitude changed? How have these changes affected your self-efficacy?
- Reflecting on setbacks, how have your personal strengths or weaknesses influenced your confidence in continuing entrepreneurial efforts?

Key Source: Murnieks et al. (2014); Tolentino et al. (2014).

Section 4: Sources of SE/ESE and Resource Utilisation

- Has your salaried role provided resources, networks, or skills that supported your entrepreneurial efforts?
- What role have training, mentorship, or education programs played in your entrepreneurial development?
- Over the past two years, have you sought out new resources (e.g., financial, social, or educational)? How have these impacted your confidence and decisions?

Section 5: Longitudinal Perspective on Motivations

- How have your motivations (push or pull factors) evolved over the past two years?
- Did necessity-driven motivations (e.g., financial needs) diminish or increase in importance? Why?
- Have opportunity-driven motivations (e.g., autonomy, creative fulfillment) become more or less significant?

Section 6: Future Outlook

- Based on your current position, where do you see yourself in two years?
- What resources, experiences, or changes would most help you progress on your entrepreneurial pathway?
- Reflecting on the past two years, what advice would you give to someone starting their hybrid entrepreneurship journey?

Appendix 4: Data Matrix Example

Theme	Subtheme	Related SE/ESE Construct	Example Code	Quote
External Environment	COVID-19 disruption	Physiological and Emotional States (SE)	lockdown adaptation	<i>"Freelancing allowed me to survive when my business stalled due to COVID." (Round 2, THE6)</i>
External Environment	Policy change response	Cultural and Institutional Environment (ESE)	Double Reduction policy shift	<i>"The new education policy forced me to pivot completely." (Round 2, PHE2)</i>
Personality Traits	Risk propensity	Individual Differences (ESE)	calculated risk-taking	<i>"I left because I don't mind risk—I actually enjoy it." (Round 2, THE4)</i>
Personality Traits	Ambition	Individual Differences (ESE)	goal-oriented	<i>"I always knew I didn't want to just have a safe job." (Round 2, THE5)</i>
Personality Traits	Passion	Physiological and Emotional States (SE)	inner drive	<i>"I've always had passion—it's not just business." (Round 2, PHE3)</i>
Personality Traits	Adaptability	Individual Differences (ESE)	resilience	<i>"Even when plans changed, I found a way to adapt." (Round 2, THE4)</i>
Personality Traits	Fear of uncertainty	Physiological and Emotional States (SE)	avoidance of instability	<i>"The fear of failure kept me from quitting my job entirely." (Round 2, EHE9)</i>
Industry Perception	Work experience	Work Experience (ESE)	sectoral insights	<i>"My time in the education sector helped me see the gaps." (Round 2, PHE2)</i>
Industry Perception	Industry expertise	Firm Characteristics (ESE)	relevant credentials	<i>"Having that background made it easier to trust myself." (Round 2, THE5)</i>
Industry Perception	Opportunity recognition	Mastery Experience (SE)	market gap insight	<i>"I saw a niche others were ignoring and went for it." (Round 2, THE6)</i>
Social Influence	Role models	Social Modelling (SE)	inspiration from others	<i>"Watching my friend do it made me feel I could too." (Round 3, PHE3)</i>
Social Influence	Peer support	Role Models and Mentors (ESE)	peer success influence	<i>"My peer's success really changed how I saw myself." (Round 3, THE6)</i>
Social Influence	Social persuasion	Social Persuasion (SE)	external encouragement	<i>"My clients told me I was doing the right thing." (Round 1, THE6)</i>

Family Impact	Parental pressure	Social Persuasion (SE)	stay in employment	<i>"My parents said stability matters more than passion." (Round 2, PHE1)</i>
Family Impact	Financial responsibility	Cultural and Institutional Environment (ESE)	family funding responsibility	<i>"I couldn't take big risks—I had dependents." (Round 2, EHE8)</i>
Family Impact	Cultural expectations	Cultural and Institutional Environment (ESE)	entrepreneurial stigma	<i>"People still think entrepreneurship is not a real career." (Round 2, EHE9)</i>