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Are entrepreneurs penalized during job searches? It depends on who is hiring

Waverly W. Ding[1] | Hyeun J. Lee[2] | Debra L. Shapiro[1]

[1]R.H. Smith School of Business, University of Maryland, College Park, Maryland, USA

[2]Joseph L. Rotman School of Management, University of Toronto, Toronto, Ontario, Canada

Correspondence
Debra L. Shapiro, R.H. Smith School of Business, University of Maryland, College Park, MD 20742, USA.
Email: dshapiro@umd.edu

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Abstract

Research Summary: How do job-applicants with entrepreneurship experience—"post-entrepreneurs"—fare in the wage labor job market? We propose an "entrepreneurship-experience penalty" generally occurs yet varies in strength depending on the recruiters faced by post-entrepreneurs in their job application process. In an experiment utilizing the selection-decisions of 275 recruiters (experimental study participants) in reaction to objectively-identical job-applicants' resumes whose differences relate to whether their last-held job was as a *Founder* or as an *Executive*, we found that: (a) resumes of Founders (compared to Executives) are about 23%–29% less likely to be picked as top-choice for hire, (b) this entrepreneurship penalty is weaker for recruiters with (rather than without) entrepreneurial aspirations, and (c) this recruiter moderator-effect is stronger for recruiters in smaller (rather than larger) firms.

KEYWORDS
entrepreneurship penalty, firm size effect, ingroup favoritism, return-to-entrepreneurship, selection-and-recruitment

1 | INTRODUCTION

Until recently, entrepreneurship scholars have devoted a predominant share of interest to what drives individuals to become entrepreneurs—that is, to pre-entrepreneurship stage decisions (Sorenson & Stuart, 2008). However, as

Managerial Summary

Our findings suggest that firms aiming to successfully hire post-entrepreneur job applicants need to strategically choose their recruiters. This is because, on average, recruiters tend to more harshly evaluate post-entrepreneur applicants; but this bias is weaker in recruiters with entrepreneurial aspirations. Sending entrepreneurial-oriented recruiters, thus, likely boosts the odds of successfully hiring post-entrepreneur talents. This bias-reducing strategy is likely to be insufficient, however, for larger-sized firms for whom the bias-reducing effect of recruiters' entrepreneurial aspiration was muted. Our findings therefore suggest the need for firms to incorporate entrepreneurship-evaluative-bias training as part of their employee selection- and/or diversity- and inclusion-enhancing activities, which may ultimately help firms, particularly larger-sized firms, better attract and hire post-entrepreneur talents.

recent large-scale evidence has shown, societies with many entrepreneurs are also likely to have many "*post-entrepreneurs*"—that is, people who were previously entrepreneurs but no more (Dillon & Stanton, 2017; Kaiser & Malchow-Møller, 2011; Manso, 2016; Morelix et al., 2016). For example, in two different country and population contexts, Kaiser and Malchow-Møller (2011, Danish population) and Dillon and Stanton (2017, US data of Panel Study of Income Dynamics) revealed a consistently high exit rate of individuals *from* entrepreneurship, at about a quarter after 1 year and 40%–50% after 5 years of entrepreneurship. These empirical patterns point to the importance of understanding post-entrepreneurial outcomes for individuals when they transition back to the wage-labor market.

Studies of the return to entrepreneurship experience have by and large shown that upon re-entering the wage-labor market, post-entrepreneurs suffer a penalty in terms of: obtaining call-back job interviews (Botelho & Chang, 2023; Kacperczyk & Younkin, 2022; Koellinger et al., 2015), their probability of getting a new job (Bruce & Schuetze, 2004; Failla et al., 2017; Sorenson et al., 2021), and their short-term and, to some extent, long-term wage earnings (Kaiser & Malchow-Møller, 2011; Mahieu et al., 2021, 2022; Merida & Rocha, 2021). This "entrepreneurship-experience penalty" has also been observed for individuals who have worked as employees of entrepreneurial firms (Fackler et al., 2021; Sorenson et al., 2021).

Although important insights have been learned from these past studies, among which is the possible existence of an entrepreneurship-experience penalty, these studies have limitations on which we aim to improve. One limitation is that, due to the endogeneity of supply-side factors (e.g., characteristics of job applicants, among these post-entrepreneurs) and demand-side factors (e.g., characteristics of recruiting firms), it is difficult to disentangle the extent to which post-entrepreneurs' wage labor market outcomes are due to supply- versus demand-side factors. To overcome this challenge, in our main experiment we hold constant supply side-heterogeneity by doing the following: we generated a set of resume templates that were vetted to be similar to each other in several key dimensions relating to human capital and then randomly assigned to the resume templates of a last-held job that was either an entrepreneurial or non-entrepreneurial experience (with details shown in our Methods section). We recruited professionals who have had recruiting experiences and asked them: (1) to compare the resumes presented to them (50% of which representing a post-entrepreneur and 50% of which representing a non-entrepreneur) and (2) to choose their top-choice for hire.

A second limitation of past studies of the entrepreneurship-experience penalty on which we aim to improve pertains to these studies' lack of measures associated with *individual job recruiters' qualities*, even in recent experimental studies focusing on variations in demand-side factors (Botelho & Chang, 2023; Kacperczyk & Younkin, 2022). We overcome this limitation by focusing on individual recruiters' entrepreneurial aspiration as a key influence on how positively or negatively they evaluate job candidates with versus without entrepreneurship in past work experience—and, as such, as a key moderator of the entrepreneurship-experience penalty.

To guide our hypotheses, we draw on the Similarity-Attraction Theory and, even more narrowly, the ingroup favoritism bias—both of which regard the tendency for people to be more attracted to similar rather than dissimilar others (cf., Gómez et al., 2000). These two tendencies lead us to posit that the entrepreneurship-experience penalty probably depends on the extent of the recruiters' own entrepreneurial aspirations, which presumably influence the degree of evaluative uncertainty recruiters have for post-entrepreneurs. As such, we expect the entrepreneurship-experience penalty to weaken if the job applicant is being evaluated by a recruiter with entrepreneurial aspirations, hence by someone who likely perceives him/herself to have similarity with the job applicant. On the other hand, because "person-organization fit" perceptions are an integral part of job-recruiting, we also expected characteristics of the organization represented by recruiters to constrain whatever evaluation-influence the individuals' own entrepreneurial aspirations may have. Drawing from literature regarding the differences between small and large firms that relate to entrepreneurship (cf., Elfenbein et al., 2010; Sørensen, 2007), we hypothesized that entrepreneurially-oriented recruiters in smaller- (rather than larger-) sized firms are more likely to reduce an evaluation-penalty against post-entrepreneurs.

As a preview, we observed in our experiment that post-entrepreneurial job applicants suffer a substantial penalty. Their probability of being selected as a top-ranked choice for hire trails that of the applicants without entrepreneurship experience by 23%–29% depending on estimator used. However, we also found that the penalty varies depending on the characteristics of the recruiters. It is at about 60% level (that a post-entrepreneur's odds of being favored for hire trails that of a non-entrepreneur's) when the post-entrepreneur applicant is assessed by a job recruiter who herself *lacks* the aspiration to become an entrepreneur, but the gap is narrower and statistically weaker when the applicant is facing a recruiter with a higher level of entrepreneurial aspiration. As a general trend, the higher the job recruiter's own entrepreneurial aspiration, the less severe a penalty s/he will assign to a post-entrepreneur job candidate. Additionally, the penalty-moderating effect of a job recruiter's own entrepreneurial aspiration is constrained by the recruiter's firm-size: the penalty-reducing effect of a more entrepreneurially-oriented recruiter strengthens versus weakens when the recruiter represents a smaller versus larger firm, respectively.

Our paper proceeds as follows. In the next section, we summarize literature regarding entrepreneurs' return to the wage-labor market that leads to our baseline expectation of an entrepreneurship-experience penalty. Building on this baseline, we develop our hypotheses about the role of recruiters in strengthening or weakening the entrepreneurship-experience penalty as well as the constraining effect of firm size on the recruiters' moderating effect. In the Method section, we describe our experimental design and key variables, followed by Results. Lastly, we discuss our findings' theoretical and practical implications.

2 | LITERATURE REVIEW AND HYPOTHESES

2.1 | Entrepreneurship-experience penalty

The baseline of our inquiry is that post-entrepreneurs are penalized when returning to the wage-labor market. The bulk of previous studies on the impact of entrepreneurship experience on earnings of individuals broadly paint a pessimistic picture regarding the economic return to entrepreneurship (in terms of the effect of a job-experience episode on future earnings). Several studies have found a short-term "earnings-penalty" for post-entrepreneurs—that is, the tendency for individuals' wage earnings to be significantly smaller following a time-period involving an entrepreneurship experience rather than a traditional wage-earning employment experience (Baptista et al., 2012; Bruce & Schuetze, 2004; Failla et al., 2017; Kaiser & Malchow-Møller, 2011; Mahieu et al., 2021; Merida & Rocha, 2021). One study that used Norwegian tax records data, however, observed an entrepreneurship-experience premium (Luzzi & Sasson, 2016). Overall, the evidence for short-term post-entrepreneurship earnings points more toward the existence of an entrepreneurship-experience penalty.

On the other hand, evidence regarding long-term return to entrepreneurship experience appears mixed. Comparing longitudinal earnings data (NLSY79) for U.S. individuals who have experienced entrepreneurship at some

point in their careers and those who have never, Manso (2016) found that those with at least one spell of entrepreneurship experience earned more than those who have never been in entrepreneurship (or at least no less, if the entrepreneurial spell is less than 2 years). Campbell (2013) reported a similar positive return after an individual departed from entrepreneurship in the U.S. semiconductor industry. However, Mahieu et al.'s (2022) analysis of Belgium national data found that the ever-entrepreneur individuals earned about 27% less than the never-entrepreneur individuals 5 years after they exited entrepreneurship. Relatedly, Sorenson et al.'s (2021) analysis of Danish workforce using the employer-employee matched IDA data also revealed a long-term wage earning penalty, on average, for individuals who have worked for startup firms.

Both Fackler et al. (2021) and Sorenson et al. (2021) suggested in their studies that the wage penalty experienced by individuals with an experience in entrepreneurial firms relates to the employment patterns of these individuals after they exited the entrepreneurial firms. Yet, until recently, post-entrepreneurship employment outcome remains an under-investigated area in the entrepreneurship literature, particularly relating to the short-term employment outcomes after one exits entrepreneurship. Thus far, there are only a handful of studies investigating post-entrepreneurship employment outcomes. Baptista et al.'s (2012) study of Portuguese labor force have shown that post-entrepreneurs are more likely to be placed at a higher level in organizational hierarchies though at smaller-sized firms. Three recent experiment-based studies that compared the odds of getting an interview contact from potential employers for post-entrepreneurs versus non-entrepreneurs have consistently observed an entrepreneurship-experience-penalty in obtaining a call-back interview (the gateway for getting hired) when they return to the wage labor market (Botelho & Chang, 2023; Kacperczyk & Younkin, 2022; Koellinger et al., 2015).

Job search in the wage labor market is a matching process between job seekers and reemployers who are looking for talents to fill vacancies in their firms (Jovanovic, 1979). For five reasons, there is probably more uncertainty in evaluating a job applicant who is a post-entrepreneur (compared to a non-entrepreneur). First, the previous employing organizations' names on the post-entrepreneur's resume are probably less (if at all) familiar, thereby preventing recruiters from inferring the quality of post-entrepreneurs' work-related training, skill- and/or network-building opportunities, and other experiences that are typically associated with well-established brand-name firms. Such evaluative uncertainty may lead employers to reward job applicants with work experience in better-known organizations (Bidwell et al., 2015; Bidwell & Briscoe, 2010; Rider & Negro, 2015). Second, the previous performance track-record of the employing organizations of the post-entrepreneur is probably sparser, thereby preventing recruiters from evaluating the quality of work experience at a startup firm (Sorenson et al., 2021). Third, the post-entrepreneur job applicant probably has a broader, hence more generalist (rather than specialized), skill set (Åstebro et al., 2011; Åstebro & Thompson, 2011; Lazear, 2004, 2005) that may lead recruiters to question how transferable the skills are to the recruiting organization's specific needs (Kaiser & Malchow-Møller, 2011). Fourth, the post-entrepreneur (relative to the non-entrepreneur) job-applicant is probably more of a risk-taker (Kim, 2018; Levine & Rubinstein, 2017) and, thus, more likely to prefer independence and autonomy (Roach & Sauermann, 2015; Sauermann, 2018); and these qualities likely raise questions for recruiters about post-entrepreneurs' fit with regular wage jobs. Fifth, the post-entrepreneur (relative to the non-entrepreneur) job-applicant may be perceived by recruiters as having fewer if any alternative career options due to their choice to enter entrepreneurship, placing into question post-entrepreneurs' market value. For example, Sorenson et al. (2021) noted that individuals "… often become involved with startups less as a matter of choice, and more just because they needed jobs." (p. 589). This may lead recruiters to assume that the post-entrepreneur job applicant re-enters the wage-labor market because of a failure of his or her venture and, as such, the applicant's hiring appeal may be tainted by the "stigma of failure" (Landier, 2005). Collectively, these five reasons for why job recruiters likely feel more uncertain when evaluating job applicants who are post-entrepreneurs rather than non-entrepreneurs lead us to the following baseline expectation:

> ***Baseline expectation:*** *Job applicants with, rather than without, entrepreneurship experience have a lower probability of being selected by job-recruiters as a top-ranked choice—hereafter called "The Entrepreneurship-Experience Penalty."*

2.2 | The moderating effect of job recruiters' own entrepreneurial aspiration

As discussed above, underlying most of the explanations for the entrepreneurship-experience penalty is an assumption of evaluative uncertainty facing post-entrepreneurs. This assumption begs for a better understanding of *decision-makers* in the hiring process who are evaluating the job candidates—namely, *the recruiters*.

Six reasons motivated our focus on recruiters' level of entrepreneurship aspiration as a key moderator of the entrepreneurship penalty effect. First, hiring decisions are significantly influenced by the recommendation of job recruiters. Second, job recruiters' hiring recommendations are significantly influenced by recruiters' evaluations of job applicants' data. Third, recruiters' evaluations are often influenced by their own background, tastes, and preferences, even though they are expected to objectively evaluate candidates for their organizations. These three trends are supported by research findings that, due to similarity-attraction dynamics or in-group favoritism (discussed in more details below), job recruiters tend to more positively evaluate job applicants who they perceive to be more (rather than less) similar to themselves (Goldberg, 2005; Graves & Powell, 1995; Lin et al., 1992; Prewett-Livingston et al., 1996) and to be a stronger (rather than weaker) "fit" with the organization (Bretz et al., 1993; García et al., 2008; Kristof-Brown, 2000). Indeed, Kristof-Brown found recruiters' perception of job applicants to be significantly influenced by, among other things, their perception of applicants' work histories—though unlike the current study, they did not isolate any specific qualities of applicants' prior work experiences. Fourth, for several reasons (noted above), recruiters' evaluations of job applicants *with entrepreneurship experience* in particular are often uncertain (Kaiser & Malchow-Møller, 2011; Mahieu et al., 2021, 2022; Sorenson et al., 2021), prompting the need for a deeper understanding of the underlying decision-making pattern. Fifth, "aspiration," like "intention," are each defined to be planning that relates to a future action; and when people think about behaving in a particular way in the future, their intended behavior tends to actually occur. Stated more simply, people tend to behave congruently, not incongruently, with their intentions (Fishbein & Ajzen, 1975). Job recruiters who have (rather than have *not*) considered becoming entrepreneurs are thus likelier to behaviorally show congruence with this cognition by (eventually) becoming an entrepreneur or, less extremely, favorably evaluating others who have done this (e.g., job applicants who are post-entrepreneurs). Sixth and finally, there is a need to empirically test the extent to which an entrepreneurship-experience penalty significantly weakens for recruiters with entrepreneurship aspirations or strengthens for recruiters lacking this aspiration. If we find support for this pattern, this will illuminate a selection bias not yet identified in literatures relating to employee-selection and -recruiting.

We posit that job recruiters *with* (rather than without) entrepreneurial aspiration will probably more favorably evaluate job applicants with (rather than without) entrepreneurship experience. This is consistent with Jehn et al.'s (1999) noting that people tend to prefer similarity in their interactions and, thus: "*Likewise, theories of selection* (Chatman, 1991) *and socialization* (Van Maanen & Schein, 1979) *promote similarity in values … as the basis for maintaining effective work environments*" (p. 74). Edwards and Cable (2009, p. 657) explain people's tendency to feel more attraction (i.e., more mutual liking and friendship, cf., Berscheid, 1985) toward more similar others as due, in part, to the greater ease of communication that typically occurs among people with (rather than without) similarities to each other and, in part, to "… predictability, such that people form positive feelings toward others whose behavior they can anticipate, which reduces uncertainty and promotes understanding in interpersonal exchanges…" Importantly, the similarities referred to in Edwards and Cable's explanation pertain to the congruence in values that people perceive with each other, hence to attributes that are *unrelated* to "social category diversity," such as physical qualities relating to age, gender, race, ethnicity, etc. (Jehn et al., 1999).

Extrapolating from the similarity-attraction effect, also referred to as the ingroup favoritism bias, it is likely that a job recruiter will more favorably evaluate the application of someone with whom the recruiter perceives more (rather than less) value-based similarity. This is because the value-similarity between an entrepreneurially-oriented recruiter and a post-entrepreneur job applicant will likely lead the recruiter to favorably interpret qualities in the applicant that are otherwise perceived as uncertain to other recruiters (without entrepreneurial aspirations). As such,

under these circumstances the presumed evaluative uncertainty that underlies the entrepreneurship-experience penalty (Mahieu et al., 2021, 2022) may be reduced. Thus, we hypothesize:

> **Hypothesis 1.** The entrepreneurship-experience penalty (stated as our baseline expectation) is weaker when job recruiters have aspirations to become an entrepreneur; and is stronger when recruiters lack such aspirations.

2.3 | How firm size contextualizes the recruiter effect

In most cases, recruiters are not hiring job candidates for themselves; instead, they are hiring for the firm they work for. As such, the recruiters are evaluating the fit of a job applicant for their firm (Bidwell & Briscoe, 2010) and any similarity-attraction or in-group favoritism-based preferential evaluation of post-entrepreneurs will need to be contextualized in the firm. Consistent with our thinking, Ferguson et al. (2016) noted that individual recruiters' evaluations of job applicants are constrained by the firms in which they work. Importantly, given Kristof-Brown's (2000) finding job recruiters' perception of person-organization fit to be influenced by recruiters' perception of job applicants' work histories, this constraint is unlikely to completely nullify the evaluation-influences of recruiters' entrepreneurial aspiration (described above), which is why we refer to firm size as likely to have a *constraining* (or moderating) effect.

Admittedly, there are multiple dimensions in a firm that are worth exploring as factors that may constrain the recruiter effect. We chose to focus on one salient dimension—firm size—based on the prior literature (cf., Elfenbein et al., 2010; Sørensen, 2007) that relates organizational size to entrepreneurship outcomes. Large and small firms may differ from each other in two important ways that are related to the evaluation of a post-entrepreneur. First, the room that different-sized firms provide for individual recruiters to play a role in hiring decisions varies. In smaller firms, recruiting tends to be nimbler with a smaller number of decision makers involved in hiring, thus allowing individual recruiters to play a greater role in the evaluating and vetting of job candidates. Conversely, in larger firms, recruiting is part of a larger bureaucracy where individual recruiters tend to play only a limited role. Additionally, in different-sized firms there are likely differences in recruiters' evaluation of job candidates' organizational fit. Relative to smaller firms, larger-sized firms generally have greater job specialization and rigidity of organizational roles (Gouldner, 1954). The organizational culture in larger firms also tends to be more bureaucratic (Sørensen, 2007) with stronger conformity pressure (Merton, 1968; Schumpeter, 2010; Whyte, 1956). The description of an employee as "a cog in a machine" is more likely to be associated with larger, more bureaucratic firms than with smaller firms.

As such, post-entrepreneurs may be poorly aligned with these characteristics of larger-sized firms. If an entrepreneurially-oriented recruiter is evaluating a job candidate with an eye for organizational fit, then his or her positive evaluation of post-entrepreneurs may be undercut by such fit-related concerns. For example, entrepreneurs are more likely generalists with a broad range of skills (Åstebro et al., 2011; Åstebro & Thompson, 2011; Lazear, 2004, 2005). Yet, these broad-ranged skills may not all be readily transferrable to a large firm where job roles tend to be more specialized (Sturman et al., 2008). In addition, entrepreneurs are often "illicit," having a history of being rule-breakers (Levine & Rubinstein, 2017). While a more entrepreneurially-oriented recruiter may interpret this quality as indicative of one's willingness to take risks, such positive interpretation of this aspect of human capital may be constrained when the hiring is for a large, bureaucratic organizations where cultural conformity tends to be emphasized. Again, fit-related considerations may reduce any penalty-reduction effect from a recruiter harboring his or her own entrepreneurial aspirations.

To be clear, it is not our intention to deny the possibility that larger firms may make attempts to be more entrepreneurial and, relatedly, may desire more entrepreneurial job candidates. Probabilistically speaking, however, research contrasting trends in larger versus smaller firms (described above) leads us to posit that recruiters representing larger (rather than smaller) firms will be more likely to question the skillset and cultural fit of job candidates

who are post-entrepreneurs rather than non-entrepreneurs. As such, recruiters' firm-size may significantly constrain the entrepreneurially-oriented recruiter effect that we hypothesized above. Consequently, we posit that:

> **Hypothesis 2.** The tendency for job recruiters' own entrepreneurial aspirations to weaken the "entrepreneurship-experience penalty" (as predicted by Hypothesis 1) is stronger for recruiters working for smaller (rather than larger) firms.

3 | METHOD

3.1 | Participant acquisition and characteristics

We tested our hypotheses with a research design in which enrolled participants (all instructed to take on the role of "job recruiters") chose among experimentally manipulated résumés (representing "job applicants") their top-choice job candidate for hire.

Our study participants are comprised of 275 full-time managers (all of whom met the four screening criteria described below) who had been enrolled by Clear Voice, a third-party agent that assists researchers in obtaining participants for their studies based on pre-defined research criteria. This strategy, as well as this specific third-party agent, has been successfully used by other scholars (Carton et al., 2014; Derfler-Rozin et al., 2018). To incentivize participation, Clear Voice's enrollment message described our study as "*a decision-making study that will require participants, via an online survey, to evaluate four job-applications for a managerial-level position and decide whom to hire*"; and this enrollment message offered participants $15.00 for completing an online survey involving these decisions. To be eligible for our study, participants needed to: (1) have previously recruited and hired job applicants for managerial-level positions; (2) be a U.S. resident, (3) be full-time employed for at least 7 years, (4) be in a supervisor role with a minimum of two employees, and (5) use English as their first and primary language. We chose these criteria in order to enhance the likelihood that our study's participants would have familiarity with being a manager and hiring managers. We labeled the position-for-hire "managerial" to achieve two goals: (1) to be consistent with past research showing that post-entrepreneurs are more likely to be considered for positions involving (rather than lacking) management responsibilities (Baptista et al., 2012), and (2) to keep constant the nature of the position-for-hire across all job-applicant-selection decisions—which further strengthens an "apples-to-apples" comparison across all job-applicants that our study's design strove to obtain.

Importantly, in order to ensure that the study-participants were accurately guided by facts they saw in the set of job-applications they received, we asked them several fact-checking questions regarding the four job applications they read. These fact-checking questions required participants to accurately identify job-titles and company names listed in job applicants' previously held jobs. We purposefully did not ask any attention-check questions regarding whether the job-application represented someone with versus without entrepreneurship history since doing this seemed likely to alert participants to our study's hypotheses. Our Qualtrics interface design also allowed the study-participants to go back to each job-applicant's resume in order to correctly answer these questions. Two-hundred seventy-five participants (slightly less than 70%) correctly answered all fact-checks; and thus, our hypothesis-tests pertain to these participants' evaluations. In Online Appendix 1 (referred to as "A1"), we show the results of *t* test comparisons regarding the eliminated versus retained managers. These two groups did not significantly differ except for age and years of working experience, for which there is a difference of insignificant magnitude.

Table 1 provides descriptive statistics associated with our experiment's participants; and our Online Appendix 2 (referred to as "A2") provides this experiment's variable correlation matrix. As Table 1 shows, our experiment participants have the following characteristics: 59% are male; 78% are Caucasian; their age averages 43 years; their work experience averages 16 years[1]; their average number of direct reports is 8 or more; 48% have past or current work experience in the high-tech sector; and 30% are located in one of the entrepreneurial hub states (California,

TABLE 1 Characteristics of job recruiters (experiment participants) in analyses.

	Mean	s.d.	Min	Max
Predictor variables				
Recruiter's entrepreneurial aspiration (in ordinal scale)	2.353	1.044	1	4
Recruiter has entrepreneurial aspiration (>Scale-1)	0.753	0.432	0	1
Scale-1 Entrepreneurial aspiration: not at all	0.247	0.432	0	1
Scale-2 Entrepreneurial aspiration: moderately	0.335	0.473	0	1
Scale-3 Entrepreneurial aspiration: strongly	0.236	0.426	0	1
Scale-4 Entrepreneurial aspiration: constantly	0.182	0.386	0	1
Firm size (as quasi-continuous variable)	2180	3163	5	10,001
Firm size category 1 (1–100 employees)	0.229	0.421	0	1
Firm size category 2 (101–500 employees)	0.218	0.414	0	1
Firm size category 3 (501–1000 employees)	0.185	0.389	0	1
Firm size category 4 (1001–5000 employees)	0.207	0.406	0	1
Firm size category 5 (>5000 employees)	0.160	0.367	0	1
Control variables				
Female (Yes = 1)	0.411	0.493	0	1
Caucasian ethnicity (Yes = 1)	0.782	0.414	0	1
Age	43.03	6.666	28	51
Years of work experience	16.44	4.195	8	20
Number of direct reports	7.629	2.705	3	10
Has experience in high-tech sector (Yes = 1)	0.484	0.501	0	1
Located near entrepreneurial hub (Yes = 1)	0.302	0.460	0	1
Functional area—HR/training	0.080	0.272	0	1
Functional area—operations/logistics	0.204	0.403	0	1
Functional area—sales/marketing	0.091	0.288	0	1
Functional area—finance/accounting	0.069	0.254	0	1
Functional area—management	0.175	0.380	0	1
Functional area—R&D/technology	0.284	0.452	0	1
Functional area—other	0.098	0.298	0	1
Employment industry—professional services	0.018	0.134	0	1
Employment industry—consumer/retail/hospitality	0.167	0.374	0	1
Employment industry—energy/construction	0.065	0.248	0	1
Employment industry—finance	0.091	0.288	0	1
Employment industry—health	0.087	0.283	0	1
Employment industry—technology-related	0.138	0.346	0	1
Employment industry—manufacturing	0.098	0.298	0	1
Employment industry—utilities/transportation	0.025	0.158	0	1
Employment industry—other	0.309	0.463	0	1

Note: There are 275 participants reviewing 1100 job applicants (résumés).

Massachusetts, New York, New Jersey and Pennsylvania), which are defined by the intensity of their venture financing activities (Florida, 2018). The participants in our experiment also come from firms of a variety of sizes. With

regard to functional backgrounds, 28% of our participants represent R&D and technology, and others represent the functional areas of operations and logistics, management, HR and training, sales and marketing, finance and accounting, and other areas. With regard to the industry sector, our study-participants report working in consumer/retail/hospitality (17%), technology (14%), manufacturing (10%), finance (9%), health (9%), and energy/construction (6%).

3.2 | General procedure

Via online survey-instructions, all participants were told that their task during this study was to evaluate four different résumés of job applicants for a managerial-level job-position and to decide who, among these applicants, was their top choice. As such, in our research design, all study participants are "job recruiters" and each résumé they evaluated represents a "job applicant."

For all four résumés, we kept uniform the following pieces of information: (1) the length of their most recently held job (2.5 years), (2) the number of past jobs (three), (3) the order of past jobs so that these were ordered from most to least recent, and (4) the years of their accumulated work experience (8.5 years). Additionally, in all four résumés, the information shown as part of applicants' most recent job contained the experimental treatment-manipulation (described below). After reading all four résumés, each of which was presented on a separate computer screen, all study-participants answered questions about the work histories of the job applicants whose résumés they just read, and then responded to the question: "Of the four job applicants, who do you think is best for the job?" Importantly, "the job" was described in all experimental conditions to be one relating to a position of "Global Initiative Manager" in which the employee would need to: (i) provide support for departments and work on tasks associated with the global initiatives of the organization such as internal communication, community engagement, content development, and data analysis, and (ii) generate knowledge associated with global initiative management.

All participants answered questions about their own demographic background, location, employment history, job characteristics, employer characteristics and entrepreneurial aspirations. These questions occurred in the survey's last section and were preceded with a reminder that all participants' characteristics would be reported in the aggregate so that no personal identity could be linked to participants' survey-responses. Following this section, all study-participants advanced to a screen thanking them for participating in this study.

3.3 | Procedure for creating objectively identical résumés as experimental stimuli

We took four steps to ensure that the substance of the four résumés that we randomly distributed to each manager participating in our study would be objectively similar. First, we obtained résumés from 95 real job applicants, all of whom were MBA graduates with 5–10 years of full-time work experience. Second, to disguise the identity of the original "owner" of these 95 résumés, we scrambled the substance associated with this set of 95 résumés (e.g., the name of the job applicant, the name of any degree-conferring institutions associated with the job applicant, the name of the job applicant's previous employing organizations). That is, we replaced the name of an educational institution with another one that is proximate in locality and ranking (e.g., replacing UC-Berkeley with UCLA), replaced the name of employers on the résumés with firms of similar size, location and industry (e.g., replacing Apple with Google), and changed the year/date associated with any degree and employment span.

Third, we obtained ratings of these résumés' similarity to each other by a separate group of "judges"—335 senior-level undergraduate business students who were unfamiliar with this study's hypotheses, all of whom were recruited by SONA, participated outside of class-time, received this similarity-rating task by someone other than their instructor, and were incentivized to participate by earning course-credit. More specifically, to make this similarity-rating task manageable, each judge received only four pairs of résumés that were randomly selected from the population of 95 résumés and was instructed to choose the pair of résumés from the set that were most similar to each other. Each pair of résumés was

coded "1" when a judge selected it as the most similar in the set and was coded "0" when a judge did not select it as such. This procedure yielded a 95 by 95 matrix containing these pairwise coding. For example, if résumé #3 had been picked as most similar to résumé #8 by five of the judges, then the row-3-column-8 cell in the matrix would appear as 5; if #3 and #8 had never been picked by any of the judges, this cell would be recorded as 0. Next, we calculated geodesic distance scores based on these positive integer (or zero) entries in this matrix for all possible pairs of résumés in our list using the UCINET software (version 6; Borgatti et al., 2002). This software captures the number of geodesic (i.e., shortest length) paths from pairs of résumés (akin to "nodes") in social network analysis. The score captures the number of steps that it takes one node to travel to another in the matrix. The shorter the path, the shorter the geodesic distance and, thus, the more similar that pair of nodes. After plotting the geodesic distance scores, we selected the four résumés that were closest to each other to be used as our experiment's "résumé-templates" (which means these four résumés were more similar to each other than they were to any other résumé in the matrix). These four résumé-templates became the basis for our experimental manipulation, which is explained in the next section.

Fourth, to further eliminate any unintended substantive-effects associated with differences across the résumés that were unrelated to our experimental treatment, we randomly assigned the order by which the four résumés were provided to each manager-participant in our experiment. This randomization ensures that any given résumé-template does *not* have a systematically higher (or lower) likelihood of being selected as top choice for hire due to its position among the four résumés presented to our study's participants.

3.4 | Experimental manipulation

As noted in our General Procedure above, the substance pertaining to our experimental treatment-manipulation was contained in all applicants' most recently held job. In the *Entrepreneurship Condition*, the job applicant's résumé contained the role as a "Founder" or "Co-Founder" next to the job stated as most recently held and contained job responsibilities corresponding to a founder position, such as hiring a management team, securing funding, developing new business partners, etc. In contrast, in the *non-Entrepreneurship Condition*, the job applicant's résumé contained the role of a corporate executive (e.g., chief operation officer) and contained job responsibilities corresponding to this, such as hiring and training key management team members, developing new product solutions, optimizing operating procedures, etc. For each of the four résumé templates we used in the experiments, the name and location of the company associated with the most recently held job were the same across founder and executive conditions. An example of the *Entrepreneurship Condition* versus *non-Entrepreneurship Condition* manipulations in one of the four résumé-templates is provided in our Online Appendix 3 (referred to as "A3"). Importantly, no company name used as the most recent-held job, such as that shown in A3, appeared more than once across the set of four résumés presented to one study-participant.

Although not our main variable of interest, we also manipulated the job applicant's name to be either typically male or typically female. We did this in case the entrepreneurship penalty-effect might be more likely to occur for one gender versus the other, as shown in Kacperczyk and Younkin (2022). The job applicant's résumé started with a typically male name at the top (i.e., Evan, Jason) in the *Male job applicant Condition*, and started with a typically female name at the top (i.e., Mary, Colleen) in the *Female job applicant Condition*.

To summarize, each participating manager in our experiment was asked to evaluate a set of four résumés comprised of: (1) a *male* whose most-recent job was being an *entrepreneur (founder)*, (2) a *female* whose most-recent job was being an *entrepreneur (founder)*, (3) a *male* whose most recent job was being a *non-entrepreneur* (i.e., *executive*), and (4) a *female* whose most recent job was being a *non-entrepreneur* (i.e., *executive*). These manipulations were randomly applied to the four résumé-templates derived from the procedures described in the previous section. As such, any given résumé-template among the four used in this study had equal likelihood of being a post-entrepreneur or non-entrepreneur whose gender was male or female.

In all of our models, we found gender had no interaction effect with an applicant's entrepreneurship job history on his or her odds of being favored for hire. This finding contrasts with the experimental finding of Kacperczyk and

Younkin (2022), which reported women post-entrepreneurs incur less penalty when compared to men post-entrepreneurs. Yet, our finding of a nonsignificant gender effect is consistent with the experimental finding of Botelho and Chang (2023). We suspect that differences in experimental setups (e.g., resume templates, experimental procedure) may explain the difference in our finding and in Kacperczyk and Younkin's (2022). Ultimately, we believe gender appears to be a factor that requires more similar studies to offer empirical evidence to ascertain its effect on post-entrepreneurial outcomes.

Since gender is not our theoretical interest in this paper and also had no influence of any kind, in all of our hypothesis-tests we treat the applicant's gender as a control variable and, thus, focus our attention on how job applicants' (presence or absence of) entrepreneurship experience affects their probability of being selected as a top-choice for hire and how differences across recruiters moderate the above relationship.

3.5 | Measures

Our dependent variable is an indicator that *a job applicant is selected as the top-choice for hire*. Job recruiters (study participants) indicated their top job applicant-choice by answering the question "Of the four job applicants, who do you think is best for the job?" We coded a job applicant's résumé with a "1" when it had been named as the top choice; and coded it "0" when this did not occur.

Our predictor variables include the following:

Job applicants' entrepreneurship experience. This variable was coded "1" versus "0" when the job applicant's most recently held job was titled as a "Founder" versus "Executive," respectively.

Recruiter's entrepreneurial aspiration. Job recruiters (study participants) indicated their entrepreneurial aspiration by answering this survey question: "How strongly have you considered starting your own company?" The anchors they used to answer this question were "Not at all," "Modestly," "Strongly," and "Constantly," which we coded "1," "2," "3," and "4," respectively. For robustness, we also coded recruiters' entrepreneurial aspiration as "absent" (or "0") when recruiters chose "not at all" as their aspiration-level; and coded their entrepreneurial aspiration as "present" (or "1") when they chose any other scale-choice since this indicated they had contemplated becoming an entrepreneur at some point during their career.

Recruiter's firm size. Job recruiters (study participants) indicated their firm size by answering this survey question: "Which category below best reflects the approximate number of employees working at your firm?" Their categorical options were: 1–100, 101–500, 501–1000, 1001–5000, or above 5000. For robustness, we also treated the firm size categories as a quasi-continuous variable to run tests relating to firm size. Specifically, we median-coded a participant's firm size with the median-value of his or her firm-size-category choice. For example, the median-value of 50 was assigned to participants who chose the category of 1–100 for their firm-size, and the median-value of 250 was assigned to participants who chose the category of 101–500, etc. Results were unchanged when this coding used each firm size-category's lowest or highest value.

Control variables. We measured and controlled for variables that seem likely to influence job recruiters' selection decision outside of the variables of theoretical interest to us. Specifically, we included in our models the recruiter-qualities based on the control variables used in past archival studies of entrepreneurs' earnings and career outcomes (Baptista et al., 2012; Bruce & Schuetze, 2004; Hyytinen & Rouvinen, 2008; Kaiser & Malchow-Møller, 2011). These include recruiter demographics such as age, ethnicity (Caucasian or not), and gender; and recruiters' work-related variables such as their years of work experience, number of direct reports, functional area, and employment industry sector. In addition, to proxy for broader environmental influence that may play a role in recruiters' attitude about entrepreneurship (Saxenian, 1996), we controlled for whether or not the recruiter has past or current experience working in the technology-related industry, and whether or not the recruiter is located in one of the entrepreneurial-hub states (California, Massachusetts, New York, New Jersey and Pennsylvania, based on Florida [2018]).

3.6 | Analytical model

Our experiment asked 275 participating recruiters to choose one job applicant (résumé) as the top hiring candidate from a set of four job applicants (résumés), which were based on objectively identical templates that had been randomly assigned to one of the four manipulation conditions (male-entrepreneur, female-entrepreneur, male-non-entrepreneur, female-non-entrepreneur). As such, the experimental outcomes we analyzed in the models were recruiters' (study-participants') selection decisions on the 275 × 4 (1100) job applicants (résumés).

We used two sets of models in our analyses. First, we analyzed the probability a given job candidate (résumé) would be selected by a given job recruiter (study-participant) with logit regressions, which is an appropriate model for dichotomous dependent variables. This logit estimation used pooled cross-sectional data structure. The advantage of this estimator is that it enables us to explicitly model and obtain estimates for the main effects of recruiter-level variables such as recruiters' own entrepreneurial aspirations and their employer-firm size, in which we have theoretical interest. These two theoretically important variables need to be independent of each other for our hypotheses' testing. As can be seen in Table A2 of Online Appendix, there is indeed no significant inter-correlation between them.

Second, as a robustness check, we also tested our hypotheses using the conditional logit regression estimator, which is considered more rigorous and conservative due to the inclusion of recruiter fixed effects (for an elaboration of this point, see Zhang et al., 2017, p. 1372, footnote 15). Other scholars have also used the conditional logit estimator under similar circumstances (Moreno & Terwiesch, 2014). The disadvantage of the conditional logit estimator is that the main effects of recruiter-level variables (e.g., a recruiter's employer-firm size and their entrepreneurial aspiration) cannot be estimated. However, we can still estimate the interaction effects involving recruiters' entrepreneurial aspiration level for testing Hypotheses 1 and 2.

4 | RESULTS

4.1 | Entrepreneurship-experience penalty

Consistent with our baseline expectation and shown in Table 2's model 1 (showing the results of the logit regression including all control variables) and model 2 (showing the results of the more conservative test using the conditional logit regression), job applicants with entrepreneurship experience had a significantly lower probability of being selected as a top-ranked choice for hire compared to applicants without entrepreneurship experience. More specifically, as can be seen in Table 2's model 1, a job applicant's probability of being favored as a top-choice for hire is lower by a relative margin of 29% (=exp[−0.340] − 1, in percentage form) when the applicant *has* rather than lacks entrepreneurship history, all else equal. As can be seen in Table 2's model 2, a job applicant's probability of being selected as a top-choice for hire is lower by a relative margin of 23% (=exp[−0.256] − 1, in percentage form) when the applicant *has* rather than lacks entrepreneurship history, all else equal. These two identical patterns both support our expected baseline of an entrepreneurship-penalty effect.

4.2 | Moderating effect of recruiters' entrepreneurial aspirations

Consistent with Hypothesis 1 and shown in Tables 3 and 4 (showing the results of the logit and conditional logit regressions, respectively), the entrepreneurship-experience penalty is weaker when job recruiters have (rather than lack) aspirations to become an entrepreneur. More specifically, as seen in model 1 of Table 3, when the job recruiter has no entrepreneurial aspiration at all, a post-entrepreneur job applicant's probability of being favored as a top-choice for hire is, compared to a non-entrepreneur's, lower by a relative margin of 60% (=exp[−0.921] − 1, in

TABLE 2 Effect of job applicant's entrepreneurship experience on probability of being favored for hiring.

	(1) Logit	(2) Conditional Logit
Applicant has entrepreneurship experience (Yes = 1)	−0.340*	−0.256*
	(0.162)	(0.122)
Female applicant (Yes = 1)	−0.167	−0.124
	(0.163)	(0.121)
Recruiter controls		
Female (Yes = 1)	0.0004	
	(0.002)	
Caucasian ethnicity (Yes = 1)	−0.001	
	(0.002)	
Age	−0.00004	
	(0.0001)	
Years of work experience	−0.0001	
	(0.0002)	
Number of direct reports	−0.0001	
	(0.0003)	
Has experience in high-tech sector (Yes = 1)	0.0002	
	(0.002)	
Located near entrepreneurial hub (Yes = 1)	−0.002	
	(0.002)	
Recruiter functional area fixed effect	Yes	
Recruiter employment industry fixed effect	Yes	
Résumé template fixed effect	Yes	Yes
Constant	−0.733	
	(0.171)	
Observations	1100	1100
Log-likelihood	−612.8	−376.9
Chi^2	36.05	8.675

Note: This table reports logit model estimates (in model 1) and conditional logit model estimates (in model 2) of the effect of having entrepreneurship experience on résumé on a job applicant's probability of being chosen by a job recruiter as the top candidate to hire. Model 1 controls for applicant's gender on résumé and recruiter (participant) characteristics; Recruiter functional area and recruiter employment industry sector are controlled for in the model in the form of fixed effects, though detailed estimates for them are not reported to reduce table length (these estimates are available upon request). Model 2 does not include recruiter controls as the conditional logit model removes recruiter level heterogeneity with recruiter fixed effects. Robust standard errors are in parentheses, clustered around recruiter.

$^{+}p < 0.1$;

$^{*}p < 0.05$; $^{**}p < 0.01$.

percentage form). When the recruiters have modest to strong entrepreneurial aspirations, the coefficients for the "applicant has entrepreneurship experience" variable are negative, though not statistically significant (see models 2 and 3 in the table). These results still point to the direction of the existence of an entrepreneurship-experience penalty among modestly-to-strongly-aspiring recruiters, but the size of penalty is much smaller compared to the penalty assigned by the recruiters in the no-entrepreneurial-aspiration group in model 1. The coefficient of interest turns

TABLE 3 Logit model estimates of job applicant's entrepreneurship experience on probability of being favored for hiring, broken down by recruiter's entrepreneurial aspiration.

	(1)	(2)	(3)	(4)	(5)	(6)
	Recruiter's entrepreneurial aspiration rating					
	Scale-1 Not at all	Scale-2 Moderately	Scale-3 Strongly	Scale-4 Constantly	Full sample	Full sample
Applicant has entrep. experience (Yes = 1)	−0.921**	−0.161	−0.333	0.080	−0.983**	−0.927**
	(0.340)	(0.281)	(0.341)	(0.393)	(0.398)	(0.336)
Recruiter entrep. aspiration (in ordinal scale)					−0.127+	
					(0.072)	
Applicant has entrep. experience (Yes = 1) × Recruiter entrep. aspiration (in ordinal scale)					0.272+	
					(0.154)	
Recruiter has entrep. aspiration (>"Not at all")						−0.340
						(0.159)
Applicant has entrep. experience (Yes = 1) × Recruiter has entrep. Aspiration (>"Not at all")						0.773*
						(0.384)
Female applicant (Yes = 1)	0.013	−0.121	−0.105	−0.601+	−0.168	−0.168
	(0.339)	(0.281)	(0.341)	(0.395)	(0.163)	(0.163)
Recruiter controls						
Female (Yes = 1)	0.004	−0.0005	0.003	0.008	0.001	0.001
	(0.010)	(0.001)	(0.005)	(0.016)	(0.002)	(0.002)
Caucasian ethnicity (Yes = 1)	−0.006	0.001	0.003	−0.004	0.001	−0.001
	(0.023)	(0.003)	(0.007)	(0.013)	(0.002)	(0.002)
Age	0.001	0.0001	−0.0003	−0.0004	0.0002	0.0001
	(0.002)	(0.0002)	(0.001)	(0.001)	(0.0003)	(0.0002)
Years of work experience	−0.002	−0.0001	0.0004	0.002	−0.001	−0.0004
	(0.004)	(0.0003)	(0.001)	(0.003)	(0.001)	(0.0004)
Number of direct reports	−0.001	0.00001	0.0003	−0.002	−0.0002	−0.0003
	(0.001)	(0.0001)	(0.001)	(0.004)	(0.0004)	(0.0004)
Has experience in high-tech sector (Yes = 1)	0.006	0.0002	0.002	0.015	0.003	0.002
	(0.015)	(0.002)	(0.005)	(0.022)	(0.003)	(0.003)
Located near entrepreneurial hub (Yes = 1)	0.006	−0.0001	−0.015	−0.011	0.0001	0.001
	(0.014)	(0.002)	(0.020)	(0.016)	(0.003)	(0.003)
Recruiter functional area fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Recruiter employment industry fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Résumé template fixed effects	Yes	Yes	Yes	Yes	Yes	Yes

TABLE 3 (Continued)

	(1)	(2)	(3)	(4)	(5)	(6)
	Recruiter's entrepreneurial aspiration rating					
	Scale-1 Not at all	Scale-2 Moderately	Scale-3 Strongly	Scale-4 Constantly	Full sample	Full sample
Constant	−0.335	−0.915	−0.993	−0.603	−0.440	−0.475
	(0.317)	(0.303)	(0.400)	(0.372)	(0.237)	(0.198)
Observations	272	368	260	200	1100	1100
Log-likelihood	−146.7	−206.3	−143.0	−109.2	−610.8	−610.1

Note: This table reports logit model estimates of effect of having entrepreneurship experience on résumé on a job applicant's probability of being chosen by a recruiter as top candidate to hire, broken down by a recruiter's entrepreneurial aspiration. Models 1–4 perform split sample regressions separately for recruiters with different level of entrepreneurial aspiration as indicated in the header; models 5 and 6 perform pooled sample analysis with indicators for applicant's entrepreneurship experience interacting with recruiter entrepreneurial aspiration variables. Recruiter functional area and recruiter employment industry sector are controlled for in the models in the form of fixed effects, though detailed estimates for them are not reported to reduce table length (these estimates are available upon request). Robust standard errors are in parentheses, clustered around recruiter.
$^{+}p < 0.1$;
$^{*}p < 0.05$; $^{**}p < 0.01$.

positive in model 4, further suggesting the absence of an entrepreneurship-experience-related penalty among recruiters with the highest entrepreneurial aspirations. This pattern of lessening entrepreneurship-penalty as recruiters' own entrepreneurial aspiration increases is validated in models 5 and 6, in which we see a statistically significant two-way interaction of job applicants' entrepreneurship experience and job recruiters' entrepreneurial aspiration (as a scale in model 5 [0.272, $p < 0.10$] and as an indicator variable in model 6 [0.773, $p < 0.05$]). In Figure 1, we plot the marginal effects from the pooled analysis in model 5 of Table 3. Consistent with split-sample regressions throughout models 1 to 4 of Table 3, this figure confirms that an entrepreneurship-penalty effect is most salient among recruiters with entrepreneurial aspirations that are absent or weak.

As shown in Table 4, which reports the conditional logit regression results following the same model structure as in Table 3, the patterns above repeat. These findings support Hypothesis 1's prediction that the entrepreneurship-experience penalty weakens for job recruiters who have aspired to be entrepreneurs and strengthens for job recruiters who lack this aspiration.

4.3 | The contextualizing effect of firm size

Consistent with Hypothesis 2 and shown in Tables 5 and 6 (showing the results of the logit and conditional logit regressions, respectively), we found that the moderating effect of recruiters' entrepreneurial aspiration on the entrepreneurship-experience penalty (reported above in 4.2) differed for recruiters working in smaller versus larger firms in the predicted direction. More specifically, the penalty-reducing effect of the entrepreneurially-oriented recruiter is stronger for recruiters in smaller-sized firms and, conversely, is weaker for recruiters in larger-sized firms. The results of Table 5 are rendered in Figure 2. The right panel of Figure 2, which pertains to recruiters *with* entrepreneurial aspirations, shows no penalty for post-entrepreneur job applicants assigned by entrepreneurially-oriented recruiters in firms with less than 1000 employees. Entrepreneurially-oriented recruiters in firms larger than 1000 employees still assign penalty to post-entrepreneur job applicants, particularly when the recruiters are working for firms with more than 5000 employees. The left panel of Figure 2, which pertains to recruiters *without* entrepreneurial aspirations, shows no consistent pattern of penalty-reduction by recruiters in firms of various sizes; the non-

TABLE 4 Conditional logit model estimates of job applicant's entrepreneurship experience on probability of being favored for hiring, broken down by recruiter's entrepreneurial aspiration.

	(1)	(2)	(3)	(4)	(5)	(6)
	Recruiter's entrepreneurial aspiration rating					
	Scale-1 Not at all	Scale-2 Moderately	Scale-3 Strongly	Scale-4 Constantly	Full sample	Full sample
Applicant has entrep. experience (Yes = 1)	−0.693**	−0.121	−0.251	0.060	−0.744*	−0.705**
	(0.263)	(0.211)	(0.256)	(0.291)	(0.305)	(0.260)
Applicant has entrep. experience (Yes = 1) × Recruiter entrep. aspiration (in ordinal scale)					0.206+	
					(0.117)	
Applicant has entrep. experience (Yes = 1) × Recruiter has entrep. aspiration (>"Not at all")						0.589*
						(0.296)
Female applicant (Yes = 1)	0.010	−0.090	−0.078	−0.453	−0.125	−0.125
	(0.248)	(0.210)	(0.252)	(0.301)	(0.121)	(0.121)
Observations	272	368	260	200	1100	1100
Résumé template fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Log-likelihood	−89.63	−127.1	−87.77	−66.83	−375.4	−374.8
Chi^2	10.49	0.838	4.636	4.064	11.62	12.86

Note: This table reports conditional logit model estimates of the effect of having entrepreneurship experience on résumé on a job applicant's probability of being chosen by a recruiter as top candidate to hire, broken down by a recruiter's (participant's) own entrepreneurial aspiration. Models 1–4 perform split sample regressions separately for recruiters with different level of entrepreneurial aspiration as indicated in the header; models 5 and 6 perform pooled sample analysis with indicators for applicant's entrepreneurship experience interacting with recruiter entrepreneurial aspiration variables. Robust standard errors are in parentheses.

$^{+}p < 0.1$;

$^{*}p < 0.05$; $^{**}p < 0.01$.

entrepreneurially-oriented recruiters appear to assign penalty to post-entrepreneur job-applicants in both small and large firms. These findings support Hypothesis 2's prediction that the weakening of the entrepreneurship-experience penalty for job recruiters with entrepreneurial aspiration is stronger for recruiters in small (rather than large) firms.

4.4 | Mechanisms underlying the recruiter-moderating effect

Our main experiment above has informed us that recruiters with (rather than without) entrepreneurial aspiration assign less penalty to post-entrepreneur job candidates. Yet, a limitation of our first study is that its data cannot answer the following questions. Why did recruiters with an entrepreneurial aspiration generally more positively evaluate job candidates with (rather than without) entrepreneurship experience? Did these recruiters assume job candidates with entrepreneurship experience had more desirable personal qualities compared to candidates without this experience? If so, what might these more desirable qualities be? Our main experiment's findings cannot provide these answers because the survey given to study participants did not ask them to compare job applicants in terms of specific qualities.

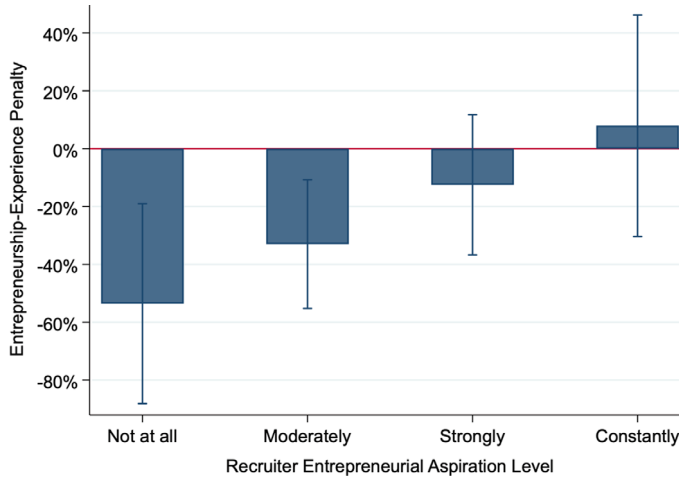

FIGURE 1 Moderating effect of recruiter's entrepreneurial aspiration on job applicant's entrepreneurship-experience penalty. This figure compares entrepreneurship penalty when the job candidate faces recruiters with varying level of entrepreneurial aspiration (from not at all to constantly). Entrepreneurship penalty is proportional penalty, which is defined as the difference in the predicted probability of being favored for hiring when the job applicant's condition changes from having *no* entrepreneurship experience to *having* entrepreneurship experience, divided by the base (the probability when having *no* entrepreneurship experience). This figure is based on the results of model 5 of Table 3.

To address this limitation, in a second study we asked study participants (all of whom were assigned the task of comparing two job applicants based solely on their resumes) to rank-order two job applicants in terms of specific personal qualities—specifically, regarding who was: (a) more competent, (b) a better leader, (c) more impactful, (d) more trustworthy, (e) more likely to be a committed employee to an organization, and (f) more successful. The two job applicants compared by all participants were always one post-entrepreneur and one non-entrepreneur (manipulated in ways described below). We assessed whether higher levels of these personal qualities were generally perceived in the job applicant with (rather than without) entrepreneurship experience by the study participants with higher levels of entrepreneurial aspiration, made possible by our also asking participants to report the extent to which they aspired to be entrepreneurs (as assessed in Study 1). Our goal in Study 2 was to examine whether higher ratings of the personal qualities (named above) generally got assigned by study participants with a higher level of entrepreneurial aspiration to the job applicant *with* (rather than without) entrepreneurship experience—a pattern that may underlie Study 1's finding support for the recruiter-moderating effect predicted by H1.

Our choice of the personal qualities we asked participants to compare these two job applicants on was guided by the reasons we presented earlier for why recruiters or employers likely feel more uncertain when evaluating post-entrepreneurs rather than non-entrepreneurs. For example, because a "stigma of failure" often characterize jobs candidates who return to the wage labor market after being entrepreneurs (Landier, 2005), it is possible that lower ratings of successfulness will get assigned to a job applicant who is a post-entrepreneur rather than non-entrepreneur; yet, this pessimism ought to be less likely on the part of raters (recruiters) who perceive similarity with the post-entrepreneur as is more likely for recruiters with stronger rather than weaker entrepreneurial aspiration. As another example, if an entrepreneur's broader skill set relative to a non-entrepreneur's leads to their being perceived as lacking mastery over anything specific (Åstebro et al., 2011; Åstebro & Thompson, 2011; Lazear, 2004, 2005), hence as relatively unprepared, then lower competence ought to be perceived on the part of a post-entrepreneur compared to a non-entrepreneur. On the other hand, because post-entrepreneurs have already had the experience of running an organization, they may be perceived as having more leadership potential and more of an ability to be impactful at

work; and both of these more favorable perceptions are more likely to be held by those who perceive similarity with a post-entrepreneur, such as recruiters with stronger rather than weaker entrepreneurial aspiration. Additional personal qualities we asked study participants to compare job applicants on pertain to qualities for which we lacked a clear pattern-expectation—namely, applicants' trustworthiness and commitment to their organization. We included these partly to make Study 2's purpose less obvious to participants and partly because concerns about post-entrepreneurs' commitment to organizations, hence also their trustworthiness (e.g., reliability), have been documented in prior research (Botelho & Chang, 2023; Kacperczyk & Younkin, 2022).

We recruited 325 undergraduate students who are junior or senior level business majors in an east-coast state university. Students were recruited via the SONA system and were awarded course credits for participating in the

TABLE 5 Logit model estimates of moderating effect of recruiter's entrepreneurial aspiration, broken down by firm size.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Firm size (by number of employees)						
Variables	1–100	101–500	501–1000	1001–5000	Above 5000	Full sample	Full sample
Applicant has entrepreneurship experience (Yes==1)	−2.885*	−0.860	0.00001	−0.0003	−1.496+	−1.450*	−1.010*
	(1.201)	(0.682)	(0.822)	(0.811)	(0.765)	(0.738)	(0.435)
Recruiter has entrep. aspiration (>"Not at all")	−0.882	−0.561	−0.110	0.192	−0.178	−0.827	−0.506*
	(0.549)	(0.372)	(0.474)	(0.446)	(0.329)	(0.525)	(0.203)
Applicant has entrep. experience × Recruiter has entrep. aspiration	2.796*	1.176+	0.193	−0.450	0.491	1.890*	1.126*
	(1.265)	(0.676)	(0.929)	(0.913)	(0.943)	(0.848)	(0.493)
Firm size (ordinal)						−0.067	
						(0.085)	
Applicant has entrep. experience × Firm size (ordinal)						0.171	
						(0.218)	
Recruiter has entrep. aspiration × Firm size (ordinal)						0.167	
						(0.106)	
Applicant has entrep. experience × Recruiter has entrep. aspiration × Firm size (ordinal)						−0.384+	
						(0.226)	
Large firm (Firm size above 1000)							−0.083
							(0.268)
Applicant has entrep. experience × Large firm							0.207
							(0.682)
Recruiter has entrep. aspiration × Large firm							0.443
							(0.321)
							−0.988

TABLE 5 (Continued)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Firm size (by number of employees)						
Variables	1–100	101–500	501–1000	1001–5000	Above 5000	Full sample	Full sample
Applicant has entrep. experience × Recruiter has entrep. aspiration × Large firm							(0.788)
Constant	0.048	−0.244	−0.956+	−0.907+	−0.705	−0.260	−0.437
	(0.326)	(0.496)	(0.514)	(0.526)	(0.574)	(0.300)	(0.672)
Observations	252	240	204	228	176	1100	1100
Control variables included	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Resume template fixed effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Functional area fixed effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Employer industry sector fixed effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Log-likelihood	−134	−126.1	−112.7	−124.0	−91.25	−608.1	−607.4

Note: This table reports logit model estimates of a job applicant's probability of being chosen by a recruiter as top candidate to hire, broken down by a recruiter's firm size. Models 1–5 perform split sample regressions separately for recruiters employed at different sized firms as indicated in the header; models 6 and 7 perform pooled sample analysis with three-way interactions of (ordinal) firm size (model 6) and dichotomous firm size (above 1000 employees or not, model 7), applicant's entrepreneurship experience, and recruiter entrepreneurial aspiration. All models include the same set of controls as in Table 2, model 1. Robust standard errors are in parentheses.
$^{+}p < 0.1$;
$^{*}p < 0.05$; $^{**}p < 0.01$.

survey-experiment. Via computer-instructions, all participants were told to rank-order two job-applicants on a variety of personal qualities (named above) based solely on information extracted from candidates' resumes. All participants were presented the resume segment (i.e., last-held job) of two job applicants, one featuring that of a post-entrepreneur's (founder's) resume and the other featuring that of a non-entrepreneur's (executive's) resume. These resume segments were all randomly drawn from the resumes we used in our main experiment described above. The online survey, which contained the rank-ordering exercise described above, also asked participants to indicate (via 1 = not at all and 5 = extremely strongly) their answer to this question: "How strongly have you considered working for a startup as an intern or after graduation?" We asked this because it enables us to assess participants' extent of entrepreneurial aspiration and, consistent with this, Sorenson et al. (2021) has said startup employees (which many college students consider becoming) are "proto-founders" (p. 588).

We estimated a logit model of the effect of a participant (evaluator)'s entrepreneurial orientation (on a scale of 1–5, with 5 being the strongest) on participants' likelihood, for each evaluative dimension, of more (or less) highly ranking the post-entrepreneur (over the non-entrepreneur) job applicant. Results are reported in Table 7. As we expected, and supportive of the recruiter moderating-effect found in Study 1, we found that the more entrepreneurially-oriented participants in Study 2 rated job applicants who were post-entrepreneurs (rather than non-entrepreneurs) more highly on: (1) competence; (2) leadership ability; and (3) being impactful on the job. Also as we expected, recruiters' extent of entrepreneurial aspiration was not significantly correlated with recruiters' perception of the trustworthiness nor organizational commitment of job applicants who were post-entrepreneurs rather than non-

TABLE 6 Conditional logit model estimates of moderating effect of recruiter's entrepreneurial aspiration, broken down by firm size.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Firm size (by number of employees)						
Variables	**1–100**	**101–500**	**501–1000**	**1001–5000**	**Above 5000**	**Full sample**	**Full sample**
Applicant has entrepreneurship experience (Yes==1)	−2.296*	−0.614	−0.000	0.000	−1.118+	−1.112+	−1.010**
	(1.074)	(0.497)	(0.609)	(0.603)	(0.598)	(0.580)	(0.385)
Applicant has entrep. experience × Recruiter has entrep. aspiration	2.231*	0.838	0.143	−0.338	0.377	1.444*	1.126**
	(1.113)	(0.585)	(0.689)	(0.681)	(0.727)	(0.660)	(0.434)
Applicant has entrep. experience × Firm size (ordinal)						0.132	
						(0.170)	
Applicant has entrep. experience × Recruiter has entrep. aspiration × Firm size (ordinal)						−0.294	
						(0.198)	
Applicant has entrep. experience × Large firm (firm size > 1000)							0.160
							(0.525)
Applicant has entrep. experience × Recruiter has entrep. aspiration × Large firm							−0.750
							(0.604)
Observations	252	240	204	228	176	1100	1100
Control variables included	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Resume template fixed effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Log-likelihood	−81.47	−76.55	−69.17	−75.82	−55.26	−373.3	−372.8
Chi^2	8.694	13.72	2.826	6.602	10.83	16.18	16.96

Note: This table reports conditional logit model estimates of a job applicant's probability of being chosen by a recruiter as top candidate to hire, broken down by a recruiter's firm size. Models 1–5 perform split sample regressions separately for recruiters employed at different sized firms as indicated in the header; models 6 and 7 perform pooled sample analysis with three-way interactions of (ordinal) firm size (model 6) and dichotomous firm size (above 1000 employees or not, model 7), applicant's entrepreneurship experience, and recruiter entrepreneurial aspiration. All models include the same set of controls as in Table 2, model 2. Robust standard errors are in parentheses.

$^{+}p < 0.1$;

$^{*}p < 0.05$; $^{**}p < 0.01$.

entrepreneurs. Contrary to our expectation, the successfulness of the post-entrepreneur job applicant (relative to the non-entrepreneur job applicant) was rated no differently by recruiters with stronger versus weaker entrepreneurial aspiration. This null finding might rule out the possibility that our Study 1 findings were due to significant differences in the perceived successfulness of post-entrepreneurs or non-entrepreneurs.

To summarize, we have hypothesized and observed in our main experiment that the more entrepreneurially-oriented recruiters may mitigate the entrepreneurship-experience penalty facing post-entrepreneurs, consistent with

FIGURE 2 Entrepreneurship-experience penalty by job recruiter's entrepreneurial aspiration and firm size. This figure compares the entrepreneurship-experience penalty (i.e., the gap of being chosen as a favored hiring target between job applicants with versus without entrepreneurship experience) inflicted by different types of job recruiters, broken down by recruiter's own entrepreneurial aspiration and recruiter's employer firm size. This figure is based on estimates in model 6 of Table 5.

TABLE 7 Effect of respondent's entrepreneurial orientation on the evaluation of founders relative to non-founders.

DV: Founder resume rated as	(1) More competent	(2) A better leader	(3) More impactful	(4) More trustworthy	(5) More committed	(6) More successful
Evaluator's entrepreneurial orientation	0.242*	0.272*	0.386**	0.055	0.041	0.094
	(0.117)	(0.127)	(0.129)	(0.115)	(0.115)	(0.152)
Women	0.049	−0.530*	0.031	−0.125	0.013	0.563+
	(0.225)	(0.246)	(0.250)	(0.224)	(0.225)	(0.306)
Non-Caucasian	−0.039	0.278	−0.213	−0.060	0.086	−0.298
	(0.226)	(0.247)	(0.251)	(0.224)	(0.225)	(0.301)
Constant	−0.650+	0.149	−0.122	0.008	0.061	1.215*
	(0.394)	(0.421)	(0.426)	(0.389)	(0.391)	(0.511)
Log-likelihood	−222.85	−196.44	−190.36	−224.68	−223.03	−145.51
Chi^2	0.21	0.02	0.02	0.88	0.97	0.21

Note: This table reports the logit model estimates of the probability that a respondent rates a founder's resume higher along the dimensions named in column headings (compared to a non-founder's resume). The number of observations is 325.
$^{+}p < 0.10$;
$^{*}p < 0.05$; $^{**}p < 0.01$.

an ingroup favoritism bias. This theory prescribes that recruiters perceive job applicants' qualifications more favorably when recruiters share with them a similar (entrepreneurial) orientation. Missing from Study 1, however, was data regarding what the specific personal qualities were driving the findings relating to recruiters with more entrepreneurial aspirations. To examine this we ran Study 2, in which we found that the more entrepreneurially-oriented

study participants rated post-entrepreneurs' resume episodes significantly more favorably in terms of: competence, leadership ability, and impact potential. We found no evidence suggesting that the more entrepreneurially-oriented study participants either more positively or negatively perceive a post-entrepreneur in terms of his/her commitment, trustworthiness, or successfulness.

The findings from this second study suggest to us some mechanisms that may explain the job recruiter moderating effect observed in our main experiment (Study 1). First, recruiters harboring a stronger entrepreneurial aspiration may feel more optimistic about the leadership and impact potential of a job applicant who is a post-entrepreneur rather than non-entrepreneur; this optimism may be due to more (rather than less) entrepreneurial-oriented recruiters being more in tune with the risks of pursuing entrepreneurship opportunities, hence with the leadership and impact-making skills needed to succeed in them. Second, and perhaps relatedly, these recruiters may be more likely than recruiters with lower entrepreneurial-aspiration to optimistically assume that *higher* competence is associated with a broader (more general) skill set—among which is leadership skills—which entrepreneurs running a business generally acquire. Third, our finding in Study 2, using resume episodes extracted from Study 1, that the recruiters with more entrepreneurial aspiration perceived no significant difference in the successfulness of job applicants who were post-entrepreneurs versus non-entrepreneurs *bolsters* our confidence in the recruiter moderating-effect we predicted and found in Study 1. This is because this non-significant difference in perceived successfulness of the compared job applicants (a post-entrepreneur versus non-entrepreneur) reduces the likelihood that a perception of greater career success on the part of non-entrepreneurs (relative to post-entrepreneurs) is driving our main experiment's finding that the entrepreneurship experience penalty is weaker for recruiters without (rather than with) entrepreneurial aspirations.

Importantly, other mechanisms may explain the recruiter moderating effect we found in our main experiment (Study 1). For example, because the personal qualities we compared job applicants on in Study 2 are by no means exhaustive, it is possible that other (unmeasured) personal qualities of the job applicants might explain this recruiter moderating effect. Also, because of differences in Study 2's sample (consisting of undergraduate students with a business major) and Study 1's sample (consisting of professional managers with a minimum of 8 years of fulltime work experience), it is possible that these two samples differentially interpreted entrepreneur-related qualities. For these reasons, the results of our second study should be interpreted as only suggestive evidence for the potential mechanisms underlying the recruiter moderating effect reported in Study 1. Hopefully, these two studies' findings and the insights they suggest will inspire future research to build on them.

5 | DISCUSSION

Taken together, our findings lead us to make three key conclusions. First, we confirm the existence of a "*entrepreneurship-penalty effect*"—that job applicants whose work history includes (rather than excludes) being an entrepreneur have 23%–29% lower probability of being selected as a top-choice for hire on the wage labor market. Second, the likelihood of the entrepreneurship-penalty effect occurring depends, at least in part, on characteristics of *job-recruiters*—one of which pertains to their entrepreneurial aspiration and another of which relates to the size of their employing firm. More specifically, the entrepreneurship-penalty effect is more likely to occur when post-entrepreneur job applicants are assessed by job recruiters who themselves *lack* the aspiration to become entrepreneurs. As a general trend, the higher the job recruiter's own entrepreneurial aspiration, the less severe a penalty the recruiter will assign to a post-entrepreneur job candidate. In addition, the penalty-moderating effect of the job recruiter's own entrepreneurial aspiration is constrained by the firm s/he works for: the penalty-reduction effect of a more entrepreneurially-oriented recruiter is strengthened when the recruiter works for a smaller-sized firm but weakened when the recruiter works for a larger-sized firm. Theoretical and practical implications of these conclusions are discussed next, each in turn.

5.1 | Theoretical implications

Perhaps the strongest theoretical implication of our conclusions regards the need for studies of post-entrepreneurship phenomena to *include* individual-level factors associated with employer-side decision makers (e.g., wage-payers and job recruiters). As fundamental as this may seem, the majority of studies examining post-entrepreneurship phenomena, because they are based on archival data, have excluded individual-level characteristics associated with the employer-side decision-makers who directly interact with and evaluate the post-entrepreneurs. Such studies have thus been unable to empirically demonstrate, as our study has, that the tendency of job recruiters' penalty against job applicants with (rather than without) entrepreneurship experience is not constant. Rather, the extent of penalty depends on whom a firm sends to participate in the recruiting effort.

Until now the majority of the explanations that have been offered for wage penalty associated with having entrepreneurship experience have been largely devoid of reasons relating to qualities of employer-side decision-makers such as job recruiters. The explanations thus far, particularly those from an economics perspective, attribute post-entrepreneurs' lower earnings more to factors related to the job applicants' ability and employment history. Such explanations, our findings suggest, need to be nuanced to reflect factors relating to *both* sides of hiring decisions—namely, the employer (or recruiter) as well as the job-applicants. Our theorizing as well as experiment-based research design pushes the theoretical envelope toward this two-sided exchange-based focus.

Another theoretical implication of our research relates to the importance of understanding employment outcomes of post-entrepreneurs (i.e., being hired or being favored for hire). While earning is a theoretically important factor for understanding entrepreneurship, employment outcome of individuals with entrepreneurship experience is undeniably a related factor that should not be ignored by the literature. Indeed, research of post-entrepreneurship employment and earnings outcome can complement each other. For example, with respect to firm size, both our experimental study and Baptista et al.'s (2012) archival-data-based study (using Portuguese longitudinal matched employer–employee data between 1986 and 2003) observed a tendency of smaller firms favoring post-entrepreneurs. On the other hand, Mahieu et al.'s (2021) study of Belgium employer-employee matched data find that post-entrepreneurs suffer a larger extent of wage penalty (compared to non-entrepreneurs) when they are hired by smaller-sized employers. We suspect there is an intricate relationship between firm size, preference for post-entrepreneur job candidates and pay. There is a possibility that firms may be strategically exploiting sub-segment labor pool's odds of being favored for hiring. The more diverse skill set of entrepreneurs' (relative to non-entrepreneurs') is probably attractive to small firms. Yet, because in the broader labor market post-entrepreneurs incur more penalty in terms of their hiring appeal, entrepreneurs likely have less ability to negotiate for higher pay even if the small firms want to hire them (compared to non-entrepreneurs whose greater hiring appeal in the broader labor market gives them more competing job offers). Therefore, these two counterforces may explain the seemingly contradictory findings in the above studies that post-entrepreneurs are both favored by smaller firms in terms of hiring odds *and* penalized by smaller firm in terms of pay-level. As such, our study underscores the necessity of understanding both employment patterns (including evaluation patterns by job-recruiters) and earnings outcome of post-entrepreneurs.

5.2 | Practical implications

From an organizational perspective, our findings suggest there is a need for organizations (particularly larger ones) to include biases against post-entrepreneurs as part of training programs whose purpose is to reduce decision-making biases in their employee selection activities; such a bias is excluded from typical diversity and inclusion-enhancing initiatives (Farh et al., 2021). This would be particularly important for large organizations seeking entrepreneurially-oriented, or highly-innovative new hires. Our findings suggest that large organizations may risk losing the entrepreneurial-type job candidates they wish to hire if, during the selection- and hiring-process, they do not proactively train recruiters to become aware of, and then to reduce, a bias against post-entrepreneur job candidates.

If the actions we describe above are indeed taken due to our findings informing job seekers, job recruiters, and organizations' top managers of their necessity, then an ultimate practical implication of this paper is its lessening the perceived risks of becoming an entrepreneur and, thereby also, encouraging more individuals to become entrepreneurs. As a result, our findings may serve as the foundation for formulating policies to boost the rate of entrepreneurship, which are much needed given the persistent downward trend of entrepreneurship over the past two decades revealed in recent statistics (Morelix et al., 2017).

5.3 | Limitations of our study and future research needs

As with all studies, ours is not without limitations. One potential limitation is the fact that study participants were engaged in hypothetical job candidate-evaluations—a necessity given that they were participants in an experiment. The hypothetical nature of the job candidate-evaluation task may have led to evaluations that might not actually occur if these evaluations had actual real-world consequences. Future research is needed to test the generalizability of our findings observed under experimental conditions; and hopefully, our findings will inspire tests of our findings' generalizability to indeed occur.

A second potential limitation of our study is that despite our substantial efforts to make the experimental stimuli (i.e., the resumes for entrepreneurs and non-entrepreneurs) objectively identical, they may nevertheless have had some differences, which might have led to the patterns we observed in our data. We use this to explain the need, therefore, for future research to build on our study-design in ways that further eliminate rival explanations for our findings.

A third potential limitation of our paper is that we conducted a second study that is separate from our main experiment to explore (evaluative) mechanisms underlying recruiters' effect on the entrepreneurship-experience penalty. Conducting this study separately from our main experiment was necessary for two reasons. First, our main experiment was designed to test our theoretical model. Second, the cognitive demands of our main experiment were quite high and consumed nearly an hour of participants' time; lengthening this to include questions about evaluative comparisons across four job-applicants risks cognitively fatiguing those participants and thereby harming the quality of collected data. This is why in our second study for collecting evaluation-comparisons who are a post-entrepreneur versus non-entrepreneur, we limited this comparison to only two job-applicants. Nevertheless, our collecting evaluative comparisons in a second study that is separate from the data we collected in our strongly internally-valid main experiment prevents us from conducting a full-mediation analysis of the mechanism-related variables. This is why we presented in a descriptive, or exploratory, manner the findings of Study 2 regarding the tendency for job recruiters with a higher level of entrepreneurial aspiration to perceive a greater degree of desirable qualities (specifically, leadership ability, impact on the job, and competence) in job applicants who were post-entrepreneurs rather than non-entrepreneurs.

Tests of our findings' generalizability could involve replicating our experimentally controlled observations with more diverse samples and/or utilizing archival data whose variables include attributes relating to, *both*, job applicants (with and without past entrepreneurship experience) and job recruiters (with and without entrepreneurship aspirations and representing firms of varying sizes). For example, future studies with matched applicant-to-recruiter (employer) data will ideally also test for mechanisms that can explain why the entrepreneurship-penalty effect may be stronger for larger rather than smaller firms, such as the organizational culture-related differences we theorized may differ for firms at these two extremes.

Additionally, there is need in future studies aiming to test our findings' generalizability to include macro-level (firm-level) variables *in addition to individual-level variables*—hence for *multi-level* research designs. This multi-level approach may also promise the opportunity to identify more dimensions relating to organizational characteristics that may enable or constrain individual recruiter effects. For example, we have focused on firm size, yet other firm characteristics may also influence recruiter effect. This includes firm age (young of old) and maybe firm culture.

Obtaining both levels of variables is difficult in archival-based studies and difficult in experimental studies lacking a real organizational context; and therefore, there is need to improve on both the archival data-analytic approaches and experimental approaches examining post-entrepreneurship phenomena.

Our finding regarding the recruiter moderating effect of entrepreneurship-experience penalty, in particular, needs more empirical studies with a more diverse sample to confirm its external validity. For example, recruiters' entrepreneurial orientation may imply different ways of evaluating a post-entrepreneur in different regions of the world. Our test has used U.S. managers and, thus, is heavily influenced by how U.S. entrepreneurially-oriented individuals believe and act. While we have investigated the scope condition for recruiter effect as relating to the size of firms, there may be other scope conditions (e.g., recruiter's organizational roles) that may shape the intensity of the recruiter effect. As such, our results should be interpreted with caution and subjected to more empirical tests with increasingly broader scope conditions in order to strengthen confidence in the recruiter moderating-effect we found as well as the circumstance(s) when this effect is more versus less likely to occur.

Future studies will hopefully be inspired by all of our findings, including the exploratory ones, and build on them by acting on all of our future research suggestions—with research designs that ideally also enable internal validity to be as strong as possible (which was a key goal of our main experiment/Study 1). Future studies that build on ours in these ways promise to sharpen much-needed understanding about when and why the entrepreneurship experience penalty occurs.

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ORCID

Waverly W. Ding https://orcid.org/0000-0001-9352-2091
Hyeun J. Lee https://orcid.org/0000-0001-7319-6874
Debra L. Shapiro https://orcid.org/0000-0002-6849-2166

ENDNOTE

[1] The averages for participants' age and years of work experience may be even higher, as we have set the topmost category of 51 or above for age and 20 years or more for experience.

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