OWNER SITUATIONALLY SPECIFIC MOTIVATION, AND ORGANISATIONAL CITIZENSHIP BEHAVIOUR: A STUDY OF NEW ZEALAND ENTREPRENEURS

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ABSTRACT
Despite the extensive developments in entrepreneurship theory over recent decades, there is a lack of empirical studies examining the influence of owner situationally specific motivation on firm performance focusing on small and medium sized enterprises (SME) in New Zealand. The present study attempts to bridge this gap. At the same time, it responds to calls to extend performance measures to include non-financial outcomes by using organisational citizenship behaviours – OCB – as a performance measure. This is based on the observation that OCBs are consistently presented in the literature as a cornerstone of good performance and competitive advantage. The study uses mixed methods, combining surveys and semi-structured interviews. Multiple regression is used to analyse data on entrepreneurial situationally specific motivation (i.e. communicated vision, self-efficacy, and goals) provided by a sample of 107 firms. In addition, 107 pairs, each comprising an owner-manager plus a random employee from the same firm, also supplied data on organisational citizenship behaviours. Finally, nine qualitative interviews were conducted with owners to further enhance understanding. The study highlights the statistical significance of the positive relationship of entrepreneurial situationally specific motivation and OCB. This finding suggests that owners who have confidence in their abilities [self-efficacy] and who have communicated their vision [communicated vision] are more likely to encourage in their employees the behaviours that are required in order to function well in their organisations. The implications of this finding for potential future research are discussed.

Keywords: Entrepreneurship, Organisational Citizenship Behaviour, Performance, Small and Medium-sized Enterprise, New Zealand.
Entrepreneurship has received much attention, yet it is still not clearly understood. A number of scholars (e.g. Aldrich & Martinez, 2001; Shane & Venkataraman, 2000) have agreed that it is difficult to formulate a theory of entrepreneurship because of the influence of chance and the complexity involved in studying the confluence of entrepreneur, opportunity, and context. There also remains much uncertainty as to what actually defines an entrepreneur (e.g. Covin & Slevin, 1991; Cunningham & Lischeron, 1991; Shane & Venkataraman, 2000). Distinguishing between what entrepreneurs are and how they act is challenging and requires a more holistic understanding. In other words, it is difficult to separate the characteristics of an entrepreneur from their accomplishments. It appears that the literature on entrepreneur and entrepreneurship definitions and paradigms is interrelated and potentially interchangeable.

According to the psychological characteristics school, it is generally believed that an individual’s needs, drives, attitudes, beliefs, and values are the principal factors driving behaviours. Personality characteristics: i.e. the personal value system, risk-taking propensity and need for achievement (McClelland, 1961), have received substantial attention in the research.

Between 1961 and 1990, the personality traits of entrepreneurs (i.e., need for achievement, locus of control, and risk taking propensity) were investigated as potential sources of business performance, but only weak effects were found (Aldrich & Wiedenmayer, 1993). Some personality traits (e.g. organisational skills including: use of power, oral presentation, diagnosis, and decision making) stood out, however, as they are not peculiar to entrepreneurs. For example, certain abilities and skills could be seen in both thriving entrepreneurs and successful managers.

In later years, psychology-based studies revisited the importance of an entrepreneur’s personal characteristics as predictors of business growth by applying an extended focus on traits to research into competencies, motivation, cognition and behaviour (Baum, Locke, & Smith, 2001;
Busenitz & Lau, 1996; Mitchell, Smith, Seawright, & Morse, 2000). Baum et al. (2001), based on their longitudinal two-year study, argued that personal characteristics did not have a significant impact on a new firm’s performance, and they found that whereas motivation and organisational factors had direct effects on new business performance, the trait and skill composite factors had indirect effects, which were channelled through motivation and organisational factors.

Baum and Locke (2004) focused on growth-oriented entrepreneurs, and expanded their research to include entrepreneurial traits and skills, namely passion, tenacity and new resource skills, and situationally specific motivation, which measures communicated vision, self-efficacy and goals. They thoroughly reviewed other traits and motivational factors which were frequently pinpointed by leading researchers and entrepreneurship theorists as being significant for success. Then, they studied the traits further, rejecting those trait candidates which yielded discouraging results in quantitative entrepreneurship or leadership research, and selecting those candidate traits which enabled individuals to cope with competition. They selected venture growth as the outcome for their firm performance study. Ultimately, Baum and Locke found that situationally specific motivation (goals, self-efficacy and communicated vision) had a direct effect on firm growth, and these factors mediated the effects of passion, tenacity, and new resource skills on subsequent business growth.

2. Literature Review

Baum and Locke’s (2004) situationally specific motivational factors were adopted in the present study, as they seemed promising in terms of theoretical support (Baum & Locke, 2004; Baum et al., 2001) as predictors of firm performance.

Situationally specific motivation includes communicated vision, self-efficacy and goals. Communicated vision was believed to be highly significant because vision is a driver of firm performance (Baum & Locke, 2004). Vision is a projected concept or intellectual image of what a leader wishes to accomplish (Bass & Stogdill, 1990) and can be communicated informally, i.e. verbally, or formally, i.e. through a written statement, or even confidentially held. Vision is also a general motivational goal. An entrepreneur has a vision of the organisation that s/he wants to create, which includes images of a growing
business, reputation, and personal prosperity (Bird, 1989). Communicated vision could enable support for the attainment of entrepreneur and employee goals. An empirical study of vision by Larwood, Falbe, Kriger and Miesing (1995) suggested that the extent of executive control over a firm and the rate of organisational change were related to vision, but they did not study the relationship of vision to firm performance. Other laboratory studies investigated the independent effects of vision upon task performance (Howell & Frost, 1989; Kirkpatrick & Locke, 1996). Baum and Locke (2004) were the first to suggest that communicated vision was independently and quantitatively related to performance over a multi-year period. They further proposed that vision not only had a direct effect on growth but also an indirect effect through specific goals.

Self-efficacy refers to a confident sense of capability which an entrepreneur draws from experience and business achievement. In social cognitive theory, Bandura (1997) defined self-efficacy as particular task self-confidence. Self-efficacy also refers to an entrepreneur’s opinion of his/her ability to attain a goal. For instance, empirical research shows that high self-efficacy is fundamental to human performance in most areas, including efforts to attain high academic achievements and social influence (Bandura, Pastorelli, Barbaranelli, & Caprara, 1999) and, most importantly, to organisational performance (Bandura, 1997).

Furthermore, entrepreneurs who are more confident about their entrepreneurial abilities may achieve business growth in an entrepreneurship setting in which the outcome is uncertain (Baum & Locke, 2004). For example, individuals who are high in self-efficacy not only prefer challenging situations, they also exhibit higher levels of staying power under those circumstances (Bandura, 1997). Therefore, it is probable that entrepreneurs who have high self-efficacy will outperform entrepreneurs with lower levels of self-efficacy: similarly, the incentive to act is highest when entrepreneurs believe that their actions (e.g., starting a new venture) will lead to achievable outcomes (e.g., a successful business).

Goals have long been considered significant factors in firm growth and new business survival. Goal-setting theory was first introduced into industrial organizational psychology by Vroom (1964). The goal theory proposed that
specific challenging goals result in higher performance than other types of goals. Entrepreneurship scholars cited “goals as important factors in venture growth and new venture survival” (Baum & Locke, 2004, p. 590). The independent effects of goals among entrepreneurs were tested by Baum and Locke (2004), and they discovered positive effects from goals, consistent with the results of other performance studies. However, they cautioned that goals could lead to disaster when associated risks were high.

Firm performance is multifaceted because “performance is a multidimensional concept” (Rauch, Wiklund, Lumpkin, & Frese, 2009, p. 765). Performance can be measured in various ways, but, in essence, the primary categories of performance are financial and non-financial or operational parameters. Financial indicators include sales growth, profitability, return on investment, return on sales, return on equity, earnings per share, market- or value-based indicators such as market-to-book and stock-market returns. Non-financial parameters, or operational indicators, on the other hand, range from market-share, new product introduction, product quality, marketing effectiveness, manufacturing effectiveness, technological efficiency, and human resources factors, such as growth in the number of employees and turnover rates of employees.

Jogaratnam, Tse and Olsen (1999) attempted to predict and validate the relationship between entrepreneurship and performance in the US restaurant industry using a questionnaire mailed to a random sample of 1,500 owners/general managers with a response rate of 20.7 percent. They explored the entrepreneurial strategic positions which are associated with high and low performance among restaurants. Performance was the dependent variable, and the dimensions of entrepreneurial strategic posture were designated as the independent variables. The outcomes show that:

“...certain competitive methods and business practices are more strongly related to high performers than low performers. Exploring relationships between entrepreneurial strategic posture and performance is of value, and it is timely given the mature as well as increasingly complex and uncertain environmental conditions faced by entrepreneurs in today’s ever more competitive economy” (Jogaratnam et al., 1999, p. 339).
3. Research Methods

3.1 Sampling and procedures

Data were collected from a number of owner-managers and one of each of their employees from local cafés and restaurants (businesses which met the criteria of having at least one employee and not being a franchise or chain operation) within the Waikato and Auckland regions in New Zealand. A total of 107 usable surveys from two sources were returned for a final response rate of 26.8 percent. In all cases the respondents were owner-managers: owners of the business who were also engaged in the day-to-day operation of their venture. The employee responses were matched with their owners to provide a secondary source for the situationally specific motivation explored in this study. This approach was designed to address the issues of self-reporting data and common method bias. After that, qualitative interviews were conducted to enhance the survey results, which did not provide in-depth data in relation to entrepreneurship and OCB in the organisations.

The majority of owners were married (61.5%). Overall, the sample of owners was fairly even in terms of gender, with males making up 57 percent of the sample. In terms of the owners’ highest educational qualifications, respondents had an undergraduate degree (48.9%), a diploma or certificate of education, for example in cookery, or a manager’s licence (29.5%), a high school qualification (13.6%), or a postgraduate qualification (6.8%). The majority of participant firms ranged in size from one to five employees (34%) with an overall mean of 12.7 employees (SD = 12.7). A full list of organisational characteristics is shown in Table 1.

<table>
<thead>
<tr>
<th>Firm characteristic</th>
<th>1-5 employees, excluding self-employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm size</td>
<td>7 years</td>
</tr>
<tr>
<td>Firm age</td>
<td>57% male</td>
</tr>
<tr>
<td>Gender composition of owners</td>
<td>34% male</td>
</tr>
<tr>
<td>Gender composition of employees</td>
<td>Married</td>
</tr>
<tr>
<td>Average owner-manager marital status</td>
<td>30-39 years</td>
</tr>
<tr>
<td>Age group of owner-managers</td>
<td>18-29 years</td>
</tr>
<tr>
<td>Age group of employees</td>
<td>Undergraduate degree</td>
</tr>
<tr>
<td>Average education of owner-managers</td>
<td>High school</td>
</tr>
<tr>
<td>Average education of employees</td>
<td>5 persons</td>
</tr>
<tr>
<td>Average staff turnover per year</td>
<td></td>
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</tbody>
</table>
3.2 Measures

Organisational citizenship behaviour (OCB) was calculated by combining the owner rating with the employee rating for each dimension, and dividing by two. OCB was measured using the 5-item scale from Koys (2001). This scale measures the degree to which OCB were perceived to be present within the organisation by owner-managers and employees of restaurants and cafés, rated from 1 to 5 (where 1 = strongly disagree and 5 = strongly agree). Each question was related to one of the five dimensions: conscientiousness, altruism, civic virtue, sportsmanship and courtesy. A sample statement is “I work to exceed each customer’s expectations”. This measure has an adequate Cronbach’s alpha of .84.

Communicated vision was measured using 2 items from Baum and Locke (2004), rated from 1 = strongly disagree to 5 = strongly agree. A sample statement is “I communicated with my employees about my firm’s vision in the last 6 months”. Entrepreneurs have visions of the firms they want to create that include images of growing businesses, recognition, and personal prosperity (Bird, 1989). This measure has an adequate Cronbach’s alpha of .66.

Goals was measured using 2 items from Baum and Locke (2004), rated from 1 = strongly disagree to 5 = strongly agree. Baum and Locke suggested that entrepreneurs’ near-term goals should be based at least to some extent on their vision. A sample statement is “Goals are a fundamental part of being in business”. This measure has an adequate Cronbach’s alpha of .50.

Self-efficacy was measured using 2 items from Baum and Locke (2004), rated from 1 = strongly disagree to 5 = strongly agree. A sample statement is “You are confident that your firm will grow in terms of employee numbers.” Self-efficacy refers to an individual’s opinion of his/her ability to attain a goal, particularly task self-confidence (Bandura, 1997). This measure has an adequate Cronbach’s alpha of .72.

4. Results And Discussion

4.1 Quantitative results

Descriptive statistics for all variables are shown in Table 2. Organisational citizenship behaviour (OCB) was significantly correlated with self-efficacy (r = 0.26, p < 0.05), and goals (r = 0.23, p < 0.01). The three dimensions of entrepreneur situationally specific motivation are highly correlated with each
other (all $0.23 < r < 0.58$, all $p < 0.01$) although not to such an extent that they may have been overlapping terms (e.g. $r > 0.75$, Morrow, 1983).

Results of the multiple regression are shown in Table 3. Entrepreneurs’ situationally specific motivation variables collectively accounted for 31 percent of the variance in organisational OCB at the 0.01 percent significance level. The fact that the F statistic is highly significant at 0.01 percent suggests that overall at least one variable has statistical significance. The OCB values for communicated vision ($p<.05$) and self-efficacy ($p<.05$) are statistically significant.

<table>
<thead>
<tr>
<th>Table 6. Correlations and descriptive statistics of study variables</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Marital status</td>
<td>1.38</td>
<td>.49</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2. Gender</td>
<td>1.43</td>
<td>.50</td>
<td>.03</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3. Owner education</td>
<td>3.44</td>
<td>.84</td>
<td>-.03</td>
<td>-.28</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4. Firm size</td>
<td>12.70</td>
<td>12.66</td>
<td>-.01</td>
<td>-.07</td>
<td>.01</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5. Communicated vision</td>
<td>3.45</td>
<td>.91</td>
<td>.03</td>
<td>-.02</td>
<td>.16</td>
<td>.01</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6. Goals</td>
<td>3.93</td>
<td>.71</td>
<td>-.03</td>
<td>-.03</td>
<td>.06</td>
<td>-.07</td>
<td>.58</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>7. Self-efficacy</td>
<td>3.87</td>
<td>.77</td>
<td>.00</td>
<td>.13</td>
<td>-.01</td>
<td>.14</td>
<td>.36</td>
<td>.54</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>8. OCB</td>
<td>4.12</td>
<td>.52</td>
<td>-.19</td>
<td>.09</td>
<td>.16</td>
<td>-.19</td>
<td>-.01</td>
<td>.23</td>
<td>.26</td>
<td>-</td>
</tr>
</tbody>
</table>

*p<.05, **p<.01, ***p<.001.

*n =107

<table>
<thead>
<tr>
<th>Table 7. Multiple Regression Analysis towards OCB</th>
<th>OCB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Explanatory Variable</td>
<td></td>
</tr>
<tr>
<td>Marital status</td>
<td>-.18</td>
</tr>
<tr>
<td>Gender</td>
<td>.17</td>
</tr>
<tr>
<td>Owner education</td>
<td>.27*</td>
</tr>
<tr>
<td>Firm size</td>
<td>-.28*</td>
</tr>
<tr>
<td>Communicated vision</td>
<td>-.25*</td>
</tr>
<tr>
<td>Goals</td>
<td>.24</td>
</tr>
<tr>
<td>Self-efficacy</td>
<td>.29*</td>
</tr>
<tr>
<td>$R^2$</td>
<td>.31</td>
</tr>
<tr>
<td>F statistic</td>
<td>4.70***</td>
</tr>
</tbody>
</table>

*p<.05, **p<.01, ***p<.001.
4.2 Qualitative results

Semi-structured interviews were conducted to overcome the lack of depth, which is typical in quantitative studies and is a limitation of that type of research approach. In summary, the demographic information relating to each of the participating interviewees is as follows. There were a total of nine interviewees, who were owner-managers. Their organisations ranged in size from micro, with two full-time staff, to small with 45 full-time employees.

Organisational citizenship behaviours (OCB) refers to the shared employee perception of in-role behaviours, such as being rewarded, being supported, team responsibility, treating each other with respect, and fulfilling performance expectations. For example, one owner stated that “[e]verybody has their own duties. Yes, they are doing their duties very well. It’s good.” Another owner affirmed that “[t]here is a friendly helpful cooperative sort of spirit that exists.” This concept of teamwork was reflected by the interviewees in statements such as “[i]n our restaurant everybody helps each other;” “…the kind of people that would cooperate with each other;” “We have a very strong sense of team;” and “…everybody goes home at the same time.” Meanwhile, respect for all staff members was pinpointed by one interviewee, who said that “…we also value independence and a sense of individuality.”

What stood out most was the familial relationship described by all respondents. Staff are regarded as part of the family. One interviewee stated that “…we have developed a very strong bond…they feel more like part of our family.” Another interviewee said that “the business has to keep them looked after… Look after them, treat them like a family.” This combination of food, environment, and friendly staff interaction together with staff work ethics which come from the familial sentiment, and respect for individual independence was summed up in one particular statement:

“…personalised family-oriented values because every day either one of the owners or family members would be present physically, running and managing the operations of businesses. Throughout the years, staff have seen the commitment that the owners have made as they are prepared to do any type of work at any level if there is a
certain shortage, e.g. kitchen hand, cleaner. The sense of family and belonging has developed over time. A friendly, helpful, cooperative sort of spirit exists in the organisation.”

Another respondent explained that:

“...all staff come from the same national and cultural background, so they can understand each other very well. They are hardworking and willing to help each other. We have adapted the food to suit local tastes and manage the business like a family, friends and brothers and sisters, so staff can talk to each other”.

Overall, the strong familial ties help bind employees to the organisation. Consequently, employees are more likely to go the extra mile and exhibit behaviours that ultimately support the organisation.

4.3 Discussion

The present study explored the influence of entrepreneurial situationally specific motivation variables on OCB, which refers to varieties of employee behaviours that enhance and maintain the environment, which supports their performance in organisational roles. The study responds to calls to extend performance outcomes by testing non-financial factors (Dess, Lumpkin, & McKee, 1999; Haar & White, 2013). By looking at OCB, we increase our understanding of entrepreneurial cultures and highlight other potential benefits for small businesses who move further along the entrepreneurial continuum.

The present research has also made an empirical contribution to the literature by improving the comprehension of OCB predictors, which is the combination of entrepreneurial situationally specific motivation factors—especially communicated vision and self-efficacy. A number of previous studies (e.g. Moorman, 1991; Zellars, Tepper, & Duffy, 2002) have suggested that procedural justice is related to OCB. Additionally, the meta-analysis by LePine, Erez, and Johnson (2002) suggests that job satisfaction, organisational commitment, fairness, trait consciousness, and leader support are predictors for OCB. Thus the owner-managers (who have confidence in their abilities in relation to specific tasks, and have communicated their vision) are likely to think of themselves as creators and providers of fairness in the workplace,
which in turn might encourage staff to adopt the required behaviours.

4.4 Limitations

It is important to recognise the limitations of any research, as limitations could potentially affect the quality of findings and the ability to effectively answer research questions. With all firm-level studies, there are some limitations that future studies may seek to address, predominantly the cross-sectional design and measurement error from the self-reported nature of the data, as well as sampling error.

Since sampling is typically performed to determine the characteristics of a whole population, the difference between the sample and population values is considered a sampling error (Särndal, Swensson, & Wretman, 1992). As only the Auckland and Waikato areas were sampled, the participants were not representative of the whole of New Zealand. However, the researcher performed a t-test and found no difference between the samples of cafés and restaurants from Auckland and Waikato. Moreover, since this study focused exclusively on the café and restaurant industry, it could not be generalised to other types of business in the food industry, such as international fast food chains, local chains, ethnic fast food outlets or hawker stalls.

According to Podsakoff, MacKenzie, Jeong-Yeon and Podsakoff (2003), method biases are an issue because they are one of the core sources of measurement error. Measurement error adversely affects the validity of conclusions about the relationships between measures and is commonly recognised to have both a random and a systematic component. This study used multiple respondents in an attempt to reduce the issue of data bias from a single source, as well as reducing the potential for common method variance.

Finally, the reliance on self-report is a potential issue because the survey respondents could have a tendency to answer questions in a manner that would be viewed favourably by others. In other words, there is a possibility that respondents may have provided responses based on what they feel they should say rather than giving their actual opinions, even though this survey clearly indicated its purpose and care was taken to ensure that responses remained confidential to the researchers.
4.5 Implications for future research

Related longitudinal studies could be undertaken in the future. One way this might be explored is by collecting the entrepreneurial situationally specific motivation variables of new enterprises and then, over time, testing how any changes in these scores affect firm performance. Future research could also be carried out in a wider context, as this study is limited to small-and medium sized cafés and restaurants in New Zealand. This would allow for the testing of differences in businesses such as retailers, or companies engaged in hi-tech industries. Alternatively, comparative studies could examine businesses operating in different countries.

5. Conclusion

The present study supports and extends Baum and Locke’s (2004) approach by examining the relationship between situationally specific motivational factors and firm performance, i.e. organisational citizenship behaviours, in order to develop an understanding of entrepreneurs and the practices of small and medium-sized cafés and restaurants in New Zealand. The findings show that entrepreneurial situationally specific motivation variables have a direct effect on OCB in small and medium-sized New Zealand firms in the café and restaurant segment. Also, the entrepreneurs in the interviews exhibited self-efficacy, communicated vision, and goals, as demonstrated through their shared perception of behaviours within the organisations. The owner-managers adopted a familial and friendly approach to tie employees to the organisations. Consequently, employees were more likely to go the extra mile and adopt behaviours that ultimately support the organisations and deliver the firm performance. This could be adopted by owner-managers of similar businesses as a good example of small- and medium-sized enterprises’ performance.

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