



Perceived progress variability and entrepreneurial effort intensity: The moderating role of venture goal commitment



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ABSTRACT

Drawing on entrepreneurial motivation and goal striving literatures, we examined the dynamic relationship between momentary perceived progress, or an ongoing sense of how one is doing in the pursuit of one's venture goal, and entrepreneurial effort intensity among early-stage entrepreneurs who are based in business incubators. We also examined how perceived progress variability over time predicted entrepreneurial effort intensity, and whether venture goal commitment moderated this link. Experience-sampling data collected from over one hundred early-stage entrepreneurs indicated that perceived progress predicted greater effort intensity. Moreover, perceived progress variability over time negatively predicted entrepreneurial effort intensity, and venture goal commitment attenuated this negative relationship. Theoretical and practical implications of our study to entrepreneurial motivation and goal striving research are discussed.

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1. Executive summary

Entrepreneurs need to exert considerable effort to increase the success chances of their startup ventures. Surprisingly, we know very little about how entrepreneurs sustain their effort while implementing business opportunities. In this paper, we use a process approach to study the predictors of sustaining effort among early-stage entrepreneurs, particularly how perceptions of venture goal progress relate to entrepreneurial effort intensity, and how perceived progress variability over time, predicts entrepreneurial effort intensity. We focus on perceived progress because it has been argued that experiencing progress on a particular goal fuels people's subsequent effort.

Our study advances the entrepreneurial motivation research by examining what sustains entrepreneurial effort on the day-to-day as well as the week-to-week venture goal striving process. We build on and extend knowledge of the entrepreneurial motivation process by investigating how the entrepreneur's momentary progress perceptions impact effort intensity. We also offer insights into what sustains entrepreneurial effort by highlighting the role of experiencing consistent, steady progress in motivating the entrepreneur to continue working on the business venture. This variability has seldom, if at all, been studied. Moreover, we proposed and found that venture goal commitment moderated the progress variability and effort relationship.

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reasoned that entrepreneurs who are highly committed to their venture goals tend to be less discouraged by the irregularities in progress they experience while working on their startup ventures. From a practical standpoint, our study findings can be useful not only for aspiring and incumbent entrepreneurs, but also for entrepreneurship educators and directors of business incubators. Entrepreneurs can increase perceptions of progress by establishing multiple milestones along their lengthy entrepreneurial goal pursuit, and reducing ambitious goals into bite-sized progress markers. Entrepreneurs can also develop and implement interim milestones as a tangible step towards making a long-term pursuit look and feel more manageable. Periodic evaluation of progress by obtaining a better understanding of where one stands in goal attainment and what needs to be done would also be helpful. Our findings also have implications for training and supporting prospective entrepreneurs, particularly in strengthening their venture goal commitment. Goal commitment is vital in situations involving difficult goals, such as business venture goals. To enhance venture goal commitment, one could explicitly write down and clarify the steps in one's goal pursuit, and obtain social support and encouragement from trusted mentors and like-minded entrepreneurs in the community.

2. Introduction

Early-stage entrepreneurs tread a lengthy path towards attaining their venture goals, as venture implementation is a long and complex process involving several activities (Carter et al., 1996; Gartner, 1985; Reynolds and White, 1997). In the early phase of new venture implementation where uncertainties abound and mortality rate is high (Shepherd et al., 2000), entrepreneurs need to exert considerable amount of effort to give their startup ventures a fighting chance to succeed (Carter et al., 1996; Foo et al., 2006; Gatewood et al., 1995). Early-stage business ventures have a gestation period, or the time between starting a business and when the business starts to attain positive cash flows and substantial revenues (Delmar and Shane, 2003). This gestation period roughly takes three years or sometimes even more, largely because of the initial startup costs and the steep learning curve in the implementation process (Carter et al., 1996; Reynolds and Miller, 1992). Carter et al. (1996) found that “individuals who started firms and put themselves into the day-to-day process of running an ongoing business...resulted in starting firms that generated sales and positive cash flow” (pp. 151–152), and concluded that nascent entrepreneurs must devote the time and effort to the day-to-day business venture activities.

What makes entrepreneurs persevere or what keeps them engaged in their startup ventures is a critical yet surprisingly understudied phenomenon (Hoang and Gimeno, 2010). We know very little about how entrepreneurs sustain their effort while implementing business opportunities (Shook et al., 2003). Even in the broader literature of work motivation, scholars observed that “the motivational psychology behind long-term pursuits is markedly understudied” (Bateman and Barry, 2012, p. 985), and have called for more studies to unravel this black box of regulating one's effort in the process of striving for long-term goals. Duckworth et al. (2007) asserted that individual differences in grit, or perseverance and passion for long-term goals, predicted long-term successful outcomes and achievements. Such disposition is manifested in the intensity of effort a person puts into a specific long-term undertaking. Thus, understanding the process of sustaining entrepreneurial effort is important because it can lead to the development of models that shed light on the critical phenomenon of what happens after long-term venture goals have been set and before they are eventually achieved (Bateman and Barry, 2012).

In this paper, we use a process approach to study the predictors of sustaining effort among early-stage entrepreneurs, particularly how perceptions of venture goal progress relate to entrepreneurial effort intensity, and how perceived progress variability over time, predicts entrepreneurial effort intensity. We focus on perceived progress because experiencing progress on a particular goal is a strong predictor of people's motivation to remain engaged in the goal (Locke and Latham, 1990; Mitchell and Daniels, 2003). Moreover, to understand whether people persist in long-term endeavors, “the quality of subjective experience while engaged in the task over time” (Bateman and Barry, 2012, p. 999) must be considered. In the new venture implementation, rewards are few and far between and entrepreneurs lack direct supervisors to provide guidance or give periodic feedback. In such a highly autonomous environment, we reason that entrepreneurs rely on perceptions of progress to regulate venture effort.

Our study contributes in three ways. First, we advance the entrepreneurial motivation research by examining what sustains entrepreneurial effort on the day-to-day as well as the week-to-week venture goal striving process. Past studies on entrepreneurial motivation have looked at static reasons such as autonomy, rewards, family security (Kuratko et al., 1997), gender differences in entrepreneurial career motivation (DeMartino and Barbato, 2003), and a person's utility function reflected in anticipated income, risk attitudes, desire for independence, and the like (Douglas and Shepherd, 2000). While these static motivational constructs are important, there is a glaring lack of studies addressing the dynamic motivational factors of what happens during venture goal pursuit (Bird, 1988; Shane et al., 2003; Shook et al., 2003).

The only exception we found was that of Foo et al. (2009). While they also examined what motivates entrepreneurs, our paper extends their work in three ways. First, instead of affect, we investigated the motivating impact of goal striving, specifically goal progress, variability of such progress over time, and commitment. Second, our operationalization of effort differed from Foo et al. (2009). They examined future and present related effort, while we measured effort intensity on creative tasks and administrative tasks. Scholars have reasoned that these creative and administrative tasks are crucial for entrepreneurial success (e.g., Morris et al., 2009; Reynolds and White, 1997). Third, although we used a similar cellular phone based ESM protocol, one of the main contributions of our study is the impact of perceived progress variability on entrepreneurial motivation. Such variability constructs are best generated using repeated measure designs. In contrast, Foo et al. (2009) ignored such variability constructs. Taken together although Foo et al. (2009) and this paper focused on different mechanisms—*affect vs. goal striving*—these studies are complementary as they lead to a better understanding of what motivates entrepreneurs.

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