Relationships between Entrepreneurial Orientation and Firm Performance: The Role of Family Involvement amongst Small Firms in Vietnam

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Hoang Nam Vu 2017
Abstract

This thesis broadly investigates entrepreneurship and its intersections with other related research fields, principally family business and organisational behaviour, using multiple studies with different respondent groups in the context of Vietnam. The thesis follows a PhD by publication approach by presenting four studies that examine different sets of relationships among the research variables and presents each of these as a separate paper.

Studies 1 and 2 use resource-based theory to test the influence of entrepreneurial orientation and family involvement (i.e., involvement of the owner-manager’s family in the firm in terms of the family’s power, experience, and culture) on firm-level performance. Using a firm-level dataset of 170 Vietnamese small firms, the research confirms the direct effect of entrepreneurial orientation and the moderating effect of family culture, based on results from two hierarchical moderated regression models for firm outcomes (Study 1) and the owner-manager’s goal attainment (Study 2).

Study 3 employs social contagion theory and crossover theory to test the crossover from the owner-manager to his/her employees under the involvement of the owner-manager’s family. Results from a multilevel analysis using a dataset of 67 small firm owner-managers and 343 employees confirm that the owner-manager’s entrepreneurial risk-taking has a detrimental effect on both employee job satisfaction and organisational commitment. Study 3 also found the power dimension of family involvement reduces the negative effect of the entrepreneurial risk-taking as the family pursues socio-economic wealth preservation.
Finally, Study 4 explores the notion of becoming an entrepreneur and tests whether the employee’s turnover intentions, under the proximal withdrawal states approach, contribute to development of their entrepreneurial intentions. Results from a structural equation modelling analysis use a dataset of 147 employees to confirm that turnover intentions are positively related to entrepreneurial intentions, but this effect is fully mediated by personal attitudes towards being an entrepreneur.

Overall, this thesis contributes to the literature of entrepreneurship and its intersections with family business and organisational behaviour. Based on the research findings, the thesis suggests further research and discusses implications for researchers, policy makers, and business practitioners.
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<thead>
<tr>
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<th>Description</th>
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<tbody>
<tr>
<td>CFA</td>
<td>Confirmatory factor analysis</td>
</tr>
<tr>
<td>CFI</td>
<td>Comparative fit index</td>
</tr>
<tr>
<td>CMV</td>
<td>Common method variance</td>
</tr>
<tr>
<td>EI</td>
<td>Entrepreneurial intentions</td>
</tr>
<tr>
<td>EO</td>
<td>Entrepreneurial orientation</td>
</tr>
<tr>
<td>ERT</td>
<td>Entrepreneurial risk-taking</td>
</tr>
<tr>
<td>F-PEC</td>
<td>Family power, experience, and culture</td>
</tr>
<tr>
<td>FB</td>
<td>Family benefits</td>
</tr>
<tr>
<td>FPS</td>
<td>Financial performance satisfaction</td>
</tr>
<tr>
<td>JS</td>
<td>Job satisfaction</td>
</tr>
<tr>
<td>NFPS</td>
<td>Non-financial performance satisfaction</td>
</tr>
<tr>
<td>OB</td>
<td>Organisational behaviour</td>
</tr>
<tr>
<td>OC</td>
<td>Organisational commitment</td>
</tr>
<tr>
<td>PA</td>
<td>Personal attitudes</td>
</tr>
<tr>
<td>PAch</td>
<td>Personal achievement</td>
</tr>
<tr>
<td>PBC</td>
<td>Perceived behavioural control</td>
</tr>
<tr>
<td>PWS</td>
<td>Proximal withdrawal states</td>
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<tr>
<td>RBT</td>
<td>Resource-based theory</td>
</tr>
<tr>
<td>RMSEA</td>
<td>Root-mean-square error of approximation</td>
</tr>
<tr>
<td>SEM</td>
<td>Structural equation modelling</td>
</tr>
<tr>
<td>SEW</td>
<td>Socio-emotional wealth</td>
</tr>
<tr>
<td>SN</td>
<td>Social norms</td>
</tr>
<tr>
<td>SRMR</td>
<td>Standardised root mean residual</td>
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<tr>
<td>TI</td>
<td>Turnover intentions</td>
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