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**Consequences of Reward-Oriented Motivation
and Security-Oriented Motivation for Business
growth Motivation Among Small-Business
Owners**

Bramesada Prasastyoga

**Consequences of Reward-Oriented Motivation
and Security-Oriented Motivation for Business
growth Motivation Among Small-Business**

Owners

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Chapter 1

General Introduction

Small businesses play a prominent role in the economy by generating a large number of employment opportunities in many countries (OECD, 2019). To illustrate, small businesses provide about 40-60 % of jobs on average in both developed (e.g., Ireland, the Netherlands, & Spain) and developing countries (e.g., Mexico & Turkey; OECD, 2019). Small businesses are also major contributors to innovations and value creation by creating new products that meet diverse customer needs and providing services in locations that are not attractive to large businesses (OECD, 2017). Together with medium-sized businesses, small businesses significantly contribute to economic growth and poverty alleviation in many communities (Beck, Demircuc-Kunt, & Levine, 2005).

Given that small businesses provide considerable economic and social benefits for society, it makes sense that their growth will magnify these societal benefits. Business growth also provides benefits for small businesses and the owners. For instance, Lee, Kelly, Lee, and Lee (2012) revealed that small-business owners who grow their businesses through internationalization have better business survival prospects. Rauch and Rijdsdijk (2013) demonstrated that long-term business growth reduces small businesses' chances of failure. Moreover, many small-business owners expect that business growth will lead to an increase in their private incomes (e.g., Wiklund, Davidsson, & Delmar, 2003). Given the various societal and personal benefits of small business growth, there have been many programs around the globe specifically aimed at stimulating small business growth. For example, The United Kingdom government unveiled a new £8 million fund to increase the productivity and performance of small businesses in England (The Government of The United Kingdom, 2018). The Indonesian government has a program called People-Based Small Business Loan (Kredit Usaha Rakyat), which is aimed at providing funding for small businesses growth ("Maksud dan tujuan", n.d.). In Ghana, many microfinance programs (i.e. financial products that are targeted at individuals and small businesses that lack access to conventional banking services) were created in order to provide small-business owners with financial assistance crucial for the growth of their businesses (Gyimah & Boachie, 2018). These examples highlight one important thing, which is that special attention has been paid to efforts to assist small-business owners in their pursuit of business growth.

Reward-oriented motivation and security-oriented motivation

Despite the fact that business growth may benefit small-business owners and their businesses, there are many small-business owners who are reluctant to pursue business growth

(Davidsson, 1989b; Gundry & Welsch, 2001; Wiklund et al., 2003). This appears to run contrary to conventional economic theory stating that business owners aim to maximize their profits, and thus are willing to do whatever it takes to expand their businesses (Berner, Gómez, & Knorringa, 2012).

Previous studies seem to suggest that there are two groups of small-business owners, each characterized by different foci with respect to the running of their businesses (e.g., Berner et al., 2012; Mersha, Sriram, & Hailu, 2010; Reynold, Bygrave, Autio, Cox, & Hay, 2002). The first group – let's call them reward-oriented small-business owners – consists of small-business owners who mainly focus their entrepreneurship on exploiting opportunities to gain rewards (e.g., maximizing their profits). These small-business owners tend to be growth-oriented and have the willingness to take risks for the sake of gaining rewards (Berner et al., 2012). The second group – security-oriented small-business owners – consists of small-business owners who appear to focus less on maximizing rewards. Instead, they mainly focus their entrepreneurship on fulfilling their current need for basic security (e.g., having a daily and steady source of income for their households). As a result, they tend to be less interested in business growth and prefer to minimize any risk that may jeopardize their households' security and survival (Berner et al., 2012).

Between twenty to forty percent of business owners around the world engage in entrepreneurship due to the absence of other options for work (Bosma & Kelley, 2019; Reynold et al., 2002), indicating a relatively high prevalence of business owners who engage in entrepreneurship mainly for the fulfilment of security or survival needs. Previous studies suggest that security-oriented business owners expect to grow their businesses less than reward-oriented business owners (e.g., Poschke, 2003; Reynold et al., 2002). Indeed, small-business owners whose entrepreneurship is mainly driven by the motivation to exploit opportunities for gains are more likely to be growth-oriented than small-business owners whose entrepreneurship is mainly driven by the motivation to fulfill their basic necessities (Berner et al., 2012; Terjesen & Szerb, 2008; Verheul & van Mil, 2011).

The aim of this dissertation

In light of the previous, I argue in this dissertation that a strong tendency to focus on gains or rewards (i.e., reward-oriented motivation) is more predictive of the motivation to pursue business growth than a strong tendency to focus on security or stability (i.e., security-oriented motivation). Thus, it is possible that small-business owners who possess a strong inclination to

focus on gaining and exploiting opportunities to achieve rewards are more likely to be motivated to pursue business growth than those who possess a strong inclination to focus on ensuring security. However, to the best of my knowledge, research that focuses on unveiling the psychological mechanisms that can explain *why* and *how* reward-oriented small-business owners are more likely to be motivated to pursue business growth than security-oriented small-business owners is relatively scarce. I believe that the information that we can obtain from such research is beneficial for many stakeholders. For policy makers and practitioners, such research can provide novel information that can be useful when designing programs aimed at assisting small-business owners who desire to grow their businesses. For small-business owners themselves, such research can provide them with novel and valuable perspectives that they can take into account when formulating and evaluating their decisions regarding whether they should or should not pursue business growth. Moreover, many studies on the relationship between motivation related to the engagement in entrepreneurship and the desire to grow a business mainly focus on examining the nature of the relationship (e.g., Verheul & van Mil, 2011), without exploring the mechanisms underlying the relationship further. Thus, the results of research that focuses on *unpacking* the psychological mechanisms underlying the relationship between the two variables can expand our current body of knowledge of the relationship between motivation of engagement in entrepreneurship and business growth motivation. The results of such research can also enrich our still limited- knowledge regarding the precursors of the variety of levels of motivation to pursue business growth among small-business owners (Wiklund et al., 2003).

This dissertation thus aims to provide insights into the consequences of reward and security-oriented motivation in entrepreneurship for business growth motivation of small-business owners, and the mechanisms by which these two distinct types of motivations affect business growth motivation. Across three empirical chapters, I examined the consequences of both intrapersonal (i.e., chronic promotion and prevention focus) and situational (i.e., opportunity- and necessity-driven entrepreneurship) variables on growth motivation (i.e., beliefs about growth, growth intention, and current engagement/intention to engage in efforts to pursue business growth). Furthermore, I examined the role of beliefs and views regarding entrepreneurship (i.e., beliefs about one's competence to grow a business, positive views of one's business, and awareness of others' positive views of one's business) in the relationships between entrepreneurship motivation and growth motivation.

First, I will briefly review regulatory focus theory and the associated concepts of promotion focus and prevention focus, as intrapersonal variables reflecting entrepreneurship motivation. Next, I review the concepts of opportunity-driven and necessity-driven entrepreneurship as situational variables affecting entrepreneurship motivation. I will then elaborate further on the concept of business growth, the upside and the downside of business growth, and on business growth motivation. Finally, I will provide an overview of the empirical chapters of this dissertation.

Regulatory focus theory

Regulatory focus theory posits that individuals have two distinct self-regulatory foci that guide their actions and thoughts, namely promotion focus and prevention focus (Higgins, 1998). Promotion focus is associated with promotion goals, such as growth, advancement, and aspirations. Promotion focus induces individuals to gear their behaviors toward the accomplishment of growth and advancement by adopting a promotion strategic inclination (i.e., eagerness) in which the focus is on ensuring the presence of gains and ensuring against the omissions of potential gains. Prevention focus, on the other hand, is associated with prevention goals, such as security and responsibilities. Prevention focus induces individuals to gear their behaviors toward the maintenance of security through the adoption of a prevention strategic inclination (i.e., vigilance) in which the focus is on ensuring the absence of losses/dangers and ensuring against the commissions of errors that undermine their sense of security (Higgins, 1997).

The two distinct strategic inclinations are investigated in a study by Crowe and Higgins (1997). In their study, participants were asked to perform a recognition memory task where they were presented 40 nonsense words consisting of 20 words that had been shown to them in the previous trial and 20 new words. Participants were then asked to indicate whether they had or had not seen these words before. The results showed that those in promotion focus tended to exhibit a bias toward saying “yes”, whereas those in prevention focus tended to exhibit a bias toward saying “no”. This indicates that participants in promotion focus tended to focus on obtaining as many points (hits) as possible by saying “yes” as often as possible, despite the fact that their responses were probably incorrect (i.e., risky bias). Conversely, participants in prevention focus tended to focus on minimizing response errors by saying “no” as often as possible, despite the fact that they might lose opportunities to gain points (i.e., conservative bias). Indeed, Hamstra, Bolderdijk, and Veldstra (2011) showed that promotion focus is positively associated with a propensity to take

risks, whereas prevention focus is negatively associated with risk taking. Instead, prevention focus is positively associated with a tendency to prioritize safety. Moreover, Liberman, Idson, Camacho, and Higgins (1999) suggested that promotion focus entails a preference for change and innovativeness, whereas prevention focus entails a preference for stability. Boldero and Higgins (2011) discovered that being chronically promotion-focused prompted individuals to focus on the possible benefits of an economic reform, which in turn led to a decision to vote for the reform. Being chronically prevention-focused, on the other hand, caused individuals to be vigilant in evaluating the economic reform. This prompted a decision to maintain status quo instead of voting for the economic reform.

In the context of entrepreneurship, promotion focus is necessary in the process of generating new ideas with new opportunities to grow and be successful, whereas prevention focus is necessary in the process of “due diligence” (Brockner, Higgins, & Low, 2004). These studies generally suggest that promotion focus yields a strong focus on new opportunities for accomplishment of gains, while prevention focus yields a strong focus on avoidance of potential dangers and uncertainty for maintenance of security and stability. In this dissertation, research that specifically focused on examining the consequences of the two chronic regulatory foci on business growth motivation of small-business owners and the mechanism by which the two foci relate to such motivation is presented in Chapter 2.

Opportunity-driven and necessity-driven entrepreneurship

Reward-oriented and security-oriented motivation are also reflected in two motives of entrepreneurship, namely opportunity-driven and necessity-driven entrepreneurship. Based on The Global Entrepreneurship Monitor (GEM), opportunity-driven business owners are defined as individuals who engage in entrepreneurship because they would like to exploit or pursue perceived entrepreneurial opportunities that are available in the market. Their engagement in entrepreneurship is mostly driven by their motivation to seek potential gains out of entrepreneurial opportunities (e.g., opportunities of increasing their personal wealth, opportunities of being independent) as opposed to the absence of other options for work. Thus, opportunity-driven business owners engage in entrepreneurship mostly by their own choice. Necessity-driven business owners, on the other hand, are defined as individuals who engage in entrepreneurship because this is their only viable option for work. Their engagement in entrepreneurship is simply driven by their motivation to avoid unemployment as opposed to taking advantage of entrepreneurial

opportunities or maximizing gains (Reynolds, Camp, Bygrave, Autio, & Hay, 2001; Fairlie & Fossen, 2017). In other words, necessity-driven business owners engage in entrepreneurship because they have to do so for the sake of their survival, given the fact that entrepreneurship is the only viable source of daily income that can prevent them from falling into dangers, such as starvation. It is then safe to contend that their businesses are merely their tool to protect their sense of security as well as to ensure their survival.

Past studies suggested that opportunity-driven business owners are different from necessity-driven business owners in terms of their personal characteristics. For example, van der Zwan, Thurik, Verheul, and Hessels (2016) revealed that opportunity-driven business owners are significantly more proactive and optimistic about their future than necessity-driven business owners. Block, Sandner, and Spiegel (2015) demonstrated that opportunity-driven business owners are more willing to take risks than necessity-driven business owners. Furthermore, necessity-driven business owners were also found to be less satisfied with their entrepreneurship than opportunity-driven business owners (Kautonen & Palmross, 2010).

In terms of business-related characteristics, Fairlie and Fossen (2017) found that opportunity-driven business owners are more likely to hire workers than necessity-driven business owners. They also found that opportunity-driven business owners earn substantially more per month than necessity-driven business owners do. Opportunity-driven entrepreneurship was found to be an important driver of growth ambition relative to necessity-driven motive entrepreneurship (Verheul & van mill, 2011). Moreover, Berner et al. (2012) stated that necessity-driven business owners tend to focus on ensuring the security and stability of their businesses (e.g., avoiding taking risks that may jeopardize the well-being of their businesses) rather than enlarging their existing businesses. Necessity-driven business owners are also less likely to pursue product innovation than opportunity-driven business owners (Darnihamedani & Hessels, 2016). All in all, these characteristic differences may support the notion that opportunity-driven business owners are more likely to thrive in terms of their entrepreneurial performance (Amit & Muller, 1995; Vivarelli, 2004), as well as to be more growth-oriented than necessity-driven business owners (Berner et al., 2012; Fairlie & Fossen, 2017). In this dissertation, research that specifically focused on examining the consequences of the two motives of entrepreneurship on business growth motivation of small-business owners and the mechanism by which the two motives relate to such motivation is presented in Chapter 3 and 4.

Business growth

Generally, literature about business growth conceptualizes business growth as either *change in amount* or *a process of development*. Studies that focus on investigating growth as change in amount usually involve the quantitative assessment of increase in outputs in different aspects, such as export, sales, and employment. For instance, Delmar, Davidsson, and Gartner (2003) measured an increase in sales and employment in their research on heterogeneity in ways firms achieved high growth in Sweden. Delmar and Wilklund (2008) measured an increase in sales and employment in their study on the effect of growth motivation on actual growth. Freel (2000) examined the effect of innovativeness on growth by measuring growth in terms of increase in sales, number of employees, and profit.

Studies that focus on investigating growth as a process of development usually employ an assessment of life cycle or stage models of growth (Davidsson, Achtenhagen, & Naldi, 2010). Investigations into growth as a process of development mostly include the assessment of indicators of growth at different points in time. This allows researchers to closely examine the gradual evolution of a firm, particularly the stages of growth that firms would move through in their growth process. For instance, Scott and Bruce (1987) stated that there are five stages of growth in small firms. In each stage, there are distinct features and unique key issues that small-business owners need to deal with in order for them to move on to the next stage. However, Davidsson, et al. (2010) argued that studies that focused on analyzing stages of growth as part of a growth process are problematic as these studies are mostly based on deterministic assumptions that all organizations will experience and pass through all stages of growth in similar manner, whereas in reality there are businesses that may have novel and unique organizing principles in the same stage. They also argued, given the fact that examining every step of the growth process directly may require a lot of resources, that many growth process studies use a method of reconstructing business growth processes retrospectively. This method is not free from biases of the informants. These suggest that assessing business growth as a process can be highly prone to biases and complex in nature, which perhaps explains why many studies on business growth conceptualize business growth as change in amount.

When assessing growth as change in amount, there are several growth indicators that have been used by researchers, such as sales and employment. Delmar (1997) reviewed 55 papers, published between 1989 and 1996, that reported studies with growth as dependent variable. They

concluded that most of the studies that they reviewed used change in sales and employment as indicators of growth. Achtenhagen, Naldi, and Melin (2010) reviewed 55 papers, published between 1997 and 2008, that included the word 'growth' in their titles. They reached the same conclusion, which was that most of the studies that they had reviewed assessed growth by measuring change in sales and employment. The two reviews clearly suggest that sales and employment are the most popular indicators used to assess business growth. Indeed, as pointed out by Wilkund and Delmar (2008), sales and employment are important indicators which provide different and complementary information, particularly given that other indicators of business growth (e.g., assets, profits, market share) possess several weaknesses that render them less reliable indicators (e.g., their applicability is limited to very specific contexts; Delmar et al., 2003).

Despite their popularity, using sales and employment solely as indicators of business growth is not without criticism. Achtenhagen, et al. (2010) interviewed 30 entrepreneurs from young-growth companies, high-growth companies, and continuous-growth companies in Sweden. The purpose of the interviews was to investigate whether or not actual entrepreneurs (practitioners) actually have the same idea of business growth as scholars. In other words, the interviews aimed to identify the existence of a definitional gap between entrepreneurs and scholars when talking about business growth. The interviews yielded two important insights. First, unlike scholars who mostly assessed business growth in terms of an increase in size, actual entrepreneurs referred to growth not merely as an increase in size (e.g., size in sales and employment), but also as internal development within their firms (e.g., development of professional sales process, competence identification and development). Second, unlike many scholars who only use a number of employees and sales as business growth indicators, company value is the most important indicator of business growth for actual entrepreneurs, in addition to profit and sales that are believed to affect company value positively. These results provided support for the idea that practitioners and scholars do not have the same understanding of what business growth actually means. Therefore, it is undoubtedly important for researchers to take into account this gap when selecting indicators of business growth in their studies.

In light of the aforementioned studies, the research presented in this dissertation was conducted while keeping in mind the conceptualization that business growth does not only imply a numerical increase in terms of number of sales and employment, but also an increase in terms of amount of profits, company value, and with regard to improvement of internal system of the firms.

This conceptualization guided me during the process of developing and choosing the scales used to assess business growth motivation variables in this dissertation (specifically, business growth beliefs, growth pursuit behaviors, intention to engage in growth pursuit behaviors or efforts to pursue business growth). For example, the list of expected consequences of business growth that I used to assess business growth beliefs in Chapter 2 is a list of expected consequences of business growth in the employment domain (Wiklund et al., 2013; Davidsson, 1989). It also makes sense to argue that some of the expected consequences in the list (e.g., consequences on work atmosphere of the firm, consequences on the ability to survey and control the firm operations) may also be consequences of business growth in terms of improvement of internal system of the firms (e.g., competence development, improvement of cost efficient organizing practices). Moreover, the list of efforts to pursue business growth or growth-pursuit activities that I used in Chapter 3 and Chapter 4 contained efforts related to such areas as marketing, network, skills, and finance, which may create improvement in one or several aforementioned business growth indicators (e.g., Brush, Ceru, & Blackburn, 2009; Lee & Tsang, 2002). This way, I could make sure that the measurements employed in this dissertation were relevant with the way business growth is usually conceptualized by many scholars and practitioners.

The upside and the downside of business growth

Based on my reading of the business growth literature, there seems to be a popular notion that business growth is the ultimate goal for small-business owners. Indeed, business growth is linked with profit (Baum, Locke, & Kirkpatrick, 1998; Baum & Wally, 2003; Lee, 2014) and long-term sustainability of the business (Bercovitz & Mitchell, 2006). In addition, some small-business owners may expect that growth increases their ability to survive crises in their firms (Wiklund et al., 2003). Indeed, it seems plausible to argue that business growth is a positive goal that small-business owners should desire to achieve. When a small business grows into a larger business, its increased sales and profit will logically enable it to expand its market and hire good employees, which in turn may increase its ability to attract more customers and potential investors. More customers imply more services or goods that need to be produced/delivered, inevitably requiring the business to hire new employees. This will eventually lead to new employment opportunities in society. However, it is important to keep in mind that business growth and the pursuit of it also have some potential downsides. In order for business owners to achieve business growth successfully, they are required to take risks (e.g., Wang & Poutziouris, 2010). Owners of small

businesses need to first make sacrifices in the form of investments (e.g. committing large amounts of money to exploration of new products, technologies, or markets) in order to achieve business growth, with no guarantee of success. This may put the business at risk. Moreover, some small-business owners expect that business growth can compromise the positive atmosphere of the company, their ability to fully control the company, and the independence of the company in relation to customers, suppliers, and lenders. These expected consequences negatively affect their willingness and attitudes toward business growth (Davidsson, 1989; Davidsson et al., 2010; Wiklund et al., 2003).

The potential upsides and downsides of business growth mentioned in the previous suggest that business growth needs to be viewed in an objective manner, void of judgement. Instead of indiscriminately pushing small-business owners to pursue business growth, I believe what we should do is help small business make a well-informed decision regarding whether or not they should pursue business growth. Well-informed decisions will be more likely to occur when small-business owners manage to carefully assess various information and perspectives related to business growth and their behavioral tendencies in their decision-making processes. The results presented in this dissertation can add new information and perspectives that small-business owners can consider when making or evaluating their decision regarding the pursuit of business growth.

Business growth motivation

Business growth motivation is defined as the aspiration of business owners to expand their businesses, which affects their decision to engage in activities to grow the business, their willingness to sustain this decision over time, and the level of effort that they are willing to put into the pursuit of business growth (Delmar & Wiklund, 2008). Several studies revealed that business growth motivation is positively associated with actual growth (Baum, Locke, & Smith, 2001; Delmar & Wiklund, 2008; Kolvereid & Bullvåg, 1996). In fact, Delmar and Wiklund (2008) revealed that the positive effect of business growth motivation on business growth is direct and relatively stable over time, indicating that business growth motivation can be an effective predictor of actual business growth.

Past research demonstrated that the extent to which business growth can be achieved is determined by many factors, such as resources, environment, opportunities, abilities, and needs (Davidsson, 1991; Wiklund & Shepherd, 2003). This implies that business owners' motivation to pursue business growth is not the only factor that determines the realization of business growth.

However, the role of motivation in entrepreneurial activities is still highly crucial. Motivation plays an essential role in business owners' decisions regarding evaluations of opportunities, pursuit of resources, and the mechanisms of exploitation in the entrepreneurial process (Shane, Locke, & Collins, 2012). Davidsson (1991) stated that business owners are to a considerable degree at liberty to decide whether to grow their businesses or not, implying that their own willingness to pursue business growth is an important factor in their decisions regarding the pursuit of business growth. This suggests that the presence of resources, abilities, and supportive environment for business growth will be more likely to materialize into actual growth when small-business owners are motivated to exploit them in order to grow their businesses. For example, a small business owner who is equipped with growth-related skills, possess reliable financial resources, and operates in a conducive business environment may not necessarily be involved in the pursuit of business growth when he or she lacks the motivation to pursue business growth. This is why investigations into factors and underlying mechanisms accounting for variations in levels of business growth motivation among small-business owners is important, and hence is worthy of the focus of this dissertation.

This dissertation presents studies that focused on examining the consequences of reward-oriented and security-oriented motivation on business growth motivation in three ways: their consequences for its important precursor, their consequences for the intention to grow a business, and their consequences for its outcomes. The first empirical chapter (Chapter 2) focuses on the consequences of promotion focus and prevention focus on an important precursor of business growth motivation, namely business growth beliefs (i.e., evaluations of whether or not business growth will lead to more positive or negative consequences). The notion that business growth beliefs are an important precursor of business growth motivation has been investigated in several studies. Wiklund and colleagues (2003) conducted a study aimed to assess the role of beliefs regarding consequences of small business growth in explaining variety of levels of business growth motivation among small-business owners. The results of the study revealed that small-business owners' beliefs regarding the consequences of business growth in terms of private income, the atmosphere of the workplace, the independence of the business, the ability to control the business, and the business' ability to survive a crisis can determine small-business owners' attitude towards business growth, which is crucial for business growth motivation. Similarly, Davidsson (1989) conducted a study aimed to examine beliefs regarding consequences of business growth as

predictors of willingness to grow a firm among small-business owners. This study used interview data from a random sample of 400 small business owner-managers. The results of the study demonstrated that small business owner-managers' beliefs regarding expected consequences of business growth in terms of increased personal income, increased independence, fear of losing supervisory control, and fear of reduced employee well-being played a significant role in determining small-business owners' motivation to grow their small firms. Davidsson (1991) revealed that small-business owners' cognitive and affective evaluations of business growth (i.e., evaluations concerning potential effects of business growth on various aspects of their businesses as well as evaluations concerning how business growth makes them feel) are significant indicators of business growth motivation.

The second and third empirical chapter (Chapter 3 and 4) focuses on the consequences of opportunity-driven entrepreneurship and necessity-driven entrepreneurship on other growth motivation variables, namely the intention to pursue business growth and the outcomes of business growth motivation (i.e., the current engagement in concrete efforts to realize business growth and the plan to engage in future concrete efforts to realize business growth). Intention is indeed an important indicator of motivation. As stated by Ajzen (1991), intentions capture the motivational factor that influences a behavior, and are an indication of people's willingness to perform a behavior. In the context of business growth, intentions or aspirations are commonly used as an indicator of business growth motivation (e.g., Davidsson, 1991; Morrison, Breen, & Ali, 2003). Thus, intention is indeed of great importance in the context of motivation-related studies, which makes it worthy of investigation.

Overview

The aim of the research project presented in this dissertation was to examine the consequences of reward-oriented and security-oriented motivation on business growth motivation of small-business owners as well as the underlying mechanisms that affect such motivation. In this project, reward-oriented motivation and security-oriented motivation were examined using two different perspectives, namely intrapersonal perspective (chronic promotion focus and chronic prevention focus) and situational perspective (opportunity-driven entrepreneurship and necessity-driven entrepreneurship). In addition, business growth motivation was examined on three levels: precursor (business growth beliefs), business growth intention, and outcomes (engagement in growth-pursuit activities and plan to engage in future growth-pursuit activities). The research

project consists of eight studies that employed participants with diverse characteristics (e.g., Indonesian students, Indonesian small-business owners, Western small-business owners). Six studies were conducted online and two studies were conducted in the field in Indonesia. In this dissertation, the eight studies are dispersed across three empirical chapters.

The first empirical chapter of this dissertation (Chapter 2) presents two studies that focused on the consequences of chronic promotion focus and chronic prevention focus on small business growth beliefs (i.e., beliefs regarding whether or not business growth leads to more positive (negative) business-related and affective consequences). From this chapter, you will learn that small-business owners high in their chronic promotion focus tend to believe that business growth will bring predominantly positive outcomes for their businesses as well as will make them feel predominantly positive emotions. On the other hand, small-business owners high in their chronic prevention focus tend to believe that business growth will bring less positive outcomes for their businesses as well as will make feel predominantly negative emotions. However, as long as small-business owners believe that they are competent to pursue business growth successfully, they will have more positive beliefs regarding the consequences of business growth, particularly in terms of its emotional consequences.

The second and third empirical chapter of this dissertation (Chapter 3 and 4) presents studies that focused on the consequences of opportunity-driven and necessity-driven entrepreneurship on business growth intention as well as the outcomes of such intention (i.e., current engagement in various efforts to pursue business growth [engagement in various concrete efforts to realize business growth in the past twelve months] and plan for engagement in efforts to pursue business growth [plan on engaging in various concrete efforts to realize business growth in the next twelve months]). In Chapter 3, you will learn that unlike necessity-driven entrepreneurship, opportunity-driven entrepreneurship is consistently predictive of future time perspective in a positive manner, which leads to a strong intention to pursue business growth as well engagement in various efforts to pursue business growth in the past twelve months. In this chapter, you will also learn necessity-driven entrepreneurship tend to be positively associated with present time perspective, which leads to less engagement in various efforts to pursue business growth in the past twelve months.

Given that future time perspective was found to be an important determinant of business growth intention in Chapter 3, Chapter 4 presents studies that focused on examining a variable

called “entrepreneurial self-esteem” that may explain why opportunity-driven entrepreneurship is positively associated with future time perspective. In this chapter, you will learn that unlike necessity-driven business owners, opportunity-driven business owners possess a consistent tendency to value their business ownership positively (high entrepreneurial self-esteem), which in part explains why they tend to be future-oriented in running their businesses. In this chapter, you will also learn that when small-business owners’ personal as well as others’ positive views of their businesses are made salient in their minds, they will possess a strong tendency to positively value their business ownership. The general model summarizing the studies is presented in *Figure 1.1*.

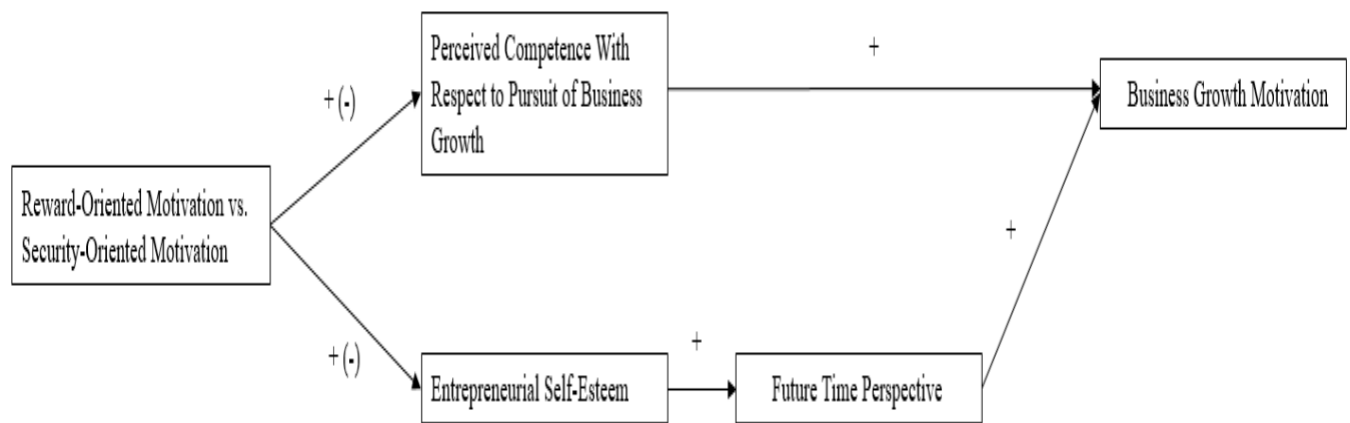


Figure 1.1. The general model

Chapter 2

Will Growth Bring More Good Than Harm to My Business? The Role of Regulatory Focus in Small Business Growth Beliefs

Prasastyoga, B., Van Leeuwen, E., & Harinck, F. (2018). Will growth bring more good than harm? The role of regulatory focus in small business growth beliefs. *Journal of Applied Social Psychology, 48*(7), 377-387.

Abstract

The two studies presented in this paper investigated the psychological processes underlying small business growth beliefs (i.e., expected consequences of small business growth) by focusing on the role of regulatory focus and perceived competence as predictors of small business growth beliefs. We assessed participants' (students and small-business owners) cognitive and emotional responses to anticipated business growth by means of online questionnaires. As predicted, individuals with a strong promotion focus expected predominantly positive consequences of small business growth, whereas individuals with a strong prevention focus expected predominantly negative consequences of small business growth. In addition, regardless of their regulatory focus, individuals who perceived themselves as competent to grow a business had positive growth beliefs, particularly growth beliefs concerning emotional consequences of business growth. These findings illuminate the importance of acknowledging individual differences in small business growth beliefs. They also shed more light on the critical role of perceived competence, suggesting that empowerment is a key factor in promoting small business growth.

Introduction

Small businesses play an important role in national economies (e.g., Ayyagari, Beck, & Demirgüç-Kunt, 2007). The growth of small and medium-sized enterprises (SMEs) is considered an important engine for the economy as it provides considerable contributions towards job creation, economic growth, and innovation (OECD, 2000). For example, in France, Italy, and the Netherlands, between 50% and 60% of new employment opportunities can be associated with growing SMEs (OECD, 2000). Unfortunately, many small-business owners deliberately refrain themselves from exploiting opportunities to expand their firms (Wiklund, Davidsson, & Delmar, 2003), despite the fact that business growth can benefit them because it provides a better protection against economic fluctuations. In fact, the Panel Study of Entrepreneurial Dynamics II (PSED) found that only about 24.3 percent of 1,214 new small firms in the US in 2006 desired to grow into bigger firms (Hurst & Pugsley, 2011). The fact that many small-business owners are not willing to pursue business growth underscores the importance of investigating factors that can increase or reduce levels of growth motivation. Moreover, our knowledge regarding why there are differences in individuals' levels of growth motivation is still limited (Wiklund et al., 2003). Therefore, the two studies in the present paper focused on investigating an important precursor of growth motivation: Small business growth beliefs (SBGBs). Specifically, we examined the psychological mechanisms underlying SBGBs by focusing on the roles of promotion and prevention orientations.

We argue that an important part of growth motivation is rooted in beliefs about consequences of small business growth. Based on Wiklund and colleagues (2003), we define small business growth beliefs as individuals' evaluations of expected consequences of small business growth (i.e., whether or not small business growth is expected to lead to certain consequences). The consequences of small business growth can be either positive or negative. If predominantly positive consequences are expected, such as increased private finances or increased ability to control and survey the business, business growth will be evaluated positively and is more likely to be pursued. In contrast, if predominantly negative consequences are expected, such as reduced positive work atmosphere or reduced sense of independence in running the business, business growth will be evaluated negatively and is less likely to be pursued. Therefore, in order for individuals to be motivated, and thus decide to grow a business, they need to be optimistic about

potential consequences of their business growth – that is, they need to believe that the growth of their business will have positive outcomes.

Previous research on SBGBs (Small Business Growth Beliefs) focused mostly on its consequences for other growth motivation variables. For instance, Davidsson (1989) found that individuals' willingness to pursue business growth was affected by their beliefs about the consequences of such growth, e.g., their private finances, employee well-being, their sense of independence in running their business, and their ability to control and survey the firm operations. Another study by Wiklund and colleagues (2003) suggests that beliefs about consequences of business growth play a relatively important role in explaining differences in attitudes towards business growth, which are considered to be an important element in growth motivation.

However, to the best of our knowledge, little is known about the individual characteristics that account for SBGBs. Since we still know very little about why levels of growth motivation vary greatly between small-business owners (Wiklund et al., 2003), acquiring more insight into individual predictors of SBGBs is imperative. As such, the primary purpose of the two studies reported in the present paper was to investigate the individual characteristics underlying the heterogeneity in small business growth beliefs. Specifically, across two studies we aimed to examine why some people are predominantly positive when it comes to their beliefs about business growth, whereas other people are far more skeptical in their beliefs. Regulatory focus theory, proposed by Higgins (1997, 1998), was used as the main theoretical framework. In addition, we examined the mediating mechanism through which these individual characteristics affect SBGBs by focusing on the role of perceived competence with respect to the pursuit of business growth. Unpacking mediating mechanisms through which individual traits influence business decision making is indeed important as it can help advance our understanding of how and when personality matters for entrepreneurship (Gorgievski & Stephan, 2016).

Regulatory Focus Theory

Regulatory focus theory (Higgins, 1997, 1998) posits that there are two different motivational orientations that guide our actions and thoughts, namely promotion focus and prevention focus. The two self-regulatory foci can be chronic (Higgins, 1997; Lockwood, Jordan, & Kunda, 2002) or situationally induced (Gino & Margolis, 2011; Trudel, Murray, & Cotte, 2012), and they are fundamentally associated with two different types of concerns. A promotion focus is associated with a concern with aspirations and accomplishments. This concern with aspirations

and accomplishments prompts individuals to be specifically sensitive to the presence or absence of positive outcomes. Conversely, a prevention focus is associated with a concern with safety and responsibilities. Due to this concern with safety and responsibilities, individuals with a strong prevention focus tend to be more sensitive to the presence or absence of negative outcomes (Higgins, 1997, 1998, 2000).

The two self-regulatory foci have implications for individuals' strategic tendencies in their actions. Higgins (1997) argued that a promotion focus prompts individuals to adopt a promotion strategic inclination (i.e., eagerness) where the focus is on approaching gains. This strategy involves inclinations to both ensure the presence of gains and ensure against omissions of potential gains in pursuit of gains and accomplishments. Conversely, a prevention focus prompts individuals to adopt a prevention strategic inclination (i.e., vigilance) where the focus is on avoiding losses. This strategy involves inclinations to both ensure correct rejections of losses and ensure against commissions of mistakes that may undermine safety and responsibility. For example, Crowe and Higgins (1997) found that individuals with a promotion focus were driven to recognize as many gains as possible and ensure against omissions of potential gains at the expense of increased commissions of mistakes in recognizing potential losses. This produces a tendency to be risky and lenient (i.e., risky bias) in evaluations and decision making. Individuals with a prevention focus, on the other hand, were driven to recognize errors correctly and ensure against commissions of mistakes (e.g., failing to avoid errors) at the expense of increased omissions of potential gains. This produces a tendency to be cautious and strict (i.e., conservative bias) in evaluations and decision making.

The notion that promotion-focused individuals possess an inclination for eagerness and that prevention-focused individuals possess an inclination for vigilance is also supported by Boldero and Higgins (2011). They discovered that being chronically promotion-focused was associated with eagerness, which caused individuals to focus on the possible benefits of an economic reform. This, in turn, prompted the decision to vote for the reform. In contrast, being chronically prevention-focused was associated with the use of vigilance, causing individuals to mainly focus on the negative aspects of an economic reform. This, in turn, led to the decision to vote against it (maintaining status quo). Moreover, Förster, Higgins, and Bianco (2003) found that, in a proofreading task, a promotion focus prompted individuals to be eager in their performance by maximizing gains through faster performance and focus on seeking easy errors that they could

easily find. On the other hand, a prevention focus prompted individuals to be vigilant in their performance by attempting to be accurate in finding difficult errors at the expense of their speed and a number of errors they could find. In the context of entrepreneurship, Brockner, Higgins, and Low (2004) found that greater promotion focus is necessary in the process of generating business ideas to be successful due to its association with an eagerness orientation, whereas greater prevention focus is necessary in the process of screening business ideas due to its association with a vigilance orientation.

Building on the aforementioned framework and findings, we argue that the two self-regulatory foci can predict individuals' SBGBs. As a promotion focus induces a desire to approach and aim for gains, as well as a sensitivity to the presence and absence of positive outcomes, we believe that it renders a special attention to potential positive consequences of small business growth. Furthermore, it drives individuals to adopt eagerness where they focus mainly on ensuring potential gains (Crowe & Higgins, 1997; Higgins, 2000). A promotion focus will increase the inclination to be highly tolerant and lenient (risky bias) in assessing and determining whether or not business growth leads to predominantly positive consequences, such as increased independence or increased private finances. Thus, we propose that a stronger promotion focus will be associated with more positive SBGBs (*Hypothesis 1a*). In contrast, a prevention focus induces a desire to maintain safety and avoid losses, as well as a sensitivity to the presence and absence of negative outcomes. It renders a special attention to potential negative consequences of small business growth, such as a diminished ability to control and survey the firm operations or reduced positive work atmosphere. Furthermore, a prevention focus drives individuals to adopt vigilance where they focus mainly on ensuring correct rejections of potential losses and ensuring against commissions of errors in their evaluations. This will increase their inclination to be cautious and strict (conservative bias) in assessing and determining whether or not business growth leads to predominantly positive consequences. Therefore, we propose that a stronger prevention focus will be associated with less positive (more negative) SBGBs (*Hypothesis 1b*).

Emotion-related SBGBs

Previous research mostly focused on beliefs about finance and business-related consequences of small business growth, such as private finances and work atmosphere, in determining small-business owners' levels of willingness to grow a small firm, as well as their attitudes towards business growth (e.g., Davidsson, 1989; Wiklund, et al., 2003). However, the

role of anticipated emotional consequences of small business growth has received far less attention in previous research. This is unfortunate given that expected emotional consequences are also an important predictor of motivation and action tendencies. For example, in a study by Wolff, Nordin, Brun, Berglund, and Kvale (2011), anticipated emotional experiences were part of the anticipated consequences that could predict people's decision to take a genetic test. Hosany and Prayag (2011) found that people's emotional consequences of visiting a tourism destination were powerful predictors of their satisfaction and intention to recommend the destination to others. Furthermore, Perrin (2011) suggested that emotions that result from information about current and potential future environmental problems could affect individuals' decision to engage in environmentally responsible behavior.

Given the pivotal role that anticipated emotional consequences play in motivation and action tendencies, it is likely that small-business owners' beliefs that the growth of their firms leads to predominantly positive or negative emotional experiences also affects their motivation or willingness to pursue business growth. Thus, we believed that investigating the individual characteristics (i.e., regulatory focus) that account for emotion-related SBGBs could provide important insights into why small-business owners' levels of growth motivation vary greatly. As promotion-focused individuals view growth as a desirable goal (e.g., Winterheld & Simpson, 2011), we argued that they would likely anticipate predominantly positive emotional experiences when business growth occurs. Indeed, Higgins (1997) found that promotion-focused individuals experienced positive emotions, especially cheerfulness-related emotions, when their desirable goals (e.g., advancement, growth) were successfully attained. Conversely, prevention-focused individuals would anticipate predominantly negative emotional experiences when thinking about business growth as business growth involves risky activities (e.g., investing in a new market), which they may view as a threat to their sense of security. When their need for security is not met, prevention-focused individuals would likely experience negative emotions, especially agitation-related emotions (Higgins, 1997).

We expected that all of the aforementioned hypotheses would also be applicable in the context of emotion-related SBGBs. Specifically, in terms of the associations between the two foci and emotion-related SBGBs, we expected that: 1) the stronger promotion focus, the more positive emotion-related SBGBs (*Hypothesis 1c*), and 2) the stronger prevention focus, the less positive (more negative) emotion-related SBGBs (*Hypothesis 1d*).

Perceived competence with respect to the pursuit of business growth

According to self-determination theory (Ryan & Deci, 2000), a feeling of competence is a basic psychological need that affects well-being. When engaging in an activity, perceiving ourselves as competent or able to perform the activity may result in the belief that successful outcomes of the activity will be achieved. In other words, as pointed out by Williams, McGregor, King, Nelson, & Glasgow (2005), perceived competence assumes that a contingency between behavior and outcomes exists. Previous research has shown that perceived competence plays an important role in facilitating our decision to engage in various activities, such as tobacco abstinence (Williams, Niemiec, Patrick, Ryan, & Deci, 2009), physical activity (Overdorf, Coker, & Kallia, 2016), or adaptive learning strategies (Cho, Weinstein, & Wicker, 2011). In the context of small business growth, it is important for small-business owners not only to possess the ability to grow a business, but also to *believe* that they have this ability. For instance, Davidsson (1991) showed that, along with perceived need and perceived opportunity, small-business owners' perceived ability to realize business growth had a positive effect on their growth motivation.

In this study, three hypotheses regarding the role of perceived competence in the association between regulatory focus and SBGBs were examined: a) perceived competence would mediate the positive association between promotion focus and finance and business-related SBGBs (*Hypothesis 2a*), b) perceived competence would mediate the negative association between prevention focus and finance and business-related SBGBs (*Hypothesis 2b*), and c) perceived competence would mediate the associations between the two regulatory foci and emotion-related SBGBs (*Hypothesis 2c*). These hypotheses were based on several considerations. First, we reasoned that growing a business is more in line with a promotion mindset than with a prevention mindset. Growth is regarded as a promotion-oriented goal that promotion-focused individuals strive towards (e.g., Winterheld & Simpson, 2011; Steidle, Gockel, & Werth, 2013). Business growth is usually viewed as a complex process that involves and requires such activities as innovating, risk-taking, and exploring new business activities, which are oriented towards advancement and gain opportunities (e.g., Kammerlander, Burger, Fust, & Fueglistaller, 2015; Soininen, Martikainen, Puumalainen, & Kyläheiko, 2012; Wiklund, Patzelt, & Shepherd, 2009).

Previous research has shown that a promotion focus, more than a prevention focus, is associated with characteristics that can facilitate successful performance of such activities. For example, Friedman and Förster (2001) found that people with a promotion mindset tended to use

a risky exploratory processing style, which can facilitate creative and innovative performance. Brockner et al. (2004) argued that promotion-focused individuals are more likely than prevention-focused individuals to generate creative and innovative ideas with the potential to be successful. A promotion focus also makes individuals more willing to take risks (Hamstra, Bolderdijk, & Veldstra, 2011).

Furthermore, in a business context, Hamstra, Rietzschel, and Groeneveld (2015) found that promotion-focused sales agents were inclined to approach opportunities by making contacts with potential customers more quickly and frequently, while prevention-focused sales agents were hesitant to approach and make contacts with potential customers. As a result, promotion-focused sales agents' actual sales performance was more successful than prevention-focused sales agents' performance. Another study by Pollack, Forster, Johnson, Coy, and Molden (2015) showed that promotion-focused entrepreneurs actively pursued new opportunities by contacting members of their business network group more frequently than prevention-focused entrepreneurs did, which positively predicted their revenue generated from their network group.

Given their possession of characteristics that can support performance with respect to business growth, promotion-focused individuals may be more likely to perceive themselves as competent to grow a business than prevention-focused individuals. After all, a promotion focus is positively linked with a general sense of optimism (Grants & Higgins, 2003), which may also include an optimistic view of one's ability to achieve success in their performance. Indeed, a strong promotion focus is associated with strong beliefs in one's personal ability to perform successfully (Lanaj, Chang, & Johnson, 2012). Furthermore, people who believe that they possess the competence to grow their business will likely believe that this business growth will produce positive consequences. Indeed, perceived competence includes a belief that positive outcomes will occur (Fernández-Castro, Rovira, Doval, & Edo, 2009). For example, students who know that they are good at math should be more likely to believe that they will perform well in their math exam and receive a good grade.

Contrary to a promotion focus, a prevention focus is associated with a state of mind that may hinder business growth performance. For instance, a prevention focus prompts individuals to be averse to risks (Hamstra, et al., 2011). Liberman, Idson, Camacho, and Higgins (1999) found that a prevention focus is associated with low openness to change. As a result, people with a prevention mindset tend to prefer stability, which may cause stagnancy instead of growth.

Prevention-focused individuals were also found to be less likely to engage in exploratory behaviors necessary to grow and learn (Wallace, Butts, Jonhson, Stevens, & Smith, 2013) and less likely to form social ties (Pollack et al., 2015). Given their possession of characteristics that may hinder performance with respect to business growth, prevention-focused individuals may then be less likely to perceive themselves as competent to grow a business. Furthermore, since perceiving oneself as competent to grow a business is related to possessing a belief that positive outcomes will occur (Fernández-Castro et al., 2009), people perceiving themselves as less competent to grow a business are less likely to believe that positive consequences of business growth will occur.

Overview of studies

The general notion that self-regulatory foci are important predictors of SBGBs was examined in two studies. In study 2.1, students (who had been or had not been business owners at that time) were asked to envision themselves as owners of a small business and anticipate the growth of their business. In this study, the question of *whether* promotion and prevention focus could indeed predict individuals' SBGBs was addressed. Study 2.2 was conducted among a sample of current small-business owners to replicate the previous findings among a student sample. In this study, SBGBs were divided into finance and business-related SBGBs (SBGBs examined in Study 2.1) and emotion-related SBGBs. Emotion-related SBGBs refer to anticipated emotional consequences of small business growth (e.g., happy, anxious). Study 2.2 also addressed the question of *how* self-regulatory foci could predict SBGBs by examining the mediating role of individuals' perceived competence with respect to the pursuit of business growth in the associations between the two foci and both types of SBGBs.

Study 2.1

The aim of this study was to test Hypothesis 1a (i.e., a stronger promotion focus will be associated with more positive SBGBs) and Hypothesis 1b (i.e., a stronger prevention focus will be associated with less positive (more negative) SBGBs).

Method

Participants and design

One hundred and twenty-one Indonesian university students (67 female and 50 male, four participants did not specify their gender; $M_{age} = 28.08$, $SD_{age} = 4.59$, five participants did not specify their age) completed a questionnaire on a voluntary basis. Thirty-eight (31,40 %) participants reported that they were, or had been an entrepreneur. Four participants did not specify their history of entrepreneurship.

Procedure and measures

The study was conducted online. Participants were recruited through several online platforms, such as a mailing list and social media platforms. They were informed that this study was about entrepreneurial decisions. After providing informed consent, they were instructed to visualize themselves as the owner of a small web shop specializing in male and female sportswear, which they had been running for a year.¹ They were then asked to complete a brief questionnaire.

The General Regulatory Focus Measure (Lockwood et al., 2002) was used to assess participants' chronic regulatory focus. The context of the scale was modified to fit the entrepreneurial context (e.g., promotion-focus: "I would frequently imagine how I would achieve my hopes and aspirations in regards to my business"; prevention-focus: "In general, I would be focused on preventing negative outcomes while running my business"). Participants were asked to indicate the extent to which each statement described them using a seven-point Likert scale, ranging from $1 = \textit{not at all true of me}$ to $7 = \textit{very true of me}$. Items relating to promotion focus and those relating to prevention focus were summed up separately and averaged to form the promotion subscale score ($M = 5.64$, $SD = .80$; $\alpha = .83$) and prevention subscale score ($M = 4.52$, $SD = .99$; $\alpha = .80$). The subscales correlated negatively with each other, albeit weakly ($r = -.19$, $p = .05$).

SBGBs were assessed by asking participants to imagine that their small web shop would grow twice as big in number of employees and production in the next 5 years. Participants were then presented with a list consisting of four possible consequences of this growth in some key finance and business-related areas, such as private finances, work atmosphere, independence in running the business, and ability to control and survey the firm operations (e.g., "the growth will improve my private finances", "the growth will reduce my well-being as well as the well-being

of my employees” (recoded); Davidsson, 1989b; Wiklund, et al., 2003).² Participants were asked to indicate their agreement with each item on a five-point Likert scale, ranging from *1 = very disagree* to *5 = very agree*. All of the items were summed up and averaged to obtain a score representing the overall SBGB ($M = 3.76$, $SD = .58$).³ A higher score indicated more positive overall SBGB. Upon finishing some demographic questions, participants were debriefed about the real purpose of the study and thanked.⁴

Results

A multiple regression analysis was conducted to test Hypothesis 1a and Hypothesis 1b. The overall SBGB was regressed on promotion and prevention focus simultaneously. Promotion and prevention focus were included in the analysis simultaneously as the two foci were originally conceptualized as two independent dimensions rather than opposing poles of a single spectrum (Higgins, 1997, 1998). By including both dimensions in the analysis simultaneously, we could control for shared variance between the two foci (cf. Pfattheicher & Sassenrath, 2014). The results showed that promotion focus positively predicted SBGBs, $\beta = .27$, $t(118) = 3.06$, $p < .01$, and prevention focus negatively predicted SBGBs, $\beta = -.23$, $t(118) = -2.69$, $p < .01$. Thus, Hypothesis 1a and Hypothesis 1b were supported.⁵

Conclusion

Study 2.1 provides preliminary evidence for our prediction that the two regulatory foci are indeed important predictors of SBGBs. These findings suggest that promotion-focused individuals tend to believe that small business growth leads to more positive consequences, whereas prevention-focused individuals tend to believe that small business growth leads to less positive (more negative) consequences.

Limitations

This study had two limitations. First, by adapting an existing regulatory focus measure to an entrepreneurial context, we may have created a scale that was less accurate in tapping into participants’ real chronic regulatory focus. It made it difficult to accurately conclude whether participants’ responses to the modified items were based on their real chronic regulatory focus or business-related factors, such as participants’ personal knowledge about a running a web shop. For example, some participants may have scored highly on the prevention item “In general, I would be focused on preventing negative outcomes while running my business” because they had specific

knowledge of the importance of focusing on preventing negative outcomes while running a web shop, rather than because they were strongly prevention-focused.

Second, participants were asked to imagine that their web shop would grow twice as big in number of employees and production in the next 5 years before responding to a list of consequences of business growth used to measure SBGBs. As a result, beliefs in this study were based on the assumption of business growth that takes place in very specific domains (i.e., number of employees and production level) instead of business growth in a more general sense.

Study 2.2

In Study 2.1, we found preliminary evidence showing that the two foci predicted SBGBs. However, note that the sample of this study was very specific- predominantly young, students, and many people had never been an entrepreneur. Moreover, given the fact that many participants were not actual small-business owners, we presented participants in Study 2.1 with a task in which they were asked to position themselves in a situation where they were a small business owner who has a small firm with certain business characteristics instead of envisioning the growth of real firms. Thus, although the findings were in line with our theoretical predictions, it is nonetheless important to see if these findings replicate among a sample of all small-business owners who can envision the growth of their *actual* small firms. This is why, in addition to testing Hypothesis 1c, 1d, 2a, 2b, and 2c, Study 2.2 also aimed to examine whether the findings in Study 2.1 replicate among a sample of all actual small-business owners. Additionally, this study included two methodological improvements in order to tackle the limitations as outlined in the previous study. The first improvement was that the context of the General Regulatory focus measure was not modified to the entrepreneurial context. The second improvement was that specific information on the domains where growth occurs was not included.

Method

Participants and design

One hundred and fourteen small-business owners (61 female and 53 male, $M_{age} = 37.96$, $SD_{age} = 10.47$) recruited from Prolific Academic, an online crowdsourcing platform for scientific research, completed a questionnaire in return for monetary compensation. About 70,2% of the entire sample had zero or only one employee ($M = 3.00$, $SD = 7.80$) and, in average, participants had run their firms for 4.90 years ($SD = 4.22$).

Procedure

Similar to Study 2.1, this study was conducted online. After providing informed consent, participants were asked to complete the General Regulatory Focus Measure (GRFM) that was not modified to the entrepreneurial context. Participants were subsequently asked to complete several measures (i.e., Perceived Competence with Respect to the Pursuit of Business growth Scale, a list of finance and business-related consequences of small business growth, a list of emotional consequences of small business growth) and demographic questions. Upon completion, participants were debriefed and given their rewards.

Measures

Regulatory focus. The General Regulatory Focus Measure (Lockwood et al., 2002) was used to assess participants' regulatory focus. The way participants responded to each item and the way the promotion subscale score and prevention subscale score were computed were similar to those of Study 2.1. Both promotion ($M = 6.68$, $SD = 1.29$) and prevention ($M = 5.70$, $SD = 1.46$) subscales showed good internal consistency (Cronbach's $\alpha_{\text{promotion}} = .90$; Cronbach's $\alpha_{\text{prevention}} = .86$), and a positive correlation ($r = .25$, $p < .01$).⁶

Emotion-related SBGBs. To assess emotion-related SBGBs, participants were presented with a list consisting of positive emotional consequences (i.e., excited, happy, challenged, relaxed) and negative emotional consequences (i.e., stressed, threatened, anxious, sad). They were then asked to indicate how much business growth would make them experience each emotional consequence on a seven-point Likert scale, ranging from $1 = \text{not at all}$ to $7 = \text{very much}$. Positive and negative emotional consequences were summed and averaged separately to create an overall positive emotion-related SBGB score ($M = 5.09$, $SD = 1.00$; $\alpha = .67$) and an overall negative emotion-related SBGB score ($M = 3.50$, $SD = 1.40$; $\alpha = .84$). The negative emotion-related SBGB score was then subtracted from the positive emotion-related SBGB score in order to create an overall emotion-related SBGB score on which higher (positive) scores denote more positive emotions, and lower (negative) scores denote negative emotions ($M = 1.59$, $SD = 1.91$).

Finance and business-related SBGBs. The list of consequences of small business growth from Study 2.1 was used to assess participants' finance and business-related SBGBs ($M = 5.20$, $SD = 1.03$), with a few changes. First, small business growth was described in a more general sense and participants were not told about the domains where growth occurs. Second, we changed the sentence in an item concerning work atmosphere from "the growth will reduce my well-being and

the well-being of my employees” to “the growth will reduce the positive work atmosphere” in order to make it more straightforward.

Perceived competence with respect to the pursuit of business growth. A modified version of the four-item Perceived Competence Scale (Williams, et.al., 2003; Williams, Freedman, & Deci, 1998) was used to assess participants’ perceived competence with respect to the pursuit of business growth. Since the original scale was used to assess perceived competence of patients with diabetes, the items were modified to fit the entrepreneurial context (e.g., “I feel confident in my ability to make my business grow”). In this scale, participants were asked to indicate how true each item was for them on a seven-point Likert scale, ranging from 1 = *not at all true of me* to 7 = *very true of me*. All of the items were summed and averaged to create a perceived competence score ($M = 5.11$, $SD = 1.14$). The scale showed good internal consistency (Cronbach’s $\alpha = .89$).

Results

Finance and business-related SBGBs

The overall finance and business-related SBGB was regressed on promotion and prevention focus simultaneously. Replicating the findings in Study 2.1, promotion focus positively predicted finance and business-related SBGBs, $\beta = .23$, $t(111) = 2.57$, $p < .05$, and prevention focus negatively predicted finance and business-related SBGBs, $\beta = -.35$, $t(111) = -3.90$, $p < .01$.⁷ Moreover, the correlations among variables in this study can be found in Table 2.1 on the next page.

Table 2.1

Correlations among variables in Study 2.1

Variables	1	2	3	4	5
1. Promotion focus		.25**	.52**	.15	.20*
2. Prevention focus			-.06	-.30**	-.49**
3. Perceived competence				.13	.40**
4. Finance and business-related SBGBs					.42**
5. Emotion-related SBGBs					

Emotion-related SBGBs

The overall emotion-related SBGB was regressed on promotion and prevention focus simultaneously. Supporting Hypothesis 1c and 1d, promotion focus positively predicted emotion-related SBGBs, $\beta = .34$, $t(111) = 4.32$, $p < .01$, and prevention focus negatively predicted emotion-related SBGBs, $\beta = -.58$, $t(111) = -7.32$, $p < .01$. Additionally, the relationships between promotion and prevention focus and positive and negative emotions were analyzed separately for exploratory reasons. The results revealed that, while controlling for prevention focus, promotion focus positively predicted positive emotions, $\beta = .49$, $t(111) = 5.77$, $p < .01$, whereas prevention focus negatively predicted positive emotions, while controlling for promotion focus, $\beta = -.20$, $t(111) = -2.32$, $p < .05$. Moreover, prevention focus significantly predicted negative emotions while controlling for promotion focus, $\beta = .65$, $t(111) = 8.45$, $p < .01$, whereas promotion focus did not while controlling prevention focus, $\beta = -.11$, $t(111) = -1.45$, $p = .15$.

Perceived competence and finance and business-Related SBGBs

A mediation analysis using PROCESS (5000 samples) was conducted to examine the mediating role of perceived competence with respect to the pursuit of business growth in the associations between the two foci and finance and business-related SBGBs. The results showed

that perceived competence mediated neither the positive association between promotion focus and finance and business-related SBGBs while controlling for prevention focus, boot indirect effect = $-.01$, $SE = .05$, 95% CI = $-.1238, .0869$, nor the negative association between prevention focus and finance and business-related SBGBs while controlling for promotion focus, boot indirect effect = $.00$, $SE = .02$, 95% CI = $-.0315, .0408$. These findings thus failed to provide support for Hypothesis 2a and 2b.

Perceived competence and emotion-related SBGBs

The same mediation analysis (5000 samples) was conducted to test the mediating role of perceived competence with respect to the pursuit of business growth in the associations between the two foci and emotion-related SBGBs. The results showed that perceived competence mediated the positive association between promotion focus and emotion-related SBGBs, while controlling for prevention focus, boot indirect effect = $.24$, $SE = .09$, 95% CI = $.0855, .4184$ (see *Figure 2.1*), and the negative association between prevention focus and emotion-related SBGBs, while controlling for promotion focus, boot indirect effect = $-.07$, $SE = .04$, 95% CI = $-.1737, -.0127$ (see *Figure 2.2*). Thus, these findings provided support for Hypothesis 2c.

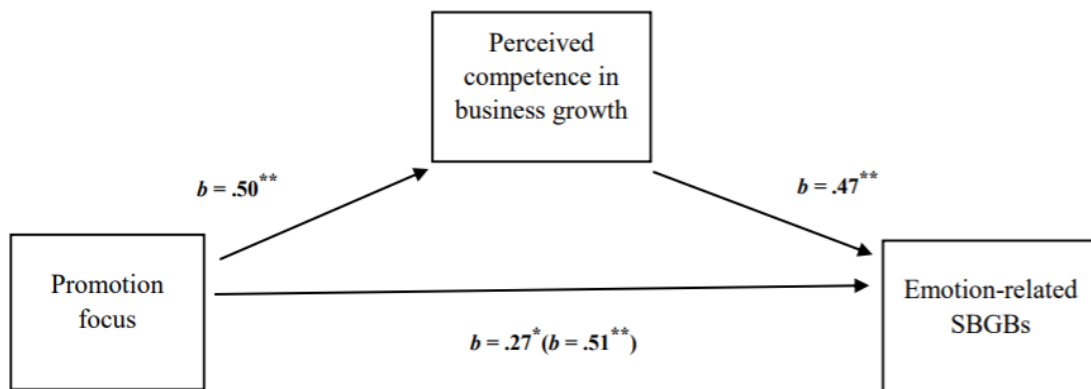


Figure 2.1. Promotion focus and emotion-related SBGBs via perceived competence with respect to the pursuit of business growth

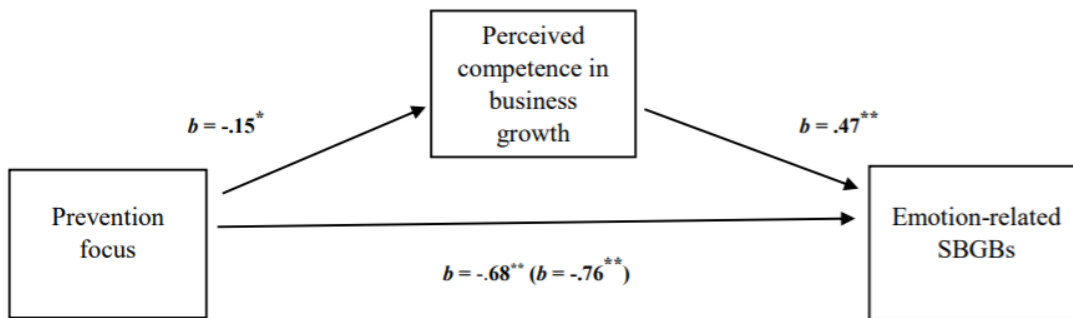


Figure 2.2. Prevention focus and emotion-related SBGBs via perceived competence with respect to the pursuit of business growth

Conclusions

Study 2.2 demonstrated that promotion-focused small-business owners believed that small business growth leads to predominantly positive finance and business-related as well as emotional consequences, whereas prevention-focused small-business owners believed that small business growth leads to predominantly negative finance and business-related as well as emotional consequences. In addition, Study 2.2 provides evidence showing that small-business owners' perceived competence with respect to the pursuit of business growth played a mediating role in the associations between the two foci and emotion-related SBGBs. Thus, small-business owners who perceived themselves as competent to grow their small firms believed that business growth would make them experience predominantly positive emotions regardless of whether they were promotion-focused or prevention-focused. However, the mediating role of perceived competence with respect to the pursuit of business growth was not supported in the associations between the two foci and finance and business-related SBGBs.

General Discussion

Previous research has shown that beliefs about consequences of small business growth (SBGBs) could explain differences in the willingness to grow a business as well as in attitudes towards business growth (Davidsson, 1989; Wiklund et al., 2003). However, to the best of our knowledge, little was known about the individual characteristics underlying the tendency to have more positive or more negative SBGBs. What makes some people excited about the prospect of growing their business, believing that it will generate all sorts of desirable outcomes, whereas other people are distinctly aversive about business growth? The results of our two studies indicated that promotion and prevention focus are important individual characteristics that can predict SBGBs.

Specifically, results from our studies revealed that promotion focus positively predicted finance and business-related SBGBs as well as emotion-related SBGBs. This is indeed reflective of an approach strategy (i.e., eagerness), which is a strategic inclination rendering an individual to focus mainly on approaching and identifying potential positive outcomes, due to a concern with gains and accomplishment (Higgins, 1997). Therefore, it is no surprise that promotion-focused individuals are particularly sensitive and attentive to the presence and absence of positive consequences (Higgins, 1997), which increases the tendency to believe that small business growth leads to predominantly positive consequences. A state of eagerness can also lead to a risky bias (e.g., Crowe & Higgins, 1997; Friedman & Förster, 2001) such that promotion-focused individuals are more lenient in identifying opportunities for gains in efforts to insure gains and insure against omissions of gains. This may have resulted in an inclination to respond positively when asked to evaluate whether or not potential positive consequences will occur.

Regarding prevention focus and SBGBs, the results supported our predictions that prevention focus negatively predicted finance and business-related SBGBs as well as emotion-related SBGBs. Due to a concern with safety and security, prevention-focused individuals tend to exhibit vigilance in their behavior (Higgins, 1997). This produces a sensitivity and a special attention to the presence and absence of negative outcomes (Higgins, 1997), which increases the tendency to believe that small business growth leads to predominantly negative consequences. Prevention focus is also associated with conservative bias (e.g., Crowe & Higgins, 1997) such that prevention-focused individuals are strict and cautious in identifying opportunities for gains in efforts to insure safety and insure against commissions of errors in their evaluations. This may have resulted in an inclination to respond less positively when asked to evaluate whether or not potential positive consequences will occur.

As for perceived competence with respect to the pursuit of business growth, it was found to be an important mediator in the associations between the two foci and emotion-related SBGBs. Regardless of whether one is predominantly promotion-focused or prevention-focused, the perception that one is competent enough to pursue business growth determined the positivity of emotion-related SBGBs. This clearly lends support to the notion that when people perceive themselves as competent, they also believe or even expect that positive outcomes will occur (Fernández-Castro et al., 2009). However, our prediction concerning its mediating role in the associations between the two foci and finance and business-related SBGBs was not supported in Study 2.2. This may have been caused by the fact that all participants in Study 2.2 were actual small-business owners who possessed real experience of running a small firm. This experience may have increased their familiarity with other important finance and business-related factors that affect finance and business-related SBGBs, in addition to their own competence in pursuing business growth. These external factors could include market competitiveness, economic conditions, or types of products that small-business owners sell. For instance, small-business owners who perceive themselves as competent to grow their firms would not necessarily believe that business growth leads to an increase in their private finances if they have previously experienced that a highly competitive market can undermine business growth, or if they are aware that their products are only consumed by a small segment in the market. Therefore, the influence of perceived competence with respect to the pursuit of business growth may have been overshadowed by considerations of other, external influences on business growth.

Limitations and suggestions for future research

Across two studies, we measured participants' SBGBs without taking into account individual differences in the perceived importance of each belief. Some people may value control over their own working lives more than others, and the belief that a growing business would limit this control may have a stronger impact on their growth motivation. Indeed, the importance of each belief can be relative (Wiklund et al., 2003) and the value people attach to each belief may be influenced by economic status, cultural backgrounds, or other factors. There may also be important beliefs in certain cultural or economic contexts that were not mentioned in the SBGBs scale. Future research could take into account the relative importance of growth beliefs for participants. That way, we will be able to gain more insight into whether this relative importance indeed influences participants' responses to SBGBs items and even whether it moderates the association between regulatory focus and SBGBs.

In the work presented in this paper, we did not examine possible moderators in the associations between the two foci and SBGBs. The question as to whether the direction and the strength of the associations are generally stable or dependent on contexts still remains unanswered. Future research should try to focus on examining potential factors, such as cultural differences or business knowledge that can moderate the associations. Investigating these factors can expand our knowledge regarding the relationship between regulatory focus and SBGBs. For example, the positive association between promotion focus and SBGBs may be stronger in individualistic societies that emphasize a promotion goal than it is in collectivistic societies that emphasize a prevention goal.

Furthermore, given the fact that perceived competence with respect to the pursuit of business growth did not mediate the associations between the two types of regulatory focus and finance and business-related SBGBs, further investigation is necessary. In addition to perceived competence with respect to the pursuit of business growth, future research could focus on examining the effects of external finance and business-related factors on finance and business-related SBGBs, particularly among small-business owners. That way, we can obtain more information on the extent to which perceived competence with respect to the pursuit of business growth mediates the association between regulatory focus and SBGBs.

Last but not least, Summerville and Roese (2008) suggest that the General Regulatory Focus Measure by Lockwood et al. (2002) functions more like a measure of approach and avoidance, which is orthogonal to the conceptualization of ideals and obligations in regulatory focus theory. Moreover, this measure may also involve measurement of affectivity, whereas promotion focus and prevention focus were originally conceptualized to be independent of affective valence (Idson, Liberman, & Higgins, 2000). Thus, researchers concerned by this issue may use Regulatory Focus Questionnaire (Higgins et al., 2001) that instead taps into self-guide definition of regulatory focus, which is more consistent with the original conceptualization of regulatory focus theory.

Implications

The results of the two studies reported in this paper have both theoretical and practical implications. In terms of theoretical implications, the results yield novel insights into individual characteristics that can explain why and how some people tend to believe that business growth brings more good (i.e., positive consequences) than harm while others tend to believe that it brings more harm (i.e., negative consequences) than good to their firms. Since SBGBs are an important precursor for growth motivation, these novel insights could also further our understanding regarding the cause

of variations in individuals' levels of growth motivation. In addition, the results provide novel insights into the important role of perceived competence in determining whether a promotion-focused or prevention-focused small business owner would anticipate more positive or negative consequences of business growth, especially when it comes to emotional consequences of business growth. It can enrich the existing understanding of the relationship between regulatory focus and optimism or pessimism in predicting personal outcomes (e.g., Hazlett, Molden, and Sackett, 2011). In terms of practical implications, the results offer policy makers and practitioners novel information that could help them identify which type of small-business owners possess the tendency to expect more negative or positive consequences of business growth. Since beliefs can change when individuals who hold them are provided with new information that counter those beliefs (Ajzen & Fishbein, 2000), these results can help them determine for whom persuasive information on positive consequences of business growth should be provided more frequently. For instance, previous research has shown that individuals in a collectivistic culture tend to be prevention-focused rather than promotion-focused (Lee, Aaker, & Gardner, 2000; Uskul, Sherman, & Fitzgibbon, 2009). Thus, information concerning positive consequences of small business growth should be provided for small-business owners in such culture more aggressively in order to counterbalance their tendency to expect more negative consequences of business growth resulting from the inclination to be prevention-focused. Furthermore, the results regarding the role of perceived competence with respect to pursuit of business growth suggest that policy makers and practitioners should pay more attention to small-business owners' perceived competence with respect to pursuit of business growth. In small business empowerment programs (e.g., training), equipping small-business owners with the skills required to grow their businesses and enhancing their perception that they are competent to grow their businesses are indeed crucial. Of course, that should be done without overlooking external factors that can also affect small-business owners' SBGBs.

Footnotes

¹We tested the effect of motives of entrepreneurship on SBGBs for exploratory reasons. No significant effect of motives of entrepreneurship on SBGBs was observed, $F(1,119) = .08, p = .77$.

²Participants were also presented with additional four items concerning growth consequences related to workload, ability to survive a crisis, ability to control quality of products and services, and preferred task for exploratory reasons. However, only beliefs concerning four key areas (i.e., private finances, work atmosphere, independence, ability to control and survey the business) were included in the analysis as these beliefs were consistently found to be significant predictors of growth motivation variables in previous research (Davidsson, 1989b; Wilklund et al., 2003). If items related to the other four beliefs were included in the analysis, results were similar.

³Belief items are causal indicators which are essentially heterogeneous and inconsistent, allowing the internal consistency not to be reported (Hennessy, Bleakley, & Fishbein, 2012; de Leeuw, Valois, Azjen, & Schmidt, 2015).

⁴Affective attitude towards growth, several open-ended questions (Study 2.1) and regulatory fit, perceived instrumentality of loans (Study 2.2) were also examined for exploratory purposes. Results are available upon request.

⁵An analysis of variance was conducted to examine whether or not there was a significant difference in SBGBs between participants who were, or had been an entrepreneur ($N = 79$) and participants who had not ($N = 38$). No significant difference was observed, $F(1,115) = 1.04, p = .31$.

⁶Some items in this scale are related to an academic context (e.g., “I frequently think about how I will achieve academic success.”). Thus, we modified these items to fit the purpose of this study (e.g., “I often think about how I will achieve success in life”). Other items that are not related to an academic context were not modified.

⁷If the period of entrepreneurship (“how long have you been an entrepreneur?”) and the number of employees were included in the model, results were similar.

Chapter 3

Tomorrow is Another Day: How Motives of Entrepreneurship Relate to the Pursuit of Business Growth

Prasastyoga, B., Van Leeuwen, E., & Harinck, F. (2020). Tomorrow is another day: How motives of entrepreneurship relate to the pursuit of business growth. *Applied Psychology: An International Review*, 0(0), 1-25.

Abstract

Past research has suggested that small business growth plays an important role in economic growth. This paper presents three studies that examined the psychological process underlying the relationship between motives of entrepreneurship and business growth pursuit by focusing on the role of time perspective. The results from three studies (Study 3.1, $N = 142$, and Study 3.2, $N = 181$, mostly Western small-business owners; Study 3.3, $N = 254$, Indonesian small-business owners) demonstrated that opportunity-based entrepreneurship was positively associated with business growth pursuit through by increasing future time perspective (Studies 3.1 to 3.3), whereas necessity-based entrepreneurship was negatively associated with business growth pursuit by increasing present time perspective and decreasing future time perspective (Study 3.3). These findings help explain why some business owners avoid business growth by highlighting the vital role of time perspective in explaining *why* and *how* motives of entrepreneurship relate to the pursuit of business growth across social and cultural contexts.

Introduction

The growth of small businesses provides considerable contributions to the economy (e.g., Obi et al., 2018). Growing enterprises play an important role in boosting innovation and economic growth (OECD, 2000). The expansion of small businesses also produces important economic output in developing countries, such as employment (Nichter & Goldmark, 2009; Scott & Bruce, 1987; Wiklund, Davidsson, & Delmar, 2003). Surprisingly, despite the considerable benefits of business growth, many small-business owners are not actively involved in the pursuit of growth (e.g., Gundry & Welsch, 2001). This renders the investigation of factors that support or hinder the pursuit of business growth crucial, particularly since our knowledge of these factors is limited (Wiklund et al., 2003).

Previous research has shown that small-business owners possess different motives of entrepreneurship (e.g., Reynold, Bygrave, Autio, Cox, & Hay, 2002). Some small-business owners engage in entrepreneurship because they would like to exploit and pursue entrepreneurial opportunities voluntarily (opportunity-based small-business owners), whereas others engage in entrepreneurship because they have no other viable options for work (necessity-based small-business owners). Past studies suggest that opportunity-based small-business owners are more likely to be growth-oriented than necessity-based small-business owners (Berner, Gómez, & Knorringa, 2012; Verheul & van Mil, 2011). This indicates that the extent to which small-business owners are motivated to pursue business growth can be rooted in their motives of entrepreneurship. However, to the best of our knowledge, the mechanisms that can explain *why* and *how* opportunity-based small-business owners tend to be more motivated to pursue business growth than necessity-based small-business owners do remain unclear. The aim of the present research was thus to examine the psychological mechanisms underlying the relationship between motives of entrepreneurship and the pursuit of business growth by focusing on the role of time perspective. The present research may provide new insights into factors accounting for variation in levels of business growth motivation, as well as novel information that can be useful for policy makers and practitioners when designing programs and policies aimed at assisting small businesses to grow.

Motives of entrepreneurship

In the Global Entrepreneurship Monitor (GEM), Reynolds, Camp, Bygrave, Autio, and Hay (2001) introduced two categories of motives of entrepreneurship, namely opportunity-based entrepreneurship and necessity-based entrepreneurship. Opportunity-based entrepreneurship is

driven by the motivation to pursue and exploit business opportunities. Small-business owners who are opportunity-based engage in entrepreneurial activity due to their own choice to take advantage of business opportunities, which they believe may lead to certain desired rewards (Sahasranamam & Sud, 2016). Indeed, opportunity-based entrepreneurship is often associated with a concept called ‘pull’ entrepreneurship in which the business venturing is mostly voluntary (Gilad & Levine, 1986; Amit & Muller, 1995).

Necessity-based entrepreneurship, on the other hand, refers to the motive to engage in entrepreneurial activity due to a lack of viable options for work. Block and Wagner (2010) found that necessity-based entrepreneurs in Germany tended to be unemployed for a long time before they decided to start their businesses. Van der Zwan, Thurik, Verheul, and Hessels (2016) demonstrated that compared to opportunity-driven entrepreneurs, necessity-driven entrepreneurs actually prefer being wage-employed to being self-employed. This supports the notion that necessity-driven entrepreneurs’ engagement in entrepreneurship is primarily due to the absence of viable employment options. This is why necessity-based entrepreneurship is often associated with ‘push’ entrepreneurship in which the business venturing is mostly involuntary (Gilad & Levine, 1986; Amit & Muller, 1995).

Time perspective

Time perspective is a cognitive process that compartmentalizes human experience into time frames and plays a big role in our decision-making processes (e.g., Laureiro-Martinez, Trujillo, & Unda, 2017; Zimbardo & Boyd, 1999). Prior research differentiated time perspective into present time perspective (i.e., an orientation towards the present), future time perspective (i.e., an orientation towards the future), and past time perspective (i.e., an orientation towards the past; Webster, 2011; Adams & White, 2009; Simons, Vanstreenkiste, Lens, & Lacante, 2004; Zimbardo, Keough & Boyd, 1997).

On a daily basis, individuals may put an overemphasis on one of the orientations, which results into temporal bias (e.g., Keough, Zimbardo, & Boyd, 1999; Mooney, Earl, Mooney, & Bateman, 2017; Rönnlund & Carelli, 2018). However, it is important to note that time perspective is conceptualized as a malleable cognitive structure (Zimbardo & Boyd, 2008; Kooij, Kanfer, Betts, & Rudolph, 2018). This implies that one’s inclination to overemphasize a certain time frame is flexible, and can be influenced by various external factors.

Time perspective is a vital element in entrepreneurial behavior and business growth. For example, Gielnik, Zacher, and Frese (2012) revealed that business owners who were inclined to focus on opportunities and possibilities in the future were more likely to achieve venture growth. Similarly, a study by Przepiorka (2015) showed that entrepreneurs who were future-oriented were more likely to achieve entrepreneurial success. These studies support the notion that time perspective is an important variable determining business owners' business growth intentions and growth-related activities. Since this paper focuses on business growth, which will happen in the future but needs to be prepared today, this paper focuses on future time perspective and present time perspective in an entrepreneurial context.

Motives of entrepreneurship, time perspective, and business growth intentions

In the current research, we propose that the two motives of entrepreneurship would relate to variation in levels of business growth pursuit (i.e., business growth intentions and growth-pursuit behaviors) among small-business owners due to time perspective in the context of entrepreneurship. Many opportunities and rewards in the realm of business (e.g., a new niche in the market, higher profits) can only be exploited in the future, but in order to do so, one should prepare for them in the present. For example, Berry (1998) suggested that small firms need to put a long-term strategic planning in place in order to achieve long-term benefits, such as turnover growth. Given that many opportunities and rewards can only be seized in the future, small-business owners who are primarily driven by the pursuit of opportunities may be more motivated to be future-oriented in running their businesses.

Furthermore, opportunity-based small-business owners engage in entrepreneurship due to their own choice. In other words, being a business owner is an identity that they have deliberately chosen. This suggests that they have a favorable regard for their identity as a business owner. In other words, they may see that they can gain positive feelings and meanings from being a business owner. Given that individuals are motivated to preserve an identity that they perceive positively (e.g., Dutton, Roberts & Bednar, 2010; Tajfel & Turner, 2004), opportunity-based small-business owners may be motivated to maintain and protect their entrepreneurial identity and the business from which it is derived.

As a result, they will be motivated to focus on the long-term existence and sustainability of their businesses, rendering them strongly future-oriented in running their businesses. Due to their future time perspective, they will be more likely to understand why the pursuit of business

growth matters, and hence more inclined to pursue business growth. Indeed, the benefits of business growth (e.g., long-term survival of the business [Rauch & Rijdsdijk, 2013]) are rarely immediate. It is thus possible that the benefits of business growth can only be foreseen by those who are strongly future-oriented. We therefore hypothesized that:

Hypothesis 1a: Opportunity-based entrepreneurship would have a positive indirect association with business growth intentions via future time perspective

Given the absence of other viable options for work, necessity-based small-business owners may be more inclined to focus on present-oriented tasks aimed at ensuring that their businesses can function and generate a sufficient income each day. This task is vital for them due to the fact that they have no other ways of earning a daily income should their businesses fail. In other words, the idea of losing their businesses in the present, which are their only means of generating income now, is a direct threat to the well-being of necessity-based small-business owners. Because individuals give more attentional priority to potential threatening information and situations than neutral information and situations (Notebaert, Crombez, van Damme, Durnez, & Theeuwes, 2013; Koster, Crombez, van Damme, Verschuere, & De Houwer, 2004), necessity-based small-business owners are likely to focus their attention more on ensuring that their businesses can function properly in the present, rather than on its long-term viability.

Necessity-based small-business owners are also generally less satisfied with their entrepreneurship, and more willing to end their businesses when there are better alternatives for work available (Kautonen & Palmross, 2010). This suggests that they do not place much value on their role as a business owner. After all, they are ‘pushed’ into being a business owner involuntarily. This may prompt them to be less interested in focusing on the long-term viability of their businesses. We therefore hypothesized that:

Hypothesis 1b and 1c: Necessity-based entrepreneurship would have a negative indirect association with business growth intentions via future time perspective (*1b*) and present time perspective (*1c*)

Motives of entrepreneurship, time perspective, and growth-pursuit behaviors

We argue that the two motives of entrepreneurship also relate to growth-pursuit behaviors via time perspective. The pursuit of business growth involves a long-term process that requires small-business owners to take concrete actions. For example, Robson and Bennett (2000) found

that seeking external advice on business strategy and staff recruitment was positively correlated with the subsequent growth of a firm. Moreover, writing formal business plans and communicating these plans with the employees are important for subsequent business growth among family firms (Upton, Teal, & Felan, 2001). Based on these studies, it makes sense to expect that opportunity-based small-business owners engage in concrete growth-pursuit activities in the present because they are more able to foresee the importance and the benefits of future business growth. Necessity-based small-business owners, on the other hand, are less able to foresee the benefits and importance of future business growth because they are mostly present-oriented, and less future-oriented in running their businesses. As a consequence, they are less inclined to engage in growth-pursuit activities in the present. Therefore, we hypothesized that:

Hypothesis 2a: Opportunity-based entrepreneurship would have a positive indirect association with current engagement in growth-pursuit behaviors via future time perspective

Hypothesis 2b and 2c: Necessity-based entrepreneurship would have a negative indirect association with current engagement in growth-pursuit behaviors via future time perspective (2b) and present time perspective (2c)

Overview of the studies

In three studies, we investigated the notion that time perspective in the context of entrepreneurship plays an important role in the process through which motives of entrepreneurship relate to the pursuit of business growth. Studies 3.1 and 3.2 were conducted among a sample of mostly Western small-business owners. Study 3.3 was conducted among a sample of Indonesian small-business owners who were recruited in Indonesia. Employing a sample of Indonesian small-business owners whose characteristics and backgrounds were distinct from those of Western small-business owners allowed us to examine the generalizability of our results to a different cultural and economic context. The full model is depicted in *Figure 3.1*.

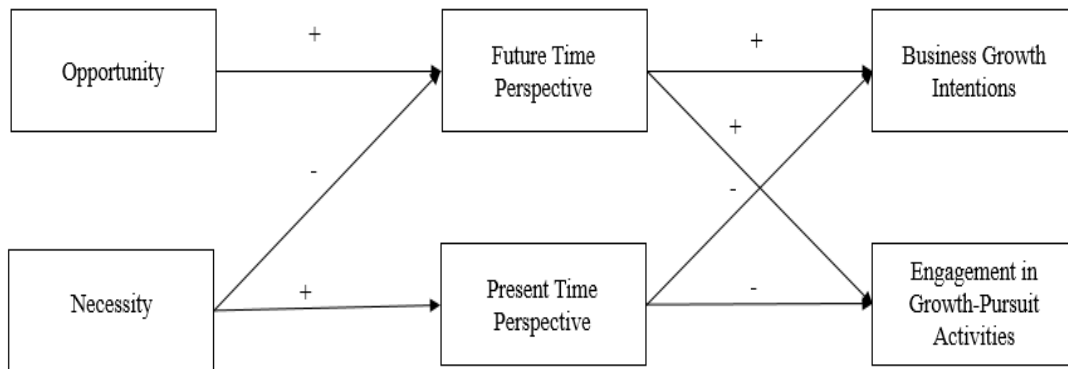


Figure 3.1. Full hypothesized model

Studies 3.1 and 3.2

Study 3.1 and Study 3.2 were conducted to test Hypotheses 1a and 1b. Both studies were very similar, with only some minor differences (e.g., sample size, different wording in items). Due to their similar nature, the two studies are reported in a single section.

Method

Participants and design

One hundred and forty two small-business owners (Study 3.1; 82 female and 60 male, $M_{age} = 37.37$, $SD_{age} = 11.08$) and one hundred and eighty one small-business owners (Study 3.2; 118 female and 63 male, $M_{age} = 39.22$, $SD_{age} = 11.59$)¹ recruited from an online crowdsourcing platform (Prolific Academic) participated in return for a small monetary fee. On average, participants in Study 3.1 had been a business owner for 4.79 years ($SD = 5.13$, one participant did not clearly report their period of entrepreneurship), and those in Study 3.2 had been a business owner for 6.01 years ($SD = 5.75$). In Study 3.1, about 70.4 % of all participants reported that they had ≤ 1 employee in their firms ($M = 1.97$, $SD = 3.78$) with a range from 0 to 28 employees, while in Study 3.2 about 63.6% of all participants had ≤ 1 employee ($M = 3.87$, $SD = 8.46$) with a range from 0 to 48 employees. Ninety-nine participants (69.7%) in Study 3.1 and one hundred twenty-nine participants (71.30%) in Study 3.2 had a college degree. In terms of

country of origin, we recruited small-business owners from the United Kingdom (64% in Study 3.1 and 57% in Study 3.2) and from other countries, mostly from the United States of America and Europe (see Appendix A).

Procedure and measures

In both studies, participants were asked to complete an online questionnaire. All participants were welcomed and presented with an informed consent. After indicating that they agreed to participate in this research, they proceeded to complete several scales (i.e., motives of entrepreneurship scale, future time perspective scale, business growth intentions scale), which are described below.

Motives of entrepreneurship. To measure motives of entrepreneurship, participants were asked to complete a scale consisting of opportunity-motives items (e.g., “I become a business owner because I would like to pursue opportunities that entrepreneurship offers”; $\alpha = .86$ [Study 3.1]; “I am a business owner because I would like opportunities that entrepreneurship offers”; $\alpha = .84$ [Study 3.2]) and three necessity-motives items (e.g., “I become a business owner since I have no other means of generating income”; $\alpha = .74$ [Study 3.1]; “The only reason why I am a business owner is because this is the only way of fulfilling my basic necessities now”; $\alpha = .87$ [Study 3.2]). Participants were asked to indicate how true each item was for them on a 7-point scale ($1 = \text{definitely not true}$, $7 = \text{definitely true}$). This scale was developed by the authors.

Future time perspective. To measure future time perspective in the context of entrepreneurship, participants were subsequently presented with a fourteen-item future time perspective subscale taken from the Balanced Time Perspective Scale by Webster (2011). The items in the subscale were modified to fit the context of entrepreneurship (e.g., “I look forward to the future of my business”, “I have many future aspirations with respect to my business). In Study 3.1, participants were instructed to rate the extent to which each statement was true for them ($1 = \text{very untrue of me}$, $7 = \text{very true of me}$; $\alpha = .97$). In Study 3.2, participants were instructed to indicate their level of agreement with each item ($1 = \text{strongly disagree}$, $7 = \text{strongly agree}$; $\alpha = .98$).²

Business growth intentions. A single item in a format by Davis and Warshaw (1992) and suggested by Ajzen and Fishbein (1980) was presented to participants for the assessment of their growth intentions. They were asked to rate how likely it was that a statement (i.e., “I intend to grow my business”) applied to them on a 7-point scale, which ranged from $1 = \text{extremely unlikely}$

to 7 = *extremely likely*. Participants were also presented with a business growth intentions scale adopted from Zampetakis, Bakatsaki, Kafestios, and Moustakis (2016), in which they were asked to rate the extent of their agreement with two items (i.e., “I want my business to be as large as possible”, “I want a size I can manage myself or with a few key employees” [reverse coded]) on a 7-point scale, ranging from 1 = *strongly disagree* to 7 = *strongly agree*. Due to a non-significant relationship between the two items in Study 3.1 ($r = .14$), a low relationship between them in Study 3.2 ($r = .16$), and a non-significant relationship between the reverse-scored item and the single item mentioned earlier ($r = -.12$ [Study 1]; $r = -.14$ [Study 2]), we decided to drop the reverse-scored item (“I want a size I can manage myself or with a few key employees”), leaving one item (“I want my business to be as large as possible”) only in this scale. Since the correlation between this item and the single item mentioned earlier (“I intend to grow my business”) was modest and significant ($r = .47, p < .01$ [Study 3.1]; $r = .51, p < .01$ [Study 3.2]), we decided to combine them together into a single scale. Moreover, we conducted reliability analyses showing that the internal consistency was low when the reverse-scored item was also included in the scale ($\alpha = .40$ [Study 3.1]; $\alpha = .44$ [Study 3.2]). When this item was excluded, the internal consistency of the scale significantly improved ($\alpha = .64$ [Study 3.1]; $\alpha = .67$ [Study 3.2]).

Lastly, participants were requested to answer several questions about their firms (i.e., the number of employees and history of entrepreneurship) and demographic questions such as gender, age, country of origin, and education. Participants were subsequently debriefed, thanked, and paid for their participation.²

Results

Preliminary analyses

Structural equation modeling (SEM) using Mplus 7.4 (Muthén & Muthén, 1998-2015) was employed to analyze the data. For the examination of the structural model, MLM estimator was chosen for its robustness to non-normality in data that contain no missing values (Muthén & Muthén, 1998-2015). Given our main focus on examining the relationships among constructs instead of the relationships among items within the constructs, item parceling was conducted. For unidimensional variables, item parceling was conducted by means of an item-to-construct balance method. For multidimensional variables, item parceling was conducted by means of domain-representative technique (Kishton & Widaman, 1994; Little et al., 2002; Mashuri & van Leeuwen, 2017).³

The criterion of goodness of fit by Hu and Bentler (1999) was used to assess the goodness of fit of the hypothesized model. The criterion suggests that RMSEA values lower than .08 and CFI and TLI values above .90 are indicators of good fits to the data. The results of the assessment of the goodness of fit revealed that the hypothesized model fitted to the data well, both in Study 3.1 (RMSEA = .051, 90% CI = [0.000, 0.097], CFI = .990, TLI = .984) and Study 3.2 (RMSEA = .040, 90% CI = [0.000, 0.083], CFI = .995, TLI = .992).

Hypothesis testing

In line with Hypothesis 1a, opportunity-based entrepreneurship was positively associated with business growth intentions via future time perspective (Study 3.1 $\beta = .53$, $SE = .07$, $p < .01$, 95% CI [0.392, 0.668]; Study 3.2 $\beta = .53$, $SE = .06$, $p < .01$, 95% CI [0.408, 0.647]). However, contrary to Hypothesis 1b, future time perspective was not a significant mediator in the relationship between necessity-based entrepreneurship and business growth intentions (Study 3.1 $\beta = .02$, $SE = .07$, $p = .84$, 95% CI [-0.129, 0.159]; Study 3.2 $\beta = -.01$, $SE = .05$, $p = .78$, 95% CI [-0.106, 0.080]).

We also examined the total effects of motives of entrepreneurship on business growth intentions, the total effects of motives of entrepreneurship on future time perspective, and the total effect of future time perspective on business growth intentions for exploratory reasons (see Appendix B). The comparison between the model tested in Studies 3.1 and 3.2 and an alternative model can be found in Appendix C, and the comparison between the model tested in Study 3.3 and an alternative model can be found in Appendix D. The correlations among our variables of interest in Studies 3.1 and 3.2 are presented in Tables 3.1 and 3.2 on the next page.

Table 3.1

Means, standard deviations, and correlations (composite scores) among variables in Study 3.1

Variables	Mean (SD)				
		1	2	3	4
1. Opportunity	4.76(1.38)		-.18*	.53**	.46**
2. Necessity	4.00(1.57)			-.09	-.05
3. Future time perspective	5.02(1.33)				.71**
4. Growth intentions	4.53(1.40)				

Table 3.2

Means, standard deviations, and correlations (composite scores) among variables in Study 3.2

Variables	Mean (SD)				
		1	2	3	4
1. Opportunity	5.08(1.37)		-.30*	.67**	.53**
2. Necessity	3.20(1.73)			-.26**	-.04
3. Future time perspective	5.21(1.40)				.63**
4. Growth intentions	4.28(1.56)				

Discussion

The current findings are in line with the notion that opportunity-based entrepreneurship is positively associated with business growth intentions via future time perspective. However, necessity-based entrepreneurship was not found to be negatively associated with business growth intentions via future time perspective. Therefore, Hypothesis 1a, but not Hypothesis 1b, was supported by the data.

It is also worth noting that the comparison between the hypothesized model and an alternative model in Study 3.1 yielded a different outcome than that in Study 3.2. That is, a fit improvement could be gained by adding direct paths from opportunity and necessity motives to business growth intentions in Study 3.2, but not in Study 3.1. We addressed this inconsistency in Study 3.3.

Study 3.3

Study 3.3 was conducted among a sample of small-business owners in the Republic of Indonesia. In contrast to most of Western nations in Studies 3.1 and 3.2, the Republic of Indonesia is categorized as a developing country. The context of entrepreneurship and the characteristics of small-business owners here may be different from those in developed countries. For instance, small-business owners in developing countries have a more limited access to finance for business growth, their businesses are usually informal (i.e., not registered in the government), and the business environment tends to constrain business growth (Nichter & Goldmark, 2009). Reynolds et al. (2001) suggested that many small-business owners in developing countries start their businesses out of the need to escape unemployment. This may be related to the fact that the social security system for unemployed citizens in developing countries is not as secure and extensive as in developed countries. Given these differences, conducting Study 3.3 in a sample of Indonesian small-business owners would allow us to test the generalizability of the results obtained in Studies 3.1 and 3.2 to different social, cultural, and economic contexts. Moreover, Study 3.3 included the examination of Hypotheses 1c to 2c. Thus, the full hypothesized model that included present time perspective and growth-pursuit behaviors was examined in this study.

Method

Participants, firm characteristics, and design

The study was a cross-sectional study conducted in the greater Jakarta metropolitan area, which consists of Jakarta and its surrounding cities (i.e., Bogor, Depok, Tangerang, and Bekasi). This area is known as the melting pot of Indonesian cultures as well as an important economic center of Indonesia (Susilo, Joewono, Santosa, & Parikesit, 2007). Two hundred and fifty four Indonesian small-business owners residing in the area (105 female and 149 male, $M_{age} = 34.71$, $SD_{age} = 7.52$) participated in structured interviews for a monetary compensation.⁴ On average, participants had been a business owner for 5.01 years ($SD = 3.40$), and their current firms had been

operating for 4.43 years ($SD = 3.01$). Two hundred thirty-one participants (90.90%) reported that they had ≤ 5 employees in their firms ($M = 2.51$, $SD = 2.02$), range 0 - 15. One hundred and ninety-two participants (75.60 %) reported that they had either a bachelor degree or only a senior high school degree. Information concerning firm characteristics is presented in Appendix E.

Procedures and measures

Research assistants who had received instructions in how to conduct a structured interview conducted the interviews in Indonesian. Each interview lasted approximately 25 minutes. Research assistants recruited participants in one of two ways. Ninety-five participants were contacted and approached through personal contacts. Those interested in participation were subsequently scheduled for an interview. In addition, one hundred fifty-nine participants were randomly approached in their business establishments (e.g., shops, restaurants, offices). Research assistants visited various areas in the Greater Jakarta Area where small businesses were commonly found, such as markets or small shopping centers. In both recruitment procedures, research assistants were instructed to approach and recruit small-business owners specializing in diverse types of industry, ranging from service industry to raw materials industry. There was a minimum of three buildings in between two participants' business establishments to ensure that participants' responses to the interview questions were independent of neighboring participants' responses. The interviews included a scale used in the previous studies (i.e., motives of entrepreneurship [$\alpha_{\text{opportunity}} = .93$; $\alpha_{\text{necessity}} = .91$]) and a number of new scales that are described below. A table containing an overview of the measures used in Studies 3.1, 3.2, and 3.3 can be found in Appendix F.

Future time perspective. Future time perspective in the context of entrepreneurship scale consisted of five items (e.g., "I like to plan far ahead in running my business", "In running my business, I care about how my business will fare in the future", $\alpha = .97$), to which participants were asked to respond on a 7-point scale ($1 = \text{completely disagree}$, $7 = \text{completely agree}$).

Present time perspective. The present time perspective in the context of entrepreneurship scale consisted of three items (e.g., "In running my business, I mostly focus on how my business operates day by day", "In running my business, the current condition of my business is the thing that I mainly focus on", $\alpha = .91$).⁵ Participants were asked to respond to each item on a 7-point scale ($1 = \text{completely disagree}$, $7 = \text{completely agree}$).

Business growth intentions. The business growth intentions scale consisted of two items from a business growth intentions scale (Zampetakis et al., 2016), one item from the business

growth intentions scale (i.e., “I intend to grow my business”) used in Studies 3.1 and 3.2, and five items that were developed by the authors (e.g., “Making my business grow is something that I would very much like to do”, “I plan to perform strategies to grow my business”, $\alpha = .96$). Participants were asked to respond to each item on a 7-point scale, ranging from 1 = *extremely unlikely* to 7 = *extremely likely*.

Growth-pursuit behaviors index. The growth-pursuit behaviors index consisted of four dimensions related to areas crucial for business growth, namely marketing, network, skills, and finance. These dimensions were chosen based on past research on factors affecting business growth. A study by Brush, Ceru, and Blackburn (2009) demonstrated that marketing strategies and financial ability play a crucial role in determining whether or not a company can grow fast. Without focusing on finance and marketing, a company will have a hard time increasing their sales and revenues. The study also demonstrated that having good quality of human resources in the company, consciously managing the rate of growth, and carefully managing customer relationships are important contributing factors to the realization of company growth, which we believe require owner’s entrepreneurial skills. Indeed, Sambasivan, Abdul, and Yusop (2009) found that entrepreneurs’ qualities and management skills positively contribute to the venture growth performance. Lee & Tsang (2002) revealed that networking has a positive effect on venture growth. The underlying explanation for the positive effect is that connections and other resources through business partners may help business owners generate new ideas and solve problems, which will eventually facilitate their business growth.

In this index, each dimension was assessed with a list of three different growth-pursuit behaviors. Participants were asked to indicate whether or not they had engaged in specific growth pursuit behaviors in the past twelve months (e.g., Marketing: “Have you been marketing your products digitally, such as via social media or internet?” [$\alpha = .47$]; Network: “Have you been a member of a small business community where you can build network with other small-business owners?” [$\alpha = .81$]; Personal skills: “Have you attended seminars/trainings/courses, or following education for your business growth?” [$\alpha = .57$]; Finance: “Have you sought assistance or loans from banks/NGOs/government, or other institutions, for your business growth?” [$\alpha = .38$]). Participants were asked to respond to each item in the list in a yes/no format. Although the internal consistency of most of the subscales was low, index construction was still justified because it was formed based on aggregates of causal indicators forming a latent behavioral variable that can be

valid despite low internal consistency (Bollen & Lenox, 1991). In addition, behaviors listed in a measure assessing a latent behavioral variable do not always need to co-occur (e.g., Gabriel, Banse, & Hug, 2007), and thus a low internal consistency is often inevitable.

Several questions concerning their firm characteristics and demographic questions were also presented to participants. Upon completion, participants were thanked, debriefed, and given their compensations.⁶

Results

Preliminary analyses

Structural equation modelling (SEM) using Mplus 7.4 (Muthén & Muthén, 1998-2015) was employed to analyze the data, using the same approach as in Studies 1 and 2. The analysis of goodness of fit revealed that the hypothesized model did not fit the data well (RMSEA = .083, 90% CI = [0.068, 0.099], CFI = .97, TLI = .96). Thus, it was necessary to revise the model in order to improve its fit. Given that previous research has shown that motives of entrepreneurship can be associated with growth orientation and proactiveness (e.g., Berner et al., 2012; van der Zwan et al., 2016), it is likely that the inclusion of direct paths from motives of entrepreneurship to growth-pursuit behaviors would improve the model fit. We, therefore, compared the hypothesized model with an alternative model which included direct paths from motives of entrepreneurship to growth-pursuit behaviors. The analysis of goodness of fit revealed that the alternative model fitted the data well (RMSEA = .079, 90% CI = [0.063, 0.095], CFI = .98, TLI = .97). Moreover, the chi-square of the alternative model ($\chi^2(54) = 138.743$) was significantly different from that of the hypothesized model ($\chi^2(56) = 154.370$; $\Delta\chi^2(2) = 15.769$, $p = .00$), indicating that there was a fit improvement gained by adding direct paths from motives of entrepreneurship to growth-pursuit behaviors. Thus, we revised our hypothesized model by including direct paths from motives of entrepreneurship to growth-pursuit behaviors. The correlations among our variables of interest are presented in Table 3.3 on the next page.

Table 3.3

Means, standard deviations, and correlations (composite scores) among variables in Study 3.3

Variables	Mean (SD)	1	2	3	4	5	6
1. Opportunity	5.39(1.20)		-.41*	.81**	.33**	.77**	.57**
2. Necessity	3.71(1.65)			-.47**	.74**	-.46**	-.64**
3. Future time perspective	4.88(1.28)				-.35**	.88**	.66**
4. Present time perspective	4.99(1.28)					-.37**	-.64**
5. Growth intentions	5.26(1.17)						.67**
6. Growth-pursuit behaviors	5.71(1.05)						

Hypothesis testing

Hypotheses 1a, 1b, and 1c. Opportunity-based entrepreneurship was positively associated with business growth intentions via future time perspective ($\beta = .72$, $SE = .04$, $p < .01$, 95% CI [0.642, 0.787]). Necessity-based entrepreneurship was negatively associated with business growth intentions via future time perspective ($\beta = -.12$, $SE = .04$, $p < .01$, 95% CI [-0.200, -0.036]), but not via present time perspective ($\beta = -.02$, $SE = .02$, $p = .34$, 95% CI [-0.065, 0.023]). These results provided support for Hypothesis 1a and 1b, but not Hypothesis 1c. The finding regarding Hypothesis 1b appears incongruent with Studies 3.1 and 3.2 and will be discussed in the General Discussion.

Hypotheses 2a, 2b, and 2c. In support of Hypothesis 2a, opportunity-based entrepreneurship was positively associated with growth-pursuit behaviors via future time perspective ($\beta = .46$, $SE = .08$, $p < .01$, 95% CI [0.200, 0.439]). Moreover, in support of Hypotheses 2b and 2c, necessity-based entrepreneurship was negatively associated with growth-pursuit behaviors via future time perspective ($\beta = -.08$, $SE = .03$, $p < .01$, 95% CI [-0.129, -0.022]) and present time perspective ($\beta = -.16$, $SE = .04$, $p < .01$, 95% CI [-0.241, -0.069]).

Discussion

Study 3.3 demonstrated that opportunity-based entrepreneurship was positively associated with both business growth intentions and engagement in growth-pursuit behaviors via future time perspective. On the other hand, necessity-based entrepreneurship was negatively associated with current engagement in growth-pursuit behaviors via both future time perspective and present time perspective. Interestingly, when it came to business growth intentions, their association with necessity-based entrepreneurship was significant via future time perspective only. This implies that present time perspective did not play a significant role in mediating the relationship between necessity-based entrepreneurship and business growth intentions. The possible explanation as to why this mediating role was not significant will be discussed further in the General Discussion.

General Discussion

The results of the three studies confirmed the vital role of time perspective in explaining *why* and *how* motives of entrepreneurship relate to the pursuit of business growth. Across three studies, opportunity-based entrepreneurship was found to be positively associated with the pursuit of business growth (i.e., business growth intentions and engagement in growth-pursuit behaviors) via future time perspective. It supports the idea that opportunity-based small-business owners pay a lot of attention to the long-term viability and future of their businesses, which makes it more likely for them to understand and foresee the benefits of business growth. In other words, future time perspective in the context of entrepreneurship is a variable that may facilitate opportunity-based small-business owners' intentions to pursue business growth as well as engagement in growth-pursuit behaviors.

In terms of necessity-based entrepreneurship, the results were mixed. Study 3.3 indicated that necessity-based entrepreneurship was negatively associated with both business growth intentions and current engagement in growth-pursuit behaviors via lower levels of future time perspective. However, Studies 3.1 and 3.2 did not find a negative link between necessity-based entrepreneurship and growth intentions nor a negative link between necessity-based entrepreneurship and future time perspective. There are two possible explanations for this inconsistency. First, it is possible that participants in Studies 3.1 and 3.2 were strongly present-oriented, but not necessarily less future-oriented. Given that present time perspective and future time perspective are two different constructs (Keough et al., 1999), being strongly present-oriented does not automatically cause one to be less future-oriented.

We cannot verify this as we did not include a measure of present time perspective in Studies 3.1 and 3.2.

Second, there is a cultural and social difference between the participants in Study 3.1 and 3.2 on one hand, and Study 3.3 on the other hand, which might explain the different findings between the studies. Participants in Studies 3.1 and 3.2 were mostly from Western countries in which the economic as well as the social structures are generally different from those in Indonesia. For example, the social security systems in Western countries are more developed than those in Indonesia. The well-developed social security systems allow necessity-based small-business owners in Western countries to receive social security benefits from their governments should they have no income due to the failure of their businesses to survive in the present. In other words, Western small-business owners would still have the financial capacity to meet their basic needs, despite the fact that their businesses fail to generate a sufficient daily income. Therefore, necessity-based small-business owners in Western countries may not always neglect the future and the growth of their businesses because the pressure to focus on ensuring that their businesses can function properly in the present at the exclusion of all else may not be as high as it is in places in which social security systems are less well-established.

Results from Study 3.3 showed that present time perspective was unrelated to the intentions to pursue business growth. Unlike future time perspective which was found to be positively associated with both business growth intentions and current engagement in growth-pursuit behaviors, present time perspective was negatively related to current engagement in growth-pursuit behaviors, but not growth intentions. The reluctance of small-business owners who were strongly present-oriented in running their businesses to engage in growth-pursuit behaviors may have been caused by the fact that they were fully occupied with present-oriented activities related to the daily functioning of their businesses. They were simply busy focusing on present-oriented tasks of daily survival, thereby ignoring growth-pursuit behaviors that might have benefits only in the future but not today.

Limitations and suggestions for future research

There are limitations to this research and suggestions that future researchers may want to take into account. Firstly, the studies presented in this paper were cross-sectional and correlational in nature, which means that we cannot infer causal links. Thus, future research can employ a longitudinal design in which participants' engagement in growth-pursuit behaviors is measured at a one point in time, and business growth intentions and time perspective are

measured at a later point in time. This method will allow researchers to examine the causal links between variables.

Secondly, we tested the prediction that small-business owners who are necessity-based are inclined to be more present-oriented in running their businesses, and thus are less likely to intend to grow their businesses and engage in growth-pursuit behaviors. This prediction is based on the rationale that necessity-based small-business owners tend to focus on tasks in the present (e.g., ensuring that their businesses can generate sufficient daily income, ensuring that their businesses fare well in the present) as they find these tasks crucial or urgent. However, the current research did not include an assessment of small-business owners' perceived urgency of present-oriented tasks. As a result, we cannot definitely conclude that the tendency to be present-oriented in running a business among small-business owners who are inclined to be necessity-based actually results from the fact that they perceive present-oriented tasks as highly important. Future research may tap into small-business owners' perception regarding present-oriented tasks, particularly their perceived urgency of these tasks. That way, it could examine whether necessity-based small-business owners are inclined to be present-oriented because they perceive present-oriented tasks as highly crucial for their survival, or perhaps there are other factors at play (e.g., lack of knowledge on the importance of focusing on long-term business plans).

Thirdly, we measured participants' engagement in growth-pursuit behaviors by using a self-report measure. Thus, it is possible that participants' responses may have been influenced by social desirability bias. However, we believe that the measure of growth-pursuit behaviors used in the current research is still valuable as it taps into activities related to multiple aspects of business that are crucial for business growth, such as marketing, network, skills, and finance. This measure allowed us to examine engagement in growth-pursuit behaviors in a holistic manner.

Implications

With regards to theoretical implications, previous research suggests that the aspiration to pursue business growth is positively associated with opportunity-based entrepreneurship, and negatively associated with necessity-based entrepreneurship (e.g., Reynolds et al., 2002). The results of the three studies yield a model that provides us with novel insights into the role of time perspective in the association between motives of entrepreneurship and the pursuit of business growth. Given that the studies were conducted among small-business owners in various cultures, this model can be useful for explaining variations in levels of willingness to pursue business growth

among small-business owners across different social and cultural contexts. As such, the model contributes to our knowledge of factors that account for variations in levels of willingness to pursue business growth (Wiklund et al., 2003).

With regards to practical implications, the current findings provide valuable information that should be taken into account when designing strategies aimed at stimulating business growth among small-business owners. As outlined in the Introduction, the growth of small businesses benefits both the business owners themselves as well as the economies they are part of on various levels. However, many small-business owners avoid the pursuit of business growth (e.g., Gundry & Welsch, 2001). This fact prompts policy makers and practitioners to design programs for assisting small businesses to grow. These programs (e.g., trainings, loan programs) are usually focused on providing small-business owners with tools and resources needed for business growth, such as skills or working capital. However, the current findings revealed that the lack of business growth pursuit among small-business owners may also stem from their time perspective in running the business. Many small-business owners, particularly those who engage in entrepreneurship out of necessity, are busy focusing on present-oriented tasks because they want their businesses to function well on a daily basis. They cannot afford losing their businesses as they have no other means of generating income. Such circumstances lead to a pressure to focus on present-oriented tasks, which are deemed essential for survival.

In an effort to boost small business growth, it is undoubtedly important to look more closely at the exclusive focus on present-oriented tasks among necessity-based small-business owners. One way to address this issue may be by providing some form of social security benefits that can serve as a 'safety net' for necessity-based small-business owners. For instance, policy makers can create policies in which individuals who engage in entrepreneurship due to the absence of other options for work will receive a monthly benefit when they are willing to actively participate in programs aimed at assisting small businesses to grow. The presence of a monthly benefit that can help cover basic necessities may reduce the pressure to focus attention solely on present-oriented tasks for the sake of survival. This will leave more 'attentional resources' that can be utilized to focus on the future as well as the long-terms plan concerning business growth.

Conclusion

Why do small-business owners who are mainly driven by the exploitation and pursuit of business opportunities tend to be eager to pursue business growth, while those who are mainly driven by a necessity tend to be less interested in pursuing business growth? The work presented in this paper sheds some light on the answer to this question. Small-business owners whose entrepreneurship is driven by the pursuit of opportunities are more likely to be future-oriented and engage in the pursuit of business growth, while those whose entrepreneurship is driven by the need to make a living are not future-oriented, and thus are less likely to engage in the pursuit of business growth. This lends support to the notion that small-business owners' time perspective plays a vital role in explaining *why* and *how* opportunity-based small-business owners and necessity-based small-business owners differ in their levels of business growth pursuit. In essence, this article conveys a very important message: Instead of thinking that tomorrow is another day, small-business owners who want their business to thrive should think that tomorrow is a day that they must prepare from today.

Appendix A

Frequency of nationalities in Study 3.1 and Study 3.2

Countries of origin	N (Study 3.1)	N (Study 3.2)
United Kingdom	91	104
United States of America	19	43
Portugal	8	5
Greece	3	4
Spain	3	3
Germany	2	1
Italy	2	2
The Netherlands	0	1
Latvia	2	1
Belgium	2	0
Sweden	0	1
Canada	1	2
France	1	0
Estonia	1	1
Slovenia	1	0
Ukraine	1	1
Poland	0	1
Bulgaria	0	1
Colombia	1	0
Mexico	1	1
El Salvador	0	1

Turkey	1	1
China	1	0
India	1	2
South Africa	0	4
UAE	0	1

Appendix B

Total effects

Opportunity-based entrepreneurship positively predicted growth intentions ($\beta = .67, SE = .07, p < .01$ [Study 3.1]; $\beta = .69, SE = .07, p < .01$ [Study 3.2]). However, necessity-based entrepreneurship did not significantly predict growth intentions ($\beta = .10, SE = .10, p = .28$ [Study 3.1]; $\beta = .14, SE = .08, p = .07$ [Study 3.2]). Moreover, in both studies, opportunity-based entrepreneurship positively predicted future time perspective ($\beta = .59, SE = .07, p < .01$ [Study 3.1]; $\beta = .70, SE = .05, p < .01$ [Study 3.2]), and yet necessity-based entrepreneurship did not significantly predict future time perspective ($\beta = .02, SE = .08, p = .84$ [Study 3.1]; $\beta = -.02, SE = .06, p = .78$ [Study 3.2]). Future time perspective positively predicted growth intentions in Studies 1 and 2 ($\beta = .91, SE = .06, p < .01$ [Study 3.1]; $\beta = .76, SE = .07, p < .01$ [Study 3.2]).

Appendix C

Comparisons with an alternative model (Studies 3.1 and 3.2)

The alternative model was similar to the model in Studies 3.1 and 3.2, but also included direct paths from opportunity and necessity motives to business growth intentions. The aim of testing this alternative model was to check whether or not there was a significant difference in model fit when future time perspective was treated as a partial (as opposed to full) mediator in the model. As suggested by Burnham and Anderson (2004), the comparison with the nested model was based upon the chi-square difference test results. In Study 3.1, the chi-square of the alternative model ($\chi^2(16) = 19.110$) was not significantly different from that of the hypothesized model ($\chi^2(18) = 24.654; \Delta\chi^2(2) = 5.54, p = .06$), indicating that there was no fit improvement gained by adding direct paths from opportunity and necessity motives to business growth intentions. In Study 3.2,

however, the chi-square of the alternative model ($\chi^2 (15) = 13.306$) was significantly different from that of the hypothesized model ($\chi^2 (17) = 21.895$; $\Delta\chi^2 (2) = 8.66$, $p < .05$) implying that there was a fit improvement gained by adding direct paths from opportunity and necessity motives to business growth intentions.

Appendix D

Comparisons with an alternative model (Study 3.3)

We compared the model tested in Study 3.3 with an alternative model that also included direct paths from opportunity and necessity motives to business growth intentions. The chi-square of the alternative model ($\chi^2 (52) = 132.837$) was not significantly different from that of the hypothesized model ($\chi^2 (54) = 138.743$; $\Delta\chi^2 (2) = 5.93$, $p = .051$), indicating that there was no fit improvement gained by adding direct paths from opportunity and necessity motives to business growth intentions.

Appendix E

Firm characteristics Study 3.3

Characteristics	N / Mean
Mean annual gross income	Rp. 425.900.000 (US\$ 29.705)
Family business (<i>N</i>)	46
Franchise (<i>N</i>)	11
Location (<i>N</i>)	
Jakarta	100
Bogor	35
Depok	48
Tangerang	42
Bekasi	29
Industry categories (<i>N</i>)	
Service	128
Retail	70
Manufacture	33
Distribution	17
Raw materials providers	6

Product categories (<i>N</i>)	
Non-digital services	69
Digital (services/goods)	28
Foods and beverages	59
Basic necessities	23
Electronics	4
Medicines	2
Fashion	29
Art products	1
Accessories	12
Books/stationeries	6
Furniture	4
Construction materials	1
Others	16

Appendix F

Overview of scales

Studies 3.1 and 3.2	Study 3.3
Motives of entrepreneurship scale	Motives of entrepreneurship (used in Studies 3.1 and 3.2)
Modified version of FTP subscale (Webster, 2011)	Future time perspective scale (developed by authors)
Business growth intentions (a single item in a format by Davis & Warshaw [1992] & suggested by Ajzen and Fishbein [1980], a single item from Zampetakis et al. [2016])	Present time perspective scale (developed by authors) Business growth intentions (one item from Studies 3.1-3.2, five items developed by authors) two items from Zampetakis et al. [2016])
	Growth pursuit index (developed by authors)

Footnotes

¹As defined in the EU recommendation 2003/361, small businesses are business entities that have fewer than 50 employees, and their turnover/balance sheet total is \leq € 10 m. These criteria were used in Study 3.1 (based on a number of employees) and Study 3.2 (participants were directly asked if their businesses fell into the criteria). The criteria of a small business used in Study 3.3 was based upon the definition of a small business outlined in Indonesia's law no. 20, 2008 (i.e. assets \leq 500 million rupiahs [excluding lands and buildings], or an annual turnover \leq 2.5 billion rupiahs).

²In Studies 3.1 and 3.2, participants were also presented with additional scales and questions for exploratory purposes, such as financial scarcity scale, scarcity of work scale, modified items concerning short-term thinking by van der Lee (2016), a GEM survey question concerning opportunity-necessity entrepreneurship, a modified six items concerning future time perspective from Zimbardo Time Perspective Inventory (Keough, Zimbardo, & Boyd, 1999), an opportunity-necessity entrepreneurship question by Kautonen and Palmross (2010), the second item of the business growth intentions scale by Zampetakis, Bakatsaki, Kafetsios, & Moustakis (2016; i.e., I want a size I can manage myself or with a few key employees), a question concerning motives of entrepreneurship (i.e., Generally speaking, do you presently experience running your business as a necessity or an opportunity?), an open-ended question regarding the description of their businesses, and an entrepreneurial intentions measure by Torres and Watson (2013). Results are available upon request.

³The results of EFA (principal axis factoring, oblique rotation) suggested that all variables were unidimensional in Studies 3.1 and 3.2.

⁴Due to time constraints, a few participants took the questionnaires home, and therefore completed them on their own.

⁵Present time perspective scale initially consisted of five items. We excluded two items because of loading issues with necessity-based entrepreneurship scale.

⁶Participants were also presented with several scales and questions for exploratory reasons, such as a question concerning perceived opportunity, financial scarcity scale, scarcity of work scale, a question that asks participants to describe their businesses, a scale measuring plans on engaging growth-pursuit behaviors in the future, questions concerning their perceived importance of growth-

pursuit behaviors for business growth, and the Balanced Time Perspective Scale by Webster (2011).

Chapter 4

The Role of Entrepreneurial Self-Esteem in Growth Motivation

Abstract

Three studies aimed to investigate the role of entrepreneurial self-esteem (i.e., one's evaluation of the worthiness of one's business ownership) in the relationship between motives for entrepreneurship and business growth motivation among small-business owners. Two studies were conducted online (Studies 4.1 and 4.2) and one study in the field in Indonesia (Study 4.3); both employed a cross-sectional design with a mixed correlational and experimental approach. It was found that opportunity-based entrepreneurship, but not necessity-based entrepreneurship, was positively associated with entrepreneurial self-esteem. Entrepreneurial self-esteem was a positive predictor of future time perspective and growth-pursuit intentions. Study 4.2 further showed the potential of increasing the salience of both personal and others' positive views of one's business for increasing entrepreneurial self-esteem. The investigation of entrepreneurial self-esteem in the current research extends current knowledge regarding the mechanism through which motives for entrepreneurship predict business growth motivation. The research also provides practitioners and policy makers with useful insights into the importance of entrepreneurial self-esteem for business growth motivation, and offers suggestions on how to increase it. In addition, the research sheds light on the important role of a new concept called entrepreneurial self-esteem in explaining the association between motives for entrepreneurship and business growth motivation.

Introduction

The growth of small enterprises plays a key role in stimulating economic growth and poverty reduction. Indeed, several studies attest to the benefits of business growth for small-business owners, their businesses, and society as a whole (e.g., Lee, Kelly, Lee, & Lee, 2012; Mead & Liedholm, 1998; Rauch & Rijdsdijk, 2013). The three studies presented here examined how entrepreneurial self-esteem (i.e., business owners' evaluation regarding the worthiness of business ownership) affects small-business owners' motivation to grow their business, particularly in relation to their motives for entrepreneurship.

An investigation of entrepreneurial self-esteem as a driving force behind business growth is important for three reasons. First, it is crucial to investigate factors that support or hinder business growth motivation among small-business owners. This will expand our knowledge regarding factors of the variation in the levels of business growth motivation (Wiklund, Davidsson, & Delmar, 2003). It can also provide useful information for policy makers and practitioners who assist small-business owners in growing their businesses. Moreover, it can offer small-business owners a helpful perspective in their decisions regarding business growth pursuit.

Entrepreneurial self-esteem

Self-esteem is theorized to be a multifaceted construct (Simpson & Boyle, 1975). The current research focuses on *entrepreneurial self-esteem*, defined as business owners' subjective evaluation of the worthiness of being a business owner. Worthiness here denotes the extent to which business ownership generates positive feelings that benefit one's overall self-worth. Unlike a personal identity tied to one's self, entrepreneurial identity is strongly tied to the idea of business ownership (e.g., Donnellon, Ollila, & Middleton, 2014). Thus, the worthiness of business ownership may not only encompass the extent to which business owners perceive that they derive positive feelings from their role as a business owner, but also the perceived worthiness of the business itself.

Given that entrepreneurial self-esteem is a relatively novel concept, it is important to elucidate its distinction from a related concept namely entrepreneurial self-efficacy (e.g., Chen, Greene, & Crick, 1998; Newman, Obschonka, Schwarz, Cohen, & Nielsen, 2019; Wilson, Kickul, & Marlino, 2007). Entrepreneurial self-efficacy refers to business owners' evaluation of their competence in entrepreneurship, whereas entrepreneurial self-esteem refers to the evaluative importance of business ownership to overall self-worth. Thus, entrepreneurial self-efficacy is

focused on beliefs regarding entrepreneurial competence, whereas entrepreneurial self-esteem is more focused on perceived worthiness of business ownership.

In the current research, it is argued that entrepreneurial self-esteem serves as an important basis for motivation to pursue business growth. Based on the notion that individuals are more committed and satisfied with roles that provide them with sense of worth and meaning (e.g., Carmel, 1997; Pierce, Gardner, Cummings, & Dunham, 1989), it is likely that small-business owners whose self-worth is positively tied to their business ownership are more committed to their businesses, and thus are more willing to pursue business growth. Before addressing this intriguing hypothesis, however, it is important to discuss how entrepreneurial self-esteem finds its origin in motives for entrepreneurship.

Motives for entrepreneurship and entrepreneurial self-esteem

The current research proposed that small-business owners' motives for entrepreneurship are an important precursor to entrepreneurial self-esteem. Reynolds, Camp, Bygrave, Autio, and Hay (2001) introduced two categories of motives of entrepreneurship. The first is opportunity-based entrepreneurship, which refers to a motive of engagement in entrepreneurship that is primarily based upon people's personal desire to pursue business opportunities. Opportunity-based small-business owners tend to be growth-oriented and proactive (van der Zwan, Thurik, Verheul, & Hessels, 2016; Fairlie & Fossen, 2017). The second is necessity-based entrepreneurship, defined as a motive of engagement in entrepreneurship that primarily stems from the absence of viable options for work. Necessity-based small-business owners focus their businesses on generating daily income as opposed to maximizing profits (Berner, Gómez, & Knorringa, 2012), and were found to prefer being wage-employed to business ownership (van der Zwan et al., 2016).

Previous research suggests that opportunity-based small-business owners are more innovative and proactive (van der Zwan et al., 2016), which are important qualities for successful business performance (e.g., Exposito & Sanchis-Llopis, 2018). Relative to necessity-based small-business owners, opportunity-based small-business owners possess more necessary skills to run a business (Robichaud, LeBrasseur, & Nagarajan, 2010). This likely results in a better business performance, which contributes to a sense of pride and meaning as a business owner. In addition, the fact that opportunity-based small-business

owners' engagement in entrepreneurship is voluntary may suggest that business ownership is their preferred career. Indeed, Segel, Borgia, & Schoenfeld (2002) found that a sense of achievement is one of the outcomes of entrepreneurship that pull individuals toward entrepreneurship.

Necessity-based small-business owners, on the other hand, are generally less satisfied with their entrepreneurship (Kautonen & Palmross, 2010). Their engagement in entrepreneurship, primarily stemming from the absence of viable employment opportunities, suggests that business ownership is a career that they were forced into. Given that they tend to possess fewer necessary skills to run a business (Robichaud et al., 2010), it is also possible that their businesses do not perform as well as those run by opportunity-based small-business owners. This suggests that necessity-based small-business owners' sense of worth is less intricately tied to their business ownership compared to that of opportunity-based small-business owners. It was therefore hypothesized that:

Hypothesis 1: Opportunity-driven entrepreneurship would be positively associated with entrepreneurial self-esteem, whereas necessity-driven entrepreneurship would be negatively associated with entrepreneurial self-esteem

Entrepreneurial self-esteem and future time perspective

The next question that needs to be addressed is: "How does entrepreneurial self-esteem relate to business growth motivation?". The current research proposed that small-business owners high in entrepreneurial self-esteem are more inclined to ensure the long-term sustainability of their businesses. This is where future time perspective (i.e., a cognitive structure underlying individuals' tendency to anticipate and take into account future events in their decisions; Zimbardo, Keough, & Boyd, 1997) comes into play. Future time perspective has been consistently found to play a significant role in behavioral decisions (Simons, Vanstreenkiste, Lens, & Lacante, 2004; Zimbardo et al., 1997). Many studies have shown that future time perspective predicts decisions and behaviors yielding future benefits (e.g., Adams & Nettle, 2009; Carey, Henson, Carey, & Maisto, 2007; Joireman, Lasane, Bennett, Richards, & Solaimani, 2001). Indeed, future time perspective plays a crucial role in the pursuit of business growth, which is inherently a future-oriented goal (Prasastyoga, van Leeuwen, & Harinck, 2019).

The expectation that entrepreneurial self-esteem is positively related to future time perspective is based on the notion that small-business owners high in entrepreneurial self-esteem view their business ownership as worthy. Given that individuals' commitment and satisfaction

with certain roles are reinforced when these roles provide them with sense of worth (e.g., Carmel, 1997; Pierce et al., 1989), small-business owners high in entrepreneurial self-esteem should be motivated to consolidate their role as business owner. This should drive them to pay more attention to the long-term viability of their businesses. Thus, it was hypothesized that:

Hypothesis 2: Entrepreneurial self-esteem would be positively associated with future time perspective

Moreover, given the aforementioned arguments that opportunity-based entrepreneurship would be positively associated with entrepreneurial self-esteem and that necessity-based entrepreneurship would be negatively associated with entrepreneurial self-esteem, as well as the hypothesis stating that entrepreneurial self-esteem would be positively associated with future time perspective, it was proposed that:

Hypothesis 3: Opportunity-based entrepreneurship would be indirectly and positively associated with future time perspective via entrepreneurial self-esteem, whereas necessity-based entrepreneurship would be indirectly and negatively associated with future time perspective via entrepreneurial self-esteem

Future time perspective and business growth intentions

Many benefits of business growth are long-term (e.g., increasing long-term survival of a business, an increase in sales and profits; Achtenhagen, Naldi, & Melin, 2010; Rauch & Rijdsdijk, 2013). It is likely that only small-business owners with a strong tendency to foresee and consider the future of their businesses would be able to foresee the benefits of business growth. Thus, these small-business owners are more likely to pursue business growth. In other words, future time perspective should be positively associated with general growth intentions.

Previous research suggests that one's intentions to achieve a certain goal may lead to specific plans to engage in concrete activities to achieve that goal. For instance, Gollwitzer (1999) stated that individuals who have strong intentions to achieve a goal may also have the intentions to implement concrete behaviors that can lead to the attainment of that goal in the future. Van Gelderen, Kautonen, Wincent, and Biniari (2018) found that concrete planning to start a business arose as a consequence of the intentions to start a business. Given the prediction that future time perspective would be positively associated with general growth intentions and that goal intentions are known as a predictor of concrete action planning with regard to the goal pursuit, it was therefore hypothesized that:

Hypothesis 4: Future time perspective would be indirectly associated with concrete growth intentions via general growth intentions

Overview of the studies

In three studies, we investigated the association between entrepreneurial self-esteem, small-business owners' future time perspective, motives for entrepreneurship, and growth-pursuit intentions. Studies 4.1 and 4.2 were conducted among a sample of mostly Western small-business owners. Study 4.3 was conducted among a sample of Indonesian small-business owners.

Study 4.1

Study 4.1 examined the general prediction that entrepreneurial self-esteem would positively relate to future time perspective, which would play a mediating role in the relationship between motives of entrepreneurship and growth-pursuit intentions (Hypotheses 1 to 4).

Method

Participants and design

Two hundred and seventy-four small-business owners (147 self-identified as female, 123 as male, 4 as 'other', $M_{age} = 36.15$, $SD_{age} = 11.55$) from Prolific Academic participated in this correlational study in return for a monetary fee.¹ On average, participants had been a business owner for 5.99 years ($SD = 5.90$). 79.6 % of all participants reported that they had 2 or less employees in their firms ($M = 1.97$, $SD = 3.78$), with a range from 0 to 49 employees. Two hundred and fifty-one participants (92%) were from Western countries (113 British participants, 55 US participants, and 83 participants from other Western countries), and five participants did not report their nationalities.

Procedures and measures

The study employed an online survey. At the beginning of the survey, participants were asked to answer several demographic questions (e.g., gender, age, and nationality), some questions regarding their businesses (e.g., number of employees, period of entrepreneurship), and to provide a short description of their businesses. Afterwards, participants were presented with several scales measuring the variables of interest in this study.

Entrepreneurial self-esteem was assessed with 13 items (e.g., "My business is an important reflection of who I am", "Overall, I often feel that my business is not worthwhile" [recoded]; $\alpha = .88$) adapted from Luthanen and Crocker's (1992) collective self-esteem scale. Participants were

asked to indicate the extent to which they agreed with each item on a 7-point scale ($1 = \text{strongly disagree}$, $7 = \text{strongly agree}$). Motives of entrepreneurship were assessed with three items related to opportunity-based entrepreneurship (e.g., “I am a business owner because I like opportunities that entrepreneurship offers”; $\alpha = .81$) and three items related to necessity-based entrepreneurship (e.g., “The only reason that I am a business owner is because this is the only way of fulfilling my current basic necessities”; $\alpha = .84$; Prasastyoga et al., 2019). Participants were asked to indicate how true each item was for them ($1 = \text{definitely not true}$, $7 = \text{definitely true}$).

Future time perspective was assessed with five items adopted from Prasastyoga et al. (2019; e.g., “I like to plan far ahead when it comes to running my business”, “In running my business, I pay a lot of attention to the future of my business”; $\alpha = .94$). Participants were asked to indicate their agreement with each statement ($1 = \text{strongly disagree}$, $7 = \text{strongly agree}$). General growth intentions were assessed with eight items adopted from Prasastyoga et al. (2019; e.g., “I intend to grow my business”, “Growing my business is something I would very much like to do”; $\alpha = .88$). However, one item (“I want a business size I can manage myself or with a few key employees”) was removed because it had a small factor loading ($<.40$). After that item was removed, the reliability of the scale increased (from $\alpha = .88$ to $\alpha = .92$). Participants were asked to indicate the extent to which each statement applied to them ($1 = \text{extremely unlikely}$, $7 = \text{extremely likely}$). Concrete growth intentions were assessed with a modified version of the growth-pursuit behaviors scale (Prasastyoga et al., 2019), which consisted of twelve items assessing participants’ intentions to engage in concrete efforts to pursue business growth in the areas of networking, skills, finance, and marketing the next twelve months ($\alpha = .79$). Participants were asked to respond to each item in a yes/no format. An index was created by counting the number of times participants had indicated ‘yes’. At the end of the survey, participants were debriefed, thanked, and compensated.

Results

Preliminary analyses

A path analysis was conducted using Mplus 7.4 (Muthén and Muthén, 1998-2015). MLM estimator was chosen for its robustness to non-normality in data that does not contain missing values (Muthén and Muthén, 1998-2015). Prior to hypothesis testing, an analysis of goodness of fit was conducted. Based on the criteria of goodness of fit by Hu and Bentler (1999), RMSEA values lower than .08 and CFI and TLI values above .90 are indicators of good fits to the data. The

hypothesized model did not fit the data well (RMSEA = .163, 90% CI = [0.130, 0.198], CFI = .95, TLI = .94). Given that previous research suggests that motives of entrepreneurship are associated with aspirations to grow a business (e.g., Verheul & van Mil, 2011) and that motives of entrepreneurship are related to optimistic beliefs about the future (van der Zwan et al., 2016), the hypothesized model was revised by adding direct paths from motives of entrepreneurship to future time perspective and general growth intentions. The analysis of goodness of fit revealed that the revised model fitted the data well (RMSEA = .060, 90% CI = [0.000, 0.0114], CFI = .99, TLI = .97; see *Figure 4.1*).

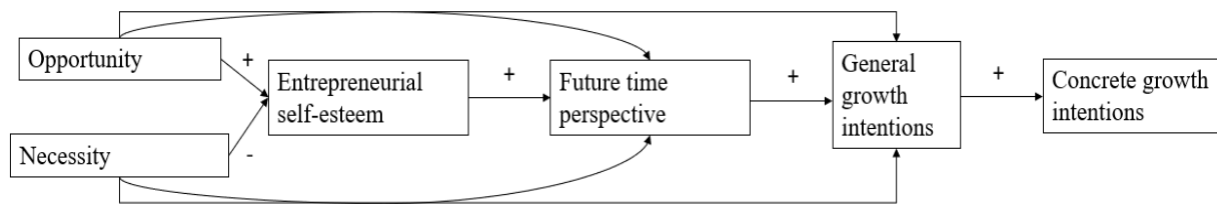


Figure 4.1. Revised model in Study 4.1

Hypothesis testing

Hypotheses 1 and 2. In support of Hypothesis 1, opportunity-based entrepreneurship was positively associated with entrepreneurial self-esteem ($\beta = .39$, $SE = .06$, $p < .01$), whereas necessity-based entrepreneurship was negatively associated with entrepreneurial self-esteem ($\beta = -.24$, $SE = .05$, $p < .01$). In support of Hypothesis 2, entrepreneurial self-esteem was positively associated with future time perspective ($\beta = .34$, $SE = .07$, $p < .01$).

Hypotheses 3 and 4. In support of Hypothesis 3, opportunity-based entrepreneurship was indirectly and positively associated with future time perspective via entrepreneurial self-esteem ($\beta = .14$, $SE = .03$, $p < .01$, 95% CI [0.076, 0.194]). Likewise, necessity-based entrepreneurship was indirectly and negatively associated with future time perspective via entrepreneurial self-esteem ($\beta = -.08$, $SE = .03$, $p < .01$, 95% CI [-0.131, -0.032]). Supporting Hypothesis 4, future time

perspective was indirectly and positively associated with concrete growth intentions via general growth intentions ($\beta = .35$, $SE = .04$, $p < .01$, 95% CI [0.269, 0.424]).

Discussion

The current findings support the notion that entrepreneurial self-esteem among opportunity-based small-business owners is higher than among necessity-based small-business owners. Compared to necessity-based small-business owners, opportunity-based small-business owners were also more future-oriented in running their businesses, and mediation analysis showed that this could be attributed to different levels of entrepreneurial self-esteem. Future time perspective was subsequently associated with concrete growth intentions via their general growth intentions.

However, at this point, whether or not entrepreneurial self-esteem can *affect* future time perspective significantly was still unknown. If the practical aim is to promote future time perspective among small-business owners in order to stimulate growth intentions, then an investigation of the causal link between entrepreneurial self-esteem and future time perspective is imperative.

Study 4.2

Study 4.2 had two objectives. The first objective was to investigate whether or not the results obtained in Study 4.1 could be replicated. The second objective was to investigate whether entrepreneurial self-esteem is a causal predictor of future time perspective. Entrepreneurial self-esteem refers to one's perceived worthiness of being a business owner, and the worth of the business itself. Being aware of positive aspects of one's business ownership should have a positive effect on entrepreneurial self-esteem. Therefore, this study varied the salience of positive views of one's business between participants. Small-business owners who consider their own positive views of their businesses may find their businesses to be more psychologically worthy compared to small-business owners who do not consider their businesses' merits.

For exploratory purposes, variations in entrepreneurial self-esteem were induced in two ways: a simplified version in which participants were asked to write down several of their own, personal positive views of their businesses, and an extended version in which they were additionally asked to elaborate extensively on these views, as well as to write about others' positive views of their businesses. The simplified version may be easily utilized in a practical setting, but the extended version may yield greater effects. To test the effectiveness of both versions, a neutral

control condition was included in which participants did not consider their own or others' views of their businesses.

Method

Participants and design

Two hundred and thirty-three small-business owners (self-identified as 113 female, 116 male, 4 participants categorized their gender as 'other', $M_{age} = 37.09$, $SD_{age} = 11.92$) recruited from Prolific Academic participated in this experimental study for which they received a monetary fee. On average, participants had been a business owner for 6.44 years ($SD = 6.77$), and 82 % of them employed 2 or less individuals in their firms ($M = 2.09$, $SD = 4.78$) with a range from 0 to 47 employees. Furthermore, two hundred and twenty-three participants (95.50%) were Western small-business owners (109 British participants and 114 participants from other Western countries). In this study, participants were randomly assigned to one of three conditions: control ($n = 80$), simple version ($n = 73$), or extended version ($n = 80$).

Procedures and measures

Similar to Study 4.1, this study was conducted online. After providing consent, participants completed several demographic questions (e.g., gender, age, and nationality), answered questions regarding their businesses (e.g., number of employees, period of entrepreneurship), and provided a short description concerning their businesses. Afterwards, participants completed a scale measuring motives of entrepreneurship ($\alpha_{opportunity} = .81$, $\alpha_{necessity} = .84$), identical to Study 4.1.

To increase participants' salience of their positive views of their own businesses, participants in the *simple version condition* were asked to focus on the positive elements of their businesses and write down three positive elements of their businesses that really mattered to them personally. In the *extended version condition*, participants were additionally asked to rank these elements in order of importance, to explain why the element put in the first rank mattered to them the most, and to briefly describe how that element made them feel. They were also asked to describe their family members' positive views of their businesses as well as others' (clients, customers, or other members of the community) positive views of their businesses. In the *control condition*, participants did not receive these instructions and continued straight to the questionnaire.

The subsequent questionnaire contained scales identical to Study 4.1 (i.e., entrepreneurial self-esteem [$\alpha = .86$], future time perspective [$\alpha = .92$], general growth intentions [$\alpha = .93$], and

concrete growth intentions [$\alpha = .77$]). At the end of the study, participants were thanked, paid, and debriefed.

Results

Preliminary analyses

The analysis of goodness of fit of the revised hypothesized model that included variables representing experimental conditions (i.e., simplified version and extended version) and a control condition revealed that the model fitted the data well (RMSEA = .045, 90% CI = [0.000, 0.089], CFI = .98, TLI = .96; see *Figure 4.2*).

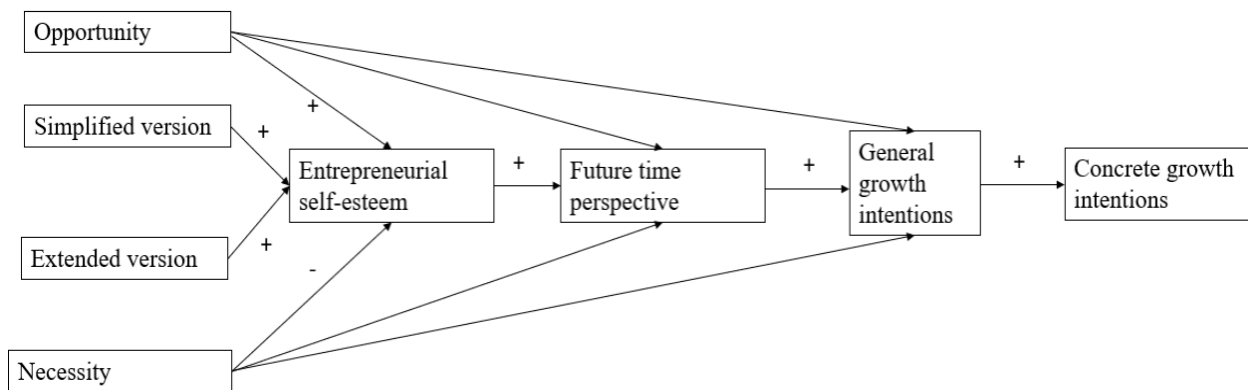


Figure 4.2. Hypothesized model in Study 4.2

Hypothesis testing

Hypotheses 1 and 2. In support of Hypothesis 1, opportunity-based entrepreneurship was positively associated with entrepreneurial self-esteem ($\beta = .25$, $SE = .06$, $p < .01$), whereas necessity-based entrepreneurship was negatively associated with entrepreneurial self-esteem ($\beta = -.27$, $SE = .04$, $p < .01$). To analyze how the simple version and the extended version conditions affected entrepreneurial self-esteem and future time perspective, two dummy variables were created, each using the control condition as a reference group (first dummy variable [1= ‘simple version’ condition, 0 = reference group]; second dummy variable [1= ‘extended version’ condition, 0 = reference group]). The first dummy did not affect entrepreneurial self-esteem ($\beta = .01$, $SE = .15$, $p = .93$). The second dummy, however, was significant ($\beta = .30$, $SE = .15$, $p < .05$), indicating that the extended version predicted variations in entrepreneurial self-esteem. In addition, the positive

indirect effect of this dummy variable on future time perspective via entrepreneurial self-esteem was marginally significant ($\beta = .10$, $SE = .05$, $p = .051$, 95% CI [-0.001, 0.192]), providing marginal support for Hypothesis 2. This finding shows that variations in future time perspective can be attributed to experimentally induced variations in entrepreneurial self-esteem with respect to the extended version of the manipulation.²

Hypotheses 3 and 4. In support of Hypothesis 3, opportunity-based entrepreneurship was indirectly and positively associated with future time perspective via entrepreneurial self-esteem ($\beta = .08$, $SE = .03$, $p < .01$, 95% CI [0.020, 0.104]), whereas necessity-based entrepreneurship was indirectly and negatively associated with future time perspective via entrepreneurial self-esteem ($\beta = -.08$, $SE = .02$, $p < .01$, 95% CI [-0.076, -0.022]). In support of Hypothesis 4, future time perspective was indirectly and positively associated with concrete growth intentions via general growth intentions ($\beta = .17$, $SE = .04$, $p < .01$, 95% CI [0.088, 0.244]).

Discussion

As in Study 4.1, opportunity-based small-business owners had a higher entrepreneurial self-esteem than necessity-based small-business owners, which in part explained why the former were more future-oriented in running their businesses and reported stronger intentions to pursue business growth. Necessity-based small-business owners, due to their lower entrepreneurial self-esteem, were less future-oriented in running their businesses, and less inclined to pursue business growth.

Study 4.2 showed that the extended version in which participants were additionally asked to provide extensive elaboration on their personal positive views of their businesses as well as to describe others' positive views of their businesses (family members, clients, customers, or other members of the community) was marginally effective in increasing entrepreneurial self-esteem, when compared to a control condition. Despite its potential effectiveness in enhancing entrepreneurial self-esteem, the extended version was rather long, which means it may not be easily utilized in a practical setting. One aim of Study 4.3 was therefore to examine the effectiveness of an abbreviated version of this manipulation.

Study 4.3

The first objective of Study 4.3 was to examine the generalizability of the previous results to a different cultural and socio-economic context. Study 4.3 was conducted in the Republic of

Indonesia. The characteristics and conditions regarding small businesses in developing nations such as Indonesia are different from those in developed nations in many respects (e.g., Nichter & Goldmark, 2009). In addition, Indonesian society has a collectivistic cultural pattern, which is different from the individualistic cultural pattern of Western societies (Hofstede & Hofstede, 2005).

The second objective of Study 4.3 was to examine the effectiveness of an abbreviated version of instructions to induce variations in entrepreneurial self-esteem. The extended version in Study 4.2, which included both personal and others' positive views of one's business, may be too lengthy to be easily used in practical settings. However, previous studies have shown that other people's feedback and opinions have a strong influence on our personal evaluations (e.g., Leary, Haupt, Strausser, & Chokel, 1998; Pierce & Gardner, 2004). For instance, evaluations of one's worthiness as an employee are affected by feedback from others in the organization (Gardner & Pierce, 2015). Moreover, in collectivistic societies, others' views and approvals play an important role in the formation of people's attitudes and personal views (Markus & Kitayama, 1991). We therefore included instructions in Study 3 by which we attempted to increase entrepreneurial self-esteem (relative to a control condition) by asking small-business owners to describe *others'* positive views of their businesses only.

Method

Participants and design

This cross-sectional study was conducted in the Greater Jakarta Area (Jakarta, Bogor, Depok, Tangerang, and Bekasi), a melting pot of Indonesian cultures and an important economic center of Indonesia (Susilo, Joewono, Santosa, & Parikesit, 2007). Two hundred and fifty Indonesian small-business owners (self-identified as 97 female, 153 male, $M_{age} = 36.37$, $SD_{age} = 11.02$) participated in this study. On average, participants had been a business owner for 8.07 years ($SD = 8.15$; one participant did not report his or her period of entrepreneurship). The majority of participants (84 %) had 2 or less individuals working in their firms ($M = 1.51$, $SD = 1.76$; one participant did not report the number of employees in their firm) with a range from 0 to 20 employees. Participants were randomly assigned to one of two conditions: control ($n = 126$) or others' positive business views ($n = 124$).

Procedures and measures

Trained data collectors recruited small-business owners in various areas in the Greater Jakarta Area, such as at markets, small shopping centers, or train stations. They also recruited small-business owners who ran their businesses online (e.g., online retailers). In order to minimize the possibility that participants' responses were not independent of neighboring participants' responses, data collectors were asked to make sure that there was a minimum of three buildings in between two participants' business establishments.

Participants completed the study on an electronic device (e.g., mobile phone or tablet) provided by the data collector.³ Most of the questions and scales in the questionnaire were identical to those of Studies 4.1 and 4.2 (i.e., demographic questions [e.g., gender, age, period of entrepreneurship], opportunity [$\alpha = .81$], necessity [$\alpha = .80$], entrepreneurial self-esteem [$\alpha = .75$], future time perspective [$\alpha = .92$], general growth intentions [$\alpha = .94$], and concrete growth intentions [$\alpha = .78$]).

All participants first completed the motives of entrepreneurship scale. Participants in the *others' positive business views condition* were subsequently asked to describe the positive views regarding their businesses that their family members and friends had. In addition, they were asked to describe the positive views regarding their businesses that their clients, customers, and members of community had. Participants in the *control condition* did not receive these instructions at this point. All participants then completed the questionnaire measuring our dependent variables (i.e., entrepreneurial self-esteem, future time perspective, general growth intentions, and concrete growth intentions). Upon completion, participants in the *control condition* were subsequently given the same writing task as those in the *others' positive views condition*. This was done for ethical reasons (to not deny participants in the control condition an opportunity to increase their entrepreneurial self-esteem) as well as to check that participants in both conditions were relatively equal in terms of their knowledge of others' positive views regarding their businesses. At the end of the study, participants were debriefed, thanked, and given their rewards.⁴

Results

Preliminary analyses

The analysis of goodness of fit of the revised hypothesized model revealed that the model fitted the data well (RMSEA = .079, 90% CI = [0.037, 0.122], CFI = .97, TLI = .93; see *Figure 4.3*). Thus, this model was used for hypothesis testing in this study.

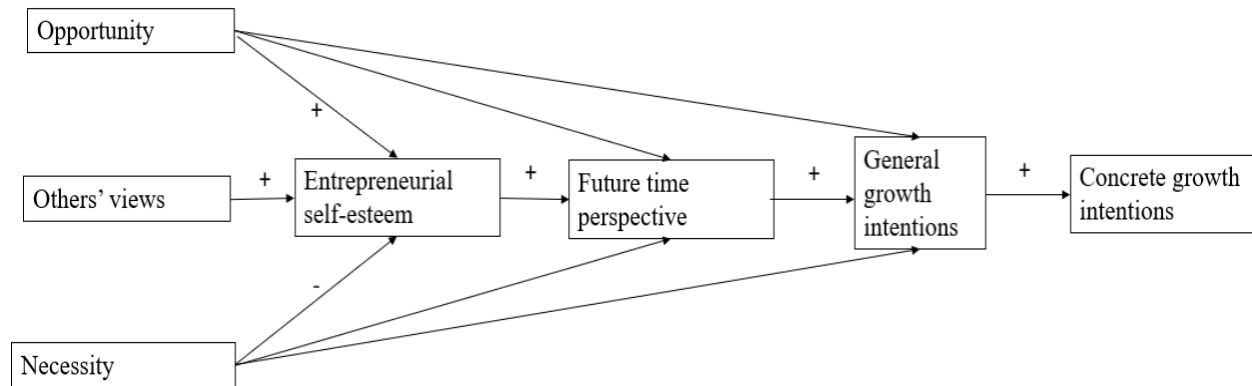


Figure 4.3. Hypothesized model in Study 4.3

Hypothesis testing

Hypotheses 1 and 2. Opportunity-based entrepreneurship was positively associated with entrepreneurial self-esteem ($\beta = .43$, $SE = .07$, $p < .01$). However, necessity-based entrepreneurship was not significantly associated with entrepreneurial self-esteem ($\beta = .02$, $SE = .06$, $p = .71$), which is inconsistent with Studies 4.1 and 4.2. Thus, Hypothesis 1 was partially supported. Moreover, small-business owners in the others' positive business views condition (coded as 1) and small-business owners in the control condition (coded as 0) did not significantly differ in their levels of entrepreneurial self-esteem ($\beta = -.18$, $SE = .11$, $p = .11$).⁵ In support of Hypothesis 2, entrepreneurial self-esteem was positively associated with future time perspective ($\beta = .30$, $SE = .07$, $p < .01$).

Hypotheses 3 and 4. Opportunity-based entrepreneurship was positively associated with future time perspective via entrepreneurial self-esteem ($\beta = .13$, $SE = .04$, $p < .01$, 95% CI [0.057, 0.200]). However, necessity-based entrepreneurship was not negatively associated with future

time perspective via entrepreneurial self-esteem ($\beta = .01$, $SE = .02$, $p = .71$, 95% CI [-0.027, 0.040]). Thus, Hypothesis 3 was partially supported. Providing support for Hypothesis 4, future time perspective was indirectly and positively associated with concrete growth intentions via general growth intentions ($\beta = .33$, $SE = .04$, $p < .01$, 95% CI [0.246, 0.410]).

Discussion

The findings in Study 4.3 supported our prediction that opportunity-based small-business owners possess a higher entrepreneurial self-esteem, and are more future-oriented in running their businesses than necessity-based small-business owners. Their tendency to be more future-oriented in running their businesses led to relatively strong general intentions to grow their business, which was found to be positively related to concrete growth intentions. This finding is consistent with Studies 4.1 and 4.2.

In contrast to Studies 4.1 and 4.2, necessity-based small-business owners in Study 4.3 did not have a lower entrepreneurial self-esteem than opportunity-based small-business owners. Given that Study 4.3 was conducted in The Republic of Indonesia, we speculate that there were perhaps certain economic and social characteristics of Indonesian small-business owners that affected this relationship. Generally, the fact that necessity-based small-business owners do not voluntarily choose to be a business owner may cause them to be more dissatisfied with their role as a business owner (Kautonen & Palmross, 2010). However, The Republic of Indonesia is a developing nation in which the social security system might not be as advanced as that in many developed nations. Being unemployed in The Republic of Indonesia can jeopardize one's ability to fulfill basic needs. The fact that one has a small business as a source of income could provide necessity-based small-business owners with a degree of gratitude for the existence of the business. Since gratitude is associated with positive evaluations and a positive outlook toward life (e.g., Lin, 2015), a sense of gratitude may have neutralized the negative relationship between necessity-based entrepreneurship and entrepreneurial self-esteem in the present study. However, future research would need to investigate this in more detail.

Contrary to our expectations, salient positive views of others about one's business did not increase entrepreneurial self-esteem in Study 4.3. It could be that the abbreviated version of the manipulation of entrepreneurial self-esteem was too short to have effects, it could also be that the combination of the personal and other's view, rather than other's views alone, is needed to increase

entrepreneurial self-esteem. Maybe personal views regarding the business ownership cannot be overlooked - even in collectivistic societies such as Indonesia. After all, one's personal entrepreneurial cognition plays a crucial role in one's development of the entrepreneurial role (e.g., Celuch, Bourdeau, & Winkel, 2017). Future research is needed to answer this question.

General discussion

The three studies presented in this paper confirmed the important role of entrepreneurial self-esteem in explaining the mechanisms through which motives of entrepreneurship relate to small-business owners' willingness to pursue business growth. Across three studies, entrepreneurial self-esteem was consistently found to be rooted in opportunity-based entrepreneurship, but not in necessity-based entrepreneurship. This implies that small-business owners who engage in entrepreneurship out of a personal desire to pursue business opportunities are more likely to derive positive feelings from their business ownership than small-business owners who engage in entrepreneurship out of necessity. Unlike necessity-based small-business owners whose engagement in entrepreneurship stems from the absence of employment opportunities, opportunity-based small-business owners choose to engage in entrepreneurship voluntarily (van der Zwan et al., 2016). Their voluntary engagement in entrepreneurship may indicate their personal interest and fondness for the idea of pursuing business opportunities. This is perhaps why they are more prone to view their business ownership in a positive light than necessity-based small-business owners. In addition, opportunity-based small-business owners often possess more necessary skills to run a business (Robichaud et al., 2010). As a result, their businesses are more likely to perform well, and thus are more likely to generate a sense of pride and worth for the owners.

As for the relationship between necessity-based entrepreneurship and entrepreneurial self-esteem, it was found that the two variables were negatively related in Studies 4.1 and 4.2. This is consistent with the notion that necessity-based small-business owners' engagement in entrepreneurship primarily stems from the absence of viable options for work. Therefore, it is likely that being a small business owner is a career that they were forced into. This is what may cause them to be less satisfied with their entrepreneurship (Kautonen & Palmross, 2010). Moreover, they tend to possess fewer necessary skills to run a business (Robichaud et al., 2010). Thus, it is possible that their businesses do not perform as well as those run by opportunity-based

small-business owners. As a consequence, they might be less likely to possess positive evaluations regarding the worthiness of their business ownership.

Entrepreneurial self-esteem was consistently found to be positively related to future time perspective, which was subsequently positively associated with growth-pursuit intentions. This is an important and novel finding, as it explains why some small-business owners are more future-oriented in running in their businesses than others, and more willing to pursue business growth. A positive evaluation of the worthiness of one's business ownership may strengthen commitment to, and satisfaction with the role as business owner. Indeed, individuals are more likely to be committed and satisfied with roles that provide them with a sense of worth (e.g., Carmel, 1997; Pierce et al., 1989). It makes sense that business owners who are satisfied with their role would like to keep this role for a longer time, and thus be motivated to invest in the long-term viability and future of their businesses. These business owners are more prone to pursue business growth as they are more likely to foresee why business growth matters. Indeed, the benefits of business growth are mainly long-term (e.g., Rauch & Rijdsdijk, 2013). Thus, one needs to be future-oriented in order to better understand the importance of business growth.

Given that entrepreneurial self-esteem plays an important role in growth-pursuit intentions, an important question is: what can be done to enhance entrepreneurial self-esteem? In the second study, we found that increasing the salience of personal positive views of one's business as well as others' positive views of that business was an effective strategy in enhancing small-business owners' entrepreneurial self-esteem. An exclusive focus on others' positive views, as employed in the third study, was not effective in enhancing entrepreneurial self-esteem. This suggests that focusing on own and others' positive views of the business simultaneously had the most potential for increasing entrepreneurial self-esteem. It appears that *both* personal entrepreneurial cognitions (e.g., Celuch et al., 2017) *and* interaction with others (e.g., Donellon et al., 2014) play an important role in the development and evaluation of one's entrepreneurial identity and role (e.g., Werthes, Mauer, & Brettel, 2018).

Limitations and suggestions for future research

The research presented in this paper has several limitations that future research may want to address. Firstly, this research only measured small-business owners' concrete growth intentions without measuring the *actual behaviors* in the future. Future research may employ a longitudinal

design in which researchers can measure actual engagement in growth-pursuit behaviors at some point in the future after entrepreneurial self-esteem and future time perspective are measured.

Secondly, we did not examine potential moderators in this research. For example, we argued that opportunity-based entrepreneurship would be positively related to entrepreneurial self-esteem because opportunity-based small-business owners possess more skills necessary to run a business (Robichaud et al., 2010), resulting in a better business performance that may increase their perceived worthiness of the business. This suggests that the positive relationship between opportunity-based entrepreneurship and entrepreneurial self-esteem may be moderated by business performance, which we did not measure in this research.

Implications

On a theoretical level, this research provides us with novel insights into the process by which motives of entrepreneurship relate to the motivation to pursue business growth (e.g. Reynolds, Bygrave, Autio, Cox, & Hay, 2002). Previous research has shown that opportunity-based business owners, as opposed to necessity-based business owners, are more likely to be growth-oriented (Berner et al., 2002; Verheul & van Mil, 2011). Prasastyoga et al. (2019) demonstrated that opportunity-based small-business owners tend to be future-oriented in running their businesses, which explains why they possess relatively strong growth intentions. This research extends current knowledge by introducing entrepreneurial self-esteem as a construct that can explain why opportunity-based small-business owners are more future oriented in running their businesses than necessity-based small-business owners. This can eventually expand our knowledge regarding factors explaining the variation in business growth motivation among small-business owners (Wiklund et al., 2003).

The concept of entrepreneurial self-esteem may also be useful in extending our knowledge regarding the outcomes of entrepreneurial self-efficacy. Entrepreneurial self-efficacy is defined as individuals' belief in their entrepreneurial capacity (Chen et al., 1998). Based on a review article by Newman et al. (2019), entrepreneurial self-efficacy is positively predictive of entrepreneurial passion and intentions. As our findings show that entrepreneurial self-esteem stems from opportunity-based entrepreneurship in which the engagement in entrepreneurship is voluntary, it is highly likely that entrepreneurial self-efficacy is indirectly linked with entrepreneurial self-esteem via entrepreneurial passion and intentions. In other words, entrepreneurial self-esteem could be a distal outcome of entrepreneurial self-efficacy. Furthermore, entrepreneurial self-

efficacy is positively associated with business planning (Brinckmann & Kim, 2015), suggesting a close link between entrepreneurial self-efficacy and a future focus. Given the potential link between entrepreneurial self-efficacy and entrepreneurial self-esteem, the observation that entrepreneurial self-esteem was an important precursor of future time perspective in this paper may enrich our current understanding of the link between entrepreneurial self-efficacy and a future focus.

On a practical level, this research provides policy makers and practitioners with a new perspective regarding the role of entrepreneurial self-esteem in business growth motivation. When designing policies or small business empowerment programs (e.g., trainings, seminars), practitioners and policy makers can focus on encouraging small-business owners who would like to grow their businesses to focus on the positive aspects of their businesses and the personal meaning of their profession as a business owner. For example, small-business owners can reflect on the positive contributions of their businesses for both themselves and their significant others (e.g., family members). This way, small-business owners' entrepreneurial self-esteem can be improved, and thus may increase their growth intentions eventually.

Footnotes

¹Some participants reported that they were not sure about their firms' annual turnover. Therefore, we could only categorize them as small-business owners based on the number of employees working in their firms

² Several participants indicated that they did not have family members, or did not have family members who had positive views of their businesses, or did not have customers or clients who had positive views of their businesses. Results were similar if they were excluded

³ Due to feasibility issues, several participants were interviewed instead of completing the questionnaire on their own

⁴ We measured several variables for exploratory reasons in Studies 1 to 3 (satisfaction with the business, identification with the business, capacity to focus on the future, present time perspective, anticipated emotions, beliefs about the future, subjective importance of thinking about future, motives of entrepreneurship [categorical], optimism, commitment with the business, personal future time perspective, and regulatory focus)

⁵ Several participants indicated that they did not have family members or friends, or did not have family members or friends who had positive views of their businesses, or did not have customers, clients, or members of their communities who had positive views of their businesses. Several participants also did not provide clear answers regarding other people's positive views of their businesses. Results were similar if they were excluded

Chapter 5

Discussion

The growth of small businesses can provide important benefits for small-business owners, such as better survival prospects and a lower chance of failure (Lee et al., 2012; Rauch & Rijsdijk, 2013). Business growth can also provide societal benefits such as generating more employment opportunities and boosting economic growth (Beck et al., 2005; OECD, 2019). However, pursuing business growth has some downsides. For example, the pursuit of business growth requires business owners to take risks (e.g., Wang & Poutziouris, 2010), with no guarantee of success. If not managed well, pursuing business growth may threaten the well-being of the business.

Given the societal benefits and the potential risks associated with business growth, governments around the globe have created programs aimed to boost the growth of small businesses as well as to minimize the potential risks associated with efforts to pursue business growth (e.g., by offering loan programs or entrepreneurship trainings). However, these programs are met with mixed success. For instance, due to a mismatch between the underlying principles of formal trainings and informal operating environments of small businesses, many small-business owners in the United Kingdom were reluctant to participate in training programs focused on human resource development, even when the awareness and understanding of the programs was relatively high (Gold & Thorpe, 2008; Matlay, 2004). This example is contrary to conventional economic theory stating that business owners aim to maximize their profits, and thus will be motivated to do whatever it takes to grow their businesses (Berner et al., 2012). Moreover, many small-business owners simply do not appear to have the aspiration to pursue business growth, despite apparent economic advantages (Davidsson, 1989; Gray, 2002; Gundry & Welsch, 2001; Wiklund et al., 2003). In short, it remains unclear why some small-business owners pursue business growth, and others do not. Indeed, our knowledge of why there are variations in the levels of business growth motivation among small-business owners is still limited (Wiklund et al., 2003). It is thus apparent that there still needs to be more investigations into the determinants of business growth motivation.

Many studies seem to suggest that small-business owners who engage in entrepreneurship due to the need for survival and security tend to be less growth-oriented than those who engage in entrepreneurship for the voluntary pursuit and exploitation of business opportunities. (e.g., Berner et al., 2012; Fairlie & Fossen, 2017; Verheul & van Mil, 2011). These findings indicate that small-business owners' motivation of engagement in entrepreneurship can have important implications for business growth motivation. However, what is the exact nature of the association between

motivation of engagement in entrepreneurship and business-growth motivation? What makes small-business owners whose motivation of engagement in entrepreneurship is reward-oriented more growth-oriented than those whose motivation of engagement in entrepreneurship is security-oriented? How do these motives of engagement in entrepreneurship relate to business growth motivation among small-business owners? The research presented in this dissertation aimed to address these questions.

To address the aforementioned questions, the current research focused on examining the association between motivation of engagement in entrepreneurship (reward-oriented motivation vs. security-oriented motivation) and business growth motivation, as well as unpacking the mechanisms by which motivation of engagement in entrepreneurship relates to business-growth motivation. There were two perspectives that I employed in the current work, namely an intrapersonal perspective (chronic promotion and prevention focus; Higgins, 1998, 2000) and a situational perspective (opportunity-driven entrepreneurship and necessity-driven entrepreneurship; Reynold et al., 2001). Business growth motivation was examined on three levels, namely the precursor (small-business growth beliefs; Davidsson, 1989; Wiklund et al., 2003), the intention (as an important indicator of motivation; Ajzen, 1991), and the outcomes (engagement in growth-pursuit activities). The current research was conducted among Western samples as well as Indonesian samples, allowing for the examination of the generalizability of the findings across social, cultural, and economic contexts. In this final chapter, I will discuss important insights from Chapter 2 to Chapter 4, the theoretical and practical implications, some general limitations and suggestions for future research, and the conclusion of the findings presented in this dissertation. *Figure 5.1* presents an overview of the general results of the studies presented in this dissertation.

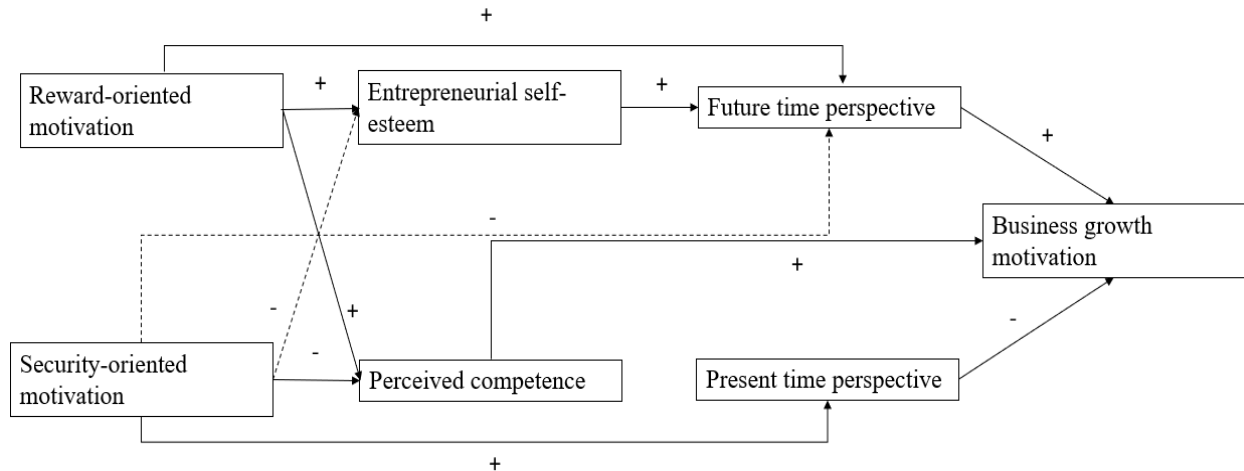


Figure 5.1. The general model of the findings. A dashed line represents an inconsistent relationship

Important insights from the current research

The research presented in this dissertation yields a number of important insights that are worth discussing. In Chapter 2, I presented two online studies that investigated the role of chronic promotion focus and chronic prevention focus in predicting an important precursor to business growth motivation, namely small-business growth beliefs (SBGBs). There were two types of SBGBs examined: finance-and-business-related SBGBs, and emotion-related SBGBs. Study 2.1 was conducted among a sample of Indonesian students, whereas Study 2.2 was conducted among a sample of small-business owners recruited from Prolific Academic. There are two important insights that we can learn from these studies.

Firstly, these findings highlight the important role of small-business owners' chronic motivational orientations in predicting how they view business growth. Specifically, those who are chronically promotion-focused (i.e., reward-oriented motivation) tend to find business growth more appealing and believe it leads to more positive outcomes than those who are chronically prevention-focused (i.e., security-oriented motivation). Secondly, small-business owners who are chronically promotion-focused tend to believe that they are competent to pursue business growth successfully, which in turn explains why they possess predominantly positive emotion-related SBGBs. Conversely, small-business owners who are chronically prevention-focused tend to believe that they are less competent to pursue business growth successfully, which explains why

they possess less positive emotion-related SBGBs. Thus, the findings presented in Chapter 2 also highlight the role of perceived competence with respect to the pursuit of business growth in the mechanism by which promotion and prevention focus relate to SBGBs, particularly emotion-related SBGBs.

Moving away from an intrapersonal perspective, the studies presented in Chapter 3 and Chapter 4 examined the consequences of reward-oriented motivation and security-oriented motivation on business growth motivation from a situational perspective, by investigating opportunity-driven entrepreneurship and necessity-driven entrepreneurship. In Chapter 3, I presented three studies that aimed to examine the role of time perspective in the mechanism by which opportunity and necessity-driven entrepreneurship relate to business growth intention and engagement in growth-pursuit activities. The first two studies were conducted among samples of mostly Western small-business owners, whereas the third study was conducted among a sample of small-business owners in Indonesia.

There are two important insights that we can learn from Chapter 3. Firstly, the findings of the studies in this chapter consistently highlight the positive role of future time perspective in predicting business growth intentions and engagement in growth-pursuit activities. Secondly, the findings highlight the notion that opportunity-driven small-business owners (i.e., reward-oriented motivation) tend to be more motivated to pursue business growth than necessity-driven small-business owners (i.e., security-oriented motivation) due to their consistently higher future time perspective. Specifically, compared to necessity-driven small-business owners, opportunity-driven small-business owners are more future-oriented, which in turn increases their intention to grow their businesses and to engage in growth-pursuit activities. Conversely, necessity-driven small-business owners appear more present-oriented in running their businesses, which in turn explains why they are less likely to engage in growth-pursuit activities.

In light of the findings presented in Chapter 3, the three studies presented in Chapter 4 aimed to address the dual questions of why opportunity-driven small-business owners are more future-oriented in running their businesses than necessity-driven small-business owners, and how a future-orientation can be increased. To address these questions, I examined the potential role of entrepreneurial self-esteem (i.e., the extent to which business ownership is perceived to be psychologically worthy by business owners) in the mechanism through which motives of entrepreneurship relate to future time perspective and business growth motivation (business

growth intention and the intention to engage in growth-pursuit activities). To examine the causal effect of entrepreneurial self-esteem on future time perspective, I experimentally induced variations in entrepreneurial self-esteem by varying the salience of small-business owners' personal as well as others' positive views about their businesses. Similar to studies in Chapter 3, the first two studies in Chapter 4 were conducted among samples of mostly Western small-business owners, whereas the third study was conducted among a sample of small-business owners in Indonesia.

There are three important insights that we can learn from Chapter 4. Firstly, entrepreneurial self-esteem, meaning small-business owners' personal evaluation of the worthiness of their business ownership, can drive future time perspective and subsequently, business growth intentions. That is, those with higher entrepreneurial self-esteem tended to have a higher future time perspective and stronger intentions to grow their business. This demonstrates the powerful role that entrepreneurial self-esteem can play in the motivation to pursue business growth. Secondly, unlike necessity-driven small-business owners, opportunity-driven small-business owners consistently possessed high entrepreneurial self-esteem, which explains why they were more future-oriented in running their businesses and had stronger intentions to engage in growth-pursuit activities. Thirdly, in order to boost entrepreneurial self-esteem and future time perspective, it is important for small-business owners to focus on *both* the positive elements of their businesses and others' positive views of their businesses. In other words, being aware of one's personal and others' positive views about one's business simultaneously can be a potential strategy to enhance entrepreneurial self-esteem.

Inconsistencies in the findings regarding necessity-based entrepreneurship

The findings regarding necessity-based entrepreneurship are less consistent across the studies presented in this dissertation than those regarding opportunity-based entrepreneurship. Opportunity-based entrepreneurship was consistently related to entrepreneurial self-esteem and future time perspective, which was subsequently associated with business growth intentions in a positive manner. As for necessity-based entrepreneurship, the findings revealed that necessity-based entrepreneurship was not significantly related to future time perspective in Studies 3.1 and 3.2. However, in Study 3.3, which was conducted among a sample of Indonesian small-business owners, necessity-based entrepreneurship was negatively related to future time perspective. A similar pattern was also found in Chapter 4. In Studies 4.1. and 4.2., necessity-based

entrepreneurship was found to be negatively related to entrepreneurial self-esteem. However, in Study 4.3, conducted among a sample of Indonesian small-business owners, necessity-based entrepreneurship was not related to entrepreneurial self-esteem.

The aforementioned inconsistencies may suggest that the context that small-business owners are tied to plays a role in the effect of necessity-based entrepreneurship on business-growth motivation. There are perhaps certain aspects of the social, economic, cultural, and political contexts in which small-business owners operate that influence the manner in which necessity-based entrepreneurship relates to business growth motivation. For instance, in regard to the studies presented in Chapter 3, it was found that necessity-based entrepreneurship was not negatively related to future time perspective in a consistent manner. In studies 3.1. and 3.2, in which necessity-based entrepreneurship was not related to future time perspective, I speculated that the absence of a significant (negative) relationship was caused by the fact that most of small-business owners in these two studies were from Western countries with a relatively advanced social security system. The social security system provides them with the ability to fulfill their basic necessities on a daily basis should they have no income due to a failure of their business. As a consequence, necessity-based small-business owners from these places may not necessarily neglect the future of their business since the pressure to focus their full attention on ensuring that their business can survive in the present is not very high.

The contexts in which small-business owners operate may also play a role in the inconsistent findings regarding the relationship between necessity-based entrepreneurship and entrepreneurial self-esteem in Chapter 4. Unlike Studies 4.1. and 4.2., necessity-based entrepreneurship was *not* negatively related to entrepreneurial self-esteem in Study 4.3. This may have stemmed from the economic context Indonesian participants in Study 4.3 were tied to. I speculated that, given the absence of a well-established social security program in Indonesia, having a small business as a source of income is something one is grateful for. It was thus likely that necessity-based small-business owners in Study 4.3 felt grateful for the fact that they could own a business. Since gratitude is related to positive evaluations and a positive outlook toward life (e.g., Lin, 2015), their sense of gratitude may have neutralized the negative relationship between necessity-based entrepreneurship and entrepreneurial self-esteem.

All in all, these different results highlight the notion that the relationship between necessity-based entrepreneurship and business growth motivation is not as straightforward as the relationship

between opportunity-based entrepreneurship and business growth motivation. A variety in social and economic aspects of the contexts in which small-business owners operate may affect the strength and the direction of the effect of necessity-based entrepreneurship on important precursors to business growth motivation, such as entrepreneurial self-esteem and future time perspective. This highlights the importance of taking into account the contexts in which small-business owners operate in the assessment of necessity-based entrepreneurship and its relationship with business growth motivation.

Business growth: why, and why not

There seems to be a popular notion that growth of small businesses is beneficial for society at large as well as for the small businesses and their owners. As discussed in the Introduction, small businesses can significantly contribute to economic growth by providing employment opportunities as well as boosting innovations and services in society (Beck et al., 2005; OECD 2017). It is thus likely that the expansion of these businesses can increase such benefits, for example by providing more jobs and increasing the number of innovative products and services. The businesses themselves can also benefit from growth. Business growth can make a business more robust, thereby reducing chances of failure and increase long-term survival prospects (Lee et al., 2012; Rauch & Rijdsdijk, 2013). Many small-business owners believe that business growth can improve their financial situation as well as increase their business' ability to survive crises (Wiklund et al., 2003). Given these benefits, it is unsurprising that business growth is often presented as an important goal that should be pursued by all small-business owners. Yet despite the various advantages of growth, it is important to acknowledge that a) business growth is not always a feasible option for business owners, b) business growth may also have disadvantages that can dissuade owners from pursuing business growth. This raises the questions whether all small-business owners *should* pursue business growth, and whether a lack of growth-pursuit actions reflects poor business management, or a deliberate decision.

Our findings regarding entrepreneurial self-esteem suggest that many small-business owners do not always regard their business as a source of pride and positive meaning that contributes to their overall self-worth. Some may consider their business only as a source of daily income. They may even want to cease being a business owner as soon as they find suitable employment. Therefore, it is understandable that they do not wish to pay attention to the growth of their business. Moreover, it is possible that some small-business owners are less inclined to

pursue business growth simply because they are put off by other factors associated with growth. For example, growing a business requires investments and risk taking (e.g., Wang & Poutziouris, 2010), with no guarantee of success. Growing a business may also come with complications (e.g., personnel management, increased costs). Hiring employees can be costly in some countries because labor regulations require employers to provide various social benefits and put restrictions on an employer's flexibility to terminate an employment. Hiring employees can also be costly due to local legislation regarding the height of minimum wages. Hiring employees thus comes at considerable cost and risk, and not all business owners may feel that these weigh up to the expected benefits of business growth.

It is also possible that some small businesses owners do not pursue business growth because they do not feel a necessity to do so. For example, owners of small businesses that already generate a good income may not feel the need to increase their income by expanding their business. Small-business owners with a financial back-up (e.g., personal funds, a partner's income) may not feel the need to ensure a long-term viability of their businesses. Some small-business owners may engage in entrepreneurship simply because being self-employed gives them more flexibility and freedom in terms of schedule. Thus, they deliberately keep their business small. In addition, not all small businesses are expandable. For example, some small-business owners operate in industries with low natural efficient scales (e.g., dentists, plumbers, small shop keepers; Hurst & Pugsley, 2011) which make business growth not worth pursuing - these businesses' optimal size is small.

All in all, this section reiterates one important message, which is that small-business growth needs to be viewed in a neutral manner, without judgement. It is true that small-business growth can generate many benefits for society and the owners. However, it is important to keep in mind that not all small-business owners have the desire to pursue business growth, nor do they always need to pursue business growth. Small-business owners operate in diverse contexts and possess various needs, which can play a significant role in determining the extent to which business growth is worth pursuing for them.

Theoretical implications

On a theoretical level, the work presented in this dissertation has several implications. Firstly, previous research was mostly focused on investigating the implications of reward-oriented and security-oriented motivation on business growth motivation from a situational perspective

(e.g., Berner et al., 2012; Poschke, 2013). For instance, Verheul and van Mil (2008) showed that business owners whose engagement in entrepreneurship is primarily driven by the desire to pursue and exploit business opportunities available in their environments were more ambitious to pursue business growth than those whose engagement in entrepreneurship is primarily driven by the necessity stemming from unfortunate circumstances (e.g., unemployment). The current work expands the existing perspective concerning the relationship between motivation of engagement in entrepreneurship and business growth motivation among small-business owners by showing that one's intrapersonal characteristic related to reward-oriented and security-oriented motivations (i.e., chronic regulatory focus) can also predict business growth motivation.

Indeed, previous research suggests that being chronically promotion-focused motivates one to be largely focused on approaching rewards, whereas being chronically prevention-focused motivates one to be largely focused on ensuring security (Higgins, 1998). Thus, small-business owners who are strongly promotion-focused tend to be reward-oriented, whereas those who are strongly prevention-focused tend to be security-oriented in their engagement in entrepreneurship. Studies 1.1. and 1.2 in this dissertation demonstrated that being strongly promotion-focused predicted more positive beliefs regarding consequences of business growth, whereas being strongly prevention-focused predicted less positive beliefs regarding consequences of business growth. Given that the positivity of one's beliefs regarding consequences of business growth can determine business growth motivation (e.g., Wiklund et al., 2003), chronic regulatory focus reflecting reward-oriented and security-oriented motivations can significantly impact small-business owners' motivation to grow their businesses.

Secondly, the current research contributes to the current body of knowledge regarding small-business growth motivation by introducing a novel concept called 'entrepreneurial self-esteem' and explaining how this concept can play an important role in determining business growth motivation. Entrepreneurial self-esteem refers to the extent to which business owners evaluate the worthiness of their business ownership. The worthiness here implies how much the role of being a business owner as well as the business that one owns can benefit their overall self-worth. Our findings showing that entrepreneurial self-esteem can subsequently predict business-growth intentions yield an important knowledge that one's psychological ties with their business can play a significant role in business growth motivation. This knowledge reinforces an important notion that business owners' entrepreneurial decisions are not always influenced by the desire to

achieve financial rewards (e.g., Amit, MacCrimmon, Zietsma, & Oesch, 2000; Wiklund et al., 2003).

In addition, the fact that one's self-worth benefits from one's business may indicate that there is a certain psychological need (i.e., need for self-worth) that one's business can significantly fulfill. Our findings highlight the notion that some small-business owners' psychological need for self-worth is significantly tied to one's business, which prompts them to focus on a long-term viability of their businesses as well as to pursue business growth. This enriches the existing knowledge regarding the role of small-business owners' personal needs in driving their motivation to pursue business growth (e.g., Davidsson, 1991).

Thirdly, previous research on the role of future time perspective in entrepreneurship has left the impact of future time perspective on goal setting and achievements for business owners largely unexplored (Lévesque & Stephan, 2019). To the best of my knowledge, there is only one study that examined the relationship between future time perspective and achievement in entrepreneurship (e.g., business growth; Gielnik, Zacher, & Frese, 2012). The current research contributes to the current body of knowledge regarding the role of future time perspective in entrepreneurship by providing a new insight into the central role that future time perspective plays in predicting business growth motivation. This insight extends our current understanding regarding the relationship between future time perspective and business growth by demonstrating how it can also predict the extent to which small-business owners intend to pursue business growth, which is an important predictor of business growth (Wiklund & Delmar, 2008). This highlights the importance of future time perspective in small-business owners' decision to engage in entrepreneurial activities, especially in terms of their decisions to engage in growth-pursuit activities.

Last but not least, literature suggests that reward-oriented small-business owners tend to be more growth-oriented than security-oriented small-business owners. For instance, Fairlie and Fossen (2017) showed that, in Germany, opportunity-based business owners were more likely to hire employees and earned significantly more than necessity-based business owners, suggesting that opportunity-based business owners are more likely to possess growth-oriented characteristics than necessity-based business owners. However, some studies seem to suggest that security-oriented business owners also have high business growth aspirations. For example, Knox, Bressers, Mohlakoana, and de Groot (2019) demonstrated that necessity-driven street-food

business owners in Sub-Saharan Africa have aspirations to grow their businesses. In a similar vein, Puente, Espitia, and Cervilla (2019) showed that necessity-driven entrepreneurship in Latin America did not indicate the absence of high-growth aspirations.

The role of future time perspective and entrepreneurial self-esteem in business growth motivation that the current work demonstrates can help clarify such a difference in the findings. For example, it is possible that some security-oriented business owners possess high growth aspirations because they live in societies where the norms emphasize the importance of future time perspective in life, or perhaps they live in societies that endorse public policies facilitating their future time perspective or the pursuit of growth. For example, previous research has shown that individuals in individualistic cultures tended to be future-oriented due to their strong focus on abstract events (e.g., Andre, van Vianen, Peetsma, & Oort, 2018; Shirai & Beresneviene, 2005). Autio, Pathak, and Wennberg (2013) showed that there is a positive relationship between societal-level institutional collectivism and business growth aspirations. Therefore, security-oriented small-business owners living in these contexts still possess relatively high future time perspective and business growth motivation, despite their engagement in security-oriented entrepreneurship. This dissertation shows that the relationship between motivation of engagement in entrepreneurship and business growth motivation is complex, and differences in the level of future time perspective and entrepreneurial self-esteem can help explain the complex difference in such relationships.

Practical implications

On a practical level, the work presented in this dissertation provides novel information that practitioners and policy makers can utilize in order to improve their current programs and policies aimed at assisting small-business owners to grow. As outlined in the Introduction, there have been programs and policies specifically focused on boosting small-business growth around the globe. For instance, the Indonesian government has taken significant measures to increase access to finance for small businesses by requiring all banks to allocate 20% of their business loans to SMEs (OECD, 2018). The Dutch government has a program called “SME credit guarantee scheme”, allowing small-business owners in The Netherlands to borrow money from banks more than would otherwise be possible based on their collateral (Netherlands Enterprise Agency, n.d.). Such programs largely focus on increasing access to finance, which can be useful for business growth investments.

The findings in this dissertation highlight the important notion that small-business owners are more likely to engage in efforts to pursue business growth, such as applying for loans that can be used for growing their businesses, when they can foresee the long-term benefits of pursuing business growth. The ability to foresee the long-term benefits of business growth stems from their tendency to be future-oriented in running one's business. Thus, policy makers and practitioners who would like to increase the chances that their assistance programs materialize into actual small business growth should not overlook the role of future time perspective.

The finding in Studies 2.2 suggests the potential benefit of increasing the salience of one's personal positive views as well as others' positive views about one's business for increasing entrepreneurial self-esteem, which can lead to an increase in future time perspective. This strategy can be included in the current assistance programs for small-business owners. For example, in entrepreneurship trainings provided for small-business owners, some sessions can be exclusively dedicated to encouraging small-business owners to pay more attention to the positive aspects of their businesses as well as others' positive views of their businesses. These small-business owners can be encouraged to adopt a habit of focusing on the benefits of their businesses that they and others enjoy (e.g., listing down the positive aspects of their businesses as well as the compliments that others give to their businesses). This can increase their positive perceptions concerning the worthiness of their business ownership, which will motivate them to pay more attention to the long-term viability of their businesses. Subsequently, this tendency to be future-oriented in running their businesses plays a positive role in their motivation to pursue business growth.

As explained in Chapter 3, the absence of a positive relationship between necessity-based entrepreneurship and business growth motivation may provide support for the notion that necessity-based small-business owners are mostly preoccupied with ensuring that their business can generate income on a daily basis. This preoccupation with present-oriented tasks may leave them with less attentional resources for growth-oriented thinking (e.g., long-term planning). Policy makers and practitioners can thus use this information to design an intervention or a policy aimed to alleviate their preoccupation with present-oriented tasks. For example, in addition to loans, governments could provide temporary monthly benefits that can help cover basic necessities for necessity-based small-business owners who are willing to participate in small-business empowerment programs. This may reduce the sense of urgency to solely focus on present-oriented

tasks, leaving necessity-based small-business owners with more attentional resources for performing growth-oriented tasks in their entrepreneurial endeavors.

For small-business owners, the information presented in this dissertation can help improve their personal evaluations and decisions regarding the pursuit of business growth. As I write this dissertation, many small-business owners might be in the process of deciding or evaluating whether or not they would like to actively pursue business growth. The findings in this dissertation present them with novel perspectives that they can take into account in their decision-making processes. For example, some small-business owners might be in the process of evaluating their decisions to pursue business growth or not. The finding regarding regulatory focus and business growth beliefs informs them that their decisions can be influenced by biases resulting from their chronic regulatory focus. The precursor to the motivation to pursue business growth, i.e., beliefs regarding the outcomes of business growth, is not necessarily based on a thorough analysis of costs and benefits of business growth. These beliefs can also be influenced by a risky bias stemming from a tendency to be highly promotion-focused, or a conservative bias stemming from a tendency to be highly prevention-focused. With the awareness of these potential biases influencing their views of business growth as well as their decision to pursue it, small-business owners can be more careful and thorough in their decision-making processes regarding the pursuit of business growth.

Moreover, they can actively prevent these biases from influencing their decisions to pursue or not to pursue business growth. For example, they can proactively seek balanced information regarding the costs and benefits of business growth and try to use this information objectively when formulating a decision regarding the pursuit of business growth. Policy makers and practitioners can also help them make a balanced decision by providing them with objective information regarding the negative and positive implications of business growth on small-business owners' businesses. They can also provide trainings where small-business owners are given tips on how to overcome these biases. For example, small-business owners can be taught about how to be more critical of information pertaining to business growth, or the trainers can encourage them to seek various information on the costs and benefits of business growth from more than one source.

Limitations and suggestions for future research

Aside from limitations and suggestions for future research that have been discussed in Chapter 2 to Chapter 4, there are general limitations and suggestions for future research worth

discussing in this final chapter. Firstly, in the work presented in this dissertation, participants' levels of opportunity-based entrepreneurship were assessed without taking into account the fact that opportunity-based small-business owners might have different rewards and goals that they would like to achieve through entrepreneurship. For example, some small-business owners' voluntary engagement in entrepreneurship is focused on pursuing business opportunities for the sake of having flexible working hours, whereas others' engagement in entrepreneurship might be focused on pursuing business opportunities to improve their private finances. Despite the fact that their engagement in entrepreneurship can generally fall into the category of reward-oriented entrepreneurship, the variety in the types of rewards and goals that small-business owners have in mind can have different implications on their business growth motivation. For example, those who voluntarily pursue business opportunities because they would like to have more flexible working hours may not be as motivated to grow their businesses as those who aim for an increase in their private finances.

Moreover, as discussed earlier, there may be much variance in contexts and goals that affect the relationship between necessity-based entrepreneurship and business growth motivation. Future research can further examine the effect of differences in reward-oriented and security-oriented small-business owners' goals and contexts on their business growth motivation. Future researchers may want to specifically focus on assessing certain types of reward-oriented entrepreneurship (e.g., finance-oriented entrepreneurship) in their studies. They may also want to take into account the role of economic and cultural contexts accounting for differences in security-oriented small-business owners. For example, given that previous research indicates that cultural patterns (individualism vs. collectivism) can affect individuals' future time perspective (e.g., Lyu, Du, & Rios, 2019), future researchers can take into account the role of cultural contexts in which small-business owners live in their assessment of the relationship between necessity-based entrepreneurship and future time perspective. Future researchers may also want to assess small-business owners' personal situations (e.g., sense of gratitude, the amount of income that is generated by the business every month) and examine their influences in the relationship between necessity-based entrepreneurship and entrepreneurial self-esteem. This would allow them to obtain a more nuanced and richer understanding of the relationship between motivation of engagement in entrepreneurship and business growth motivation.

Secondly, most of the results presented in this dissertation were based upon correlational analyses. For example, the relationship between perceived competence with respect to the pursuit of business growth and small business growth beliefs, and the relationship between future time perspective and business growth intentions, were both assessed in correlational analyses. This is why it cannot be concluded that the links between these variables are causal. Future research can focus on examining the replicability of findings obtained in many studies in this dissertation by employing an experimental approach. For example, previous research manipulated future time perspective by asking participants to think about how their life would be like in ten years (Nan & Qin, 2019). Thus, future researchers can apply this manipulation in the context of entrepreneurship by asking small-business owners to think about what their business would be like in the future.

Conclusion

Taken together, the findings in this dissertation provide consistent support for my general prediction that, in the context of entrepreneurship, being primarily oriented towards gains or rewards (reward-oriented motivation) is more predictive of the motivation to pursue business growth than being oriented towards security or safety (security-oriented motivation). This general prediction was consistently supported across studies with participants possessing various economic, social, and cultural characteristics (i.e., mostly Western small-business owners and Indonesian small-business owners). These findings are indeed consistent with the findings in previous studies (Berner et al., 2012; Poschke, 2003; Reynold et al., 2002; Terjesen & Szerb, 2008; Verheul & van Mil, 2011), highlighting the advantage of reward-oriented motivation in the context of business growth pursuit. However, some small-business owners are mainly motivated by the need for survival and security rather than the pursuit of rewards and opportunities in their engagement in entrepreneurship. Those whose security-oriented motivation stems from their chronic prevention focus tend to perceive themselves as less competent to pursue business growth, whereas those whose security-oriented motivation stems from necessity-driven entrepreneurship tend to be low in their future time perspective and entrepreneurial self-esteem. The aforementioned shortcomings subsequently undermine their motivation to pursue business growth, hindering them to realize their business growth potentials.

It is however important to note that security-oriented small-business owners are not always bound to be pessimistic about business growth. For those who are predominantly security-oriented due to their intrapersonal tendency (prevention focus), they can have more positive views of

business growth as long as they are willing to improve their skills with respect to the pursuit of business growth. For those who are predominantly security-oriented due to their unfortunate circumstances (e.g., unemployment), they can start habituating themselves to focusing on their personal positive views as well as others' compliments about their businesses. This practice has the potential of increasing their tendency to have a long-term view of their businesses, which has been found to be a consistent predictor of their motivation to pursue business growth.

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Summary

In this thesis, I describe eight studies aimed at investigating the consequences of reward-oriented motivation (i.e., an inclination to strongly focus the entrepreneurship on pursuing rewards) and security-oriented motivation (i.e., an inclination to strongly focus the entrepreneurship on ensuring one's survival and security) for business growth motivation among small-business owners. In addition, the eight studies were aimed to examine the process through which reward-oriented motivation and security-oriented motivation relate to business growth motivation among small-business owners. Chapter 1 provides a general introduction to the research presented in this thesis, as well as describes various theories and findings which are relevant for the research. Past studies on the role of motivation of engagement in entrepreneurship in business growth pursuit often suggest that small-business owners who are predominantly reward-oriented are generally more driven to pursue business growth than those who are predominantly security-oriented. However, the mechanisms that can explain why and how such a difference in levels of willingness to pursue business growth between them exists are unclear. Furthermore, to the best of my knowledge, research on reward-oriented motivation and security-oriented motivation in the context of entrepreneurship mostly employs a situational perspective (i.e., opportunity-based entrepreneurship and necessity-based entrepreneurship). As a result, research on the consequences of reward-oriented and security-oriented motivation for business growth motivation among small-business owners from an intrapersonal perspective is relatively scarce. The studies presented in this thesis were conducted for the purpose of addressing such gaps. Some studies employed an intrapersonal perspective in which the relationship between chronic regulatory focus (i.e., promotion focus and prevention focus) and an important precursor to business growth motivation (i.e., small business growth beliefs) among small-business owners was investigated. Other studies employed a situational perspective in which the mechanisms by which opportunity-based entrepreneurship and necessity-based entrepreneurship relate to business growth motivation (general business growth intentions) and its outcomes (current engagement in growth-pursuit behaviors and concrete business growth intentions) were investigated.

In Chapter 2, two studies aimed at examining the association between chronic regulatory focus and an important precursor to business growth motivation, small business growth beliefs (i.e., evaluations of whether or not business growth will likely lead to more positive or negative consequences), are presented. In the first study, Indonesian students were asked to imagine

themselves being the owner of a small webshop. In the second study, actual small-business owners were recruited to be participants of the study. In the two studies, they were asked to respond to a scale measuring their chronic regulatory foci, as well as indicate the extent to which they believe that the growth of their business will lead to certain outcomes (finance, business-related outcomes and affective outcomes). In the second study, participants were specifically asked to respond to a measure measuring their perceived competence with respect to the pursuit of business growth. The results of the two studies revealed that chronic promotion focus (i.e., a motivational orientation with respect to a strong focus on the pursuit of gains and growth) was positively associated with the belief that business growth will lead to more positive outcomes. Conversely, chronic prevention focus (i.e., a motivational orientation with respect to a strong focus on the insurance of security and fulfillment of responsibility) was negatively associated with such belief. In addition, the second study demonstrated that perceived competence with respect to the pursuit of business growth was found to mediate the relationships between the two chronic foci and small business growth beliefs relating to emotion-related outcomes.

In Chapter 3, three studies aimed at examining the mechanisms by which motives of entrepreneurship relate to business growth intentions (Studies 1, 2, and 3) and current engagement in growth-pursuit behaviors (Study 3), were presented. Specifically, the studies presented in this chapter were aimed to examine the roles of future time perspective (Studies 1, 2, and 3) and present time perspective (Study 3) in the context of entrepreneurship in such a mechanism. Studies 1 and 2 were conducted among samples of mostly Western small-business owners recruited online. Study 3 was conducted among a sample of Indonesian small-business owners recruited in Greater Jakarta Area, Indonesia. Participants in the three studies were asked to complete questionnaires comprising measures relating to the variables of interest (i.e., motives of entrepreneurship, time perspective, growth intentions, current engagement in growth-pursuit behaviors) and demographic variables. The results of the three studies provided *consistent* support for the notion that opportunity-based entrepreneurship was indirectly and positively related to business growth intentions and current engagement in growth-pursuit behaviors via future time perspective. However, the mediating effect of future time perspective in the negative association of necessity-based entrepreneurship with business growth intentions and current engagement in growth-pursuit behaviors was only found to be significant in Study 3. In addition, the negative association of

necessity-based entrepreneurship with business growth intentions and growth pursuit behaviors was mediated by present time perspective.

Chapter 4 presents three studies aimed to examine why small-business owners who are predominantly opportunity-based tend to be future oriented in running their businesses and thus possess strong intentions to pursue business growth, whereas small-business owners who are predominantly necessity-based do not. In these three studies, the role of entrepreneurial self-esteem (i.e., business owners' subjective evaluations of the worthiness of their business ownership) was examined. Similar to the studies presented in Chapter 3, Studies 1 and 2 presented in this chapter were conducted among samples of mostly Western small-business owners recruited online. Study 3 was conducted among a sample of Indonesian small-business owners recruited in the Greater Jakarta Area, Indonesia. In the three studies, participants were asked to complete questionnaires comprising scales that measured the variables of interest (i.e., motives of entrepreneurship, entrepreneurial self-esteem, future time perspective, general business growth intentions, concrete growth intentions) and demographic variables. In addition, variations in entrepreneurial self-esteem were induced in Studies 2 and 3. In Study 2, variations in entrepreneurial self-esteem were experimentally induced in two versions of writing task: a simplified version in which participants were asked to write down several of their own, personal positive views of their businesses, and an extended version in which they were additionally asked to elaborate extensively on these views, as well as to write about others' positive views of their businesses. In Study 3 conducted in Indonesia, variations in entrepreneurial self-esteem were experimentally induced by asking participants to write down others' positive views of their businesses. A control condition was included in Studies 2 and 3. The results of the three studies provided consistent support for the idea that the indirect positive association of opportunity-based entrepreneurship and business growth intentions was mediated by entrepreneurial self-esteem and future time perspective sequentially. As for necessity-based entrepreneurship, entrepreneurial self-esteem and future time perspective were found to sequentially mediate the indirect negative relationship between necessity-based entrepreneurship and business growth intentions in Studies 1 and 2. Moreover, in Study 2, small-business owners who were asked to perform an extended version of the writing task tended to possess significantly higher levels of entrepreneurial self-esteem than those in the control condition. In other words, small-business owners' levels of

entrepreneurial self-esteem can be enhanced by asking small-business owners to perform an extended version of the writing task.

The summary of the main findings, the general discussion about the findings, and the general conclusions of the findings are presented in Chapter 5. Firstly, in general, reward-oriented motivation is more positively predictive of business growth motivation than security-oriented motivation. Secondly, small-business owners who are predominantly promotion-focused tend to believe that business growth will lead to more positive outcomes than those who are predominantly prevention-focused. However, it does not automatically imply that small-business owners who are prevention-focused will always be skeptical about outcomes of business growth. They can have more positive views of business growth as long as they are willing to improve their positive perception regarding their competence with respect to the pursuit of business growth. Thirdly, compared to small-business owners who are predominantly necessity-based, small-business owners who are predominantly opportunity-based tend to be future-oriented in running their businesses. Their tendency to be future-oriented stems from their perceived worthiness of their business ownership, called entrepreneurial self-esteem. Both positive evaluations of the worthiness of their own businesses as well as the tendency to be future-oriented in running their businesses are indeed important variables accounting for why opportunity-based small-business owners intend to pursue business growth. Last but not least, the relationship between necessity-based entrepreneurship and business growth motivation is complex. There may be many factors (e.g., socio-economic factors, cultural factors, psychological factors) that influence the roles of time perspective and entrepreneurial self-esteem in the relationship between necessity-based entrepreneurship and business growth motivation. Therefore, it is undoubtedly important to take into account various factors while examining the consequences of necessity-based entrepreneurship for the pursuit of business growth. All in all, the decision to pursue business growth is a complex decision, influenced by many factors and circumstances.

Samenvatting

In dit proefschrift beschrijf ik acht studies gericht op het onderzoeken van de gevolgen van beloningsgerichte motivatie (de neiging om het ondernemerschap sterk te richten op het nastreven van beloningen) en veiligheidsgerichte motivatie (de neiging om het ondernemerschap sterk te richten op veiligheid en het verzekeren van overleving) voor de motivatie van bedrijfs groei onder eigenaren van kleine bedrijven. Bovendien waren de acht onderzoeken bedoeld om het proces te onderzoeken waarmee op beloning gerichte motivatie en op veiligheid gerichte motivatie verband houden met motivatie voor bedrijfs groei onder eigenaren van kleine bedrijven. Hoofdstuk 1 geeft een algemene inleiding tot het onderzoek dat in dit proefschrift wordt gepresenteerd en beschrijft verschillende theorieën en bevindingen die relevant zijn voor het onderzoek. Eerdere studies naar de rol van motivatie bij het nastreven van bedrijfs groei suggereren vaak dat eigenaren van kleine bedrijven die overwegend op beloning gericht zijn, over het algemeen meer gedreven zijn om bedrijfs groei na te streven dan degenen die overwegend op veiligheid gericht zijn. De mechanismen die kunnen verklaren hoe en waarom een dergelijk verschil in bereidheid om bedrijfs groei na te streven tussen hen bestaat, zijn echter onduidelijk. Verder wordt, voor zover ik weet, in onderzoek naar beloningsgerichte en veiligheidsgerichte motivatie in de context van ondernemerschap meestal een situationeel perspectief toegepast (op kansen gebaseerd ondernemerschap en op noodzaak gebaseerd ondernemerschap). Daardoor is onderzoek naar de gevolgen van beloningsgerichte en veiligheidsgerichte motivatie voor de motivatie voor bedrijfs groei onder eigenaren van kleine bedrijven vanuit een intra-persoonlijk perspectief relatief schaars. De onderzoeken die in dit proefschrift worden gepresenteerd zijn uitgevoerd om dergelijke hiaten aan te pakken. Sommige studies gebruikten een intra-persoonlijk perspectief waarin de relatie tussen chronische reguleringsfocus (focus op promotie en preventie) en een belangrijke voorspeller van motivatie voor bedrijfs groei (de overtuigingen van de groei van kleine bedrijven) onder eigenaren van kleine bedrijven werd onderzocht. Andere studies gebruikten een situationeel perspectief waarin de mechanismen onderzocht worden waarmee op kansen gebaseerd ondernemerschap en op noodzaak gebaseerd ondernemerschap verband houden met motivatie voor bedrijfs groei (algemene intenties voor bedrijfs groei) en de resultaten ervan (huidige betrokkenheid bij gedrag dat gericht is op groei en concrete intenties voor bedrijfs groei).

In hoofdstuk 2 worden twee studies gepresenteerd die gericht zijn op het onderzoeken van de associatie tussen chronische focus op regelgeving en een belangrijke voorspeller van

motivatie voor bedrijfsgroei, de groeiovertuigingen van kleine bedrijven (evaluaties of bedrijfsgroei al dan niet waarschijnlijk tot meer positieve of negatieve gevolgen zal leiden). In de eerste studie werd aan Indonesische studenten gevraagd zich voor te stellen zelf eigenaar te zijn van een kleine webshop. In het tweede onderzoek werden daadwerkelijke eigenaren van kleine bedrijven gerekruteerd om aan het onderzoek deel te nemen. In de twee onderzoeken werd de deelnemers gevraagd te reageren op een schaal die chronische reguleringsaspecten meet, en om aan te geven in hoeverre ze denken dat de groei van hun bedrijf tot bepaalde resultaten zal leiden (financiën, bedrijf gerelateerde resultaten en affectieve resultaten). In het tweede onderzoek werd de deelnemers specifiek gevraagd te reageren op een maatstaf voor het meten van hun ervaren competentie met betrekking tot het nastreven van bedrijfsgroei. De resultaten van de twee onderzoeken toonden aan dat chronische promotiefocus (een motiverende oriëntatie met betrekking tot een sterke focus op het nastreven van winst en groei) positief verband hield met de overtuiging dat bedrijfsgroei tot meer positieve resultaten zal leiden. Omgekeerd werd chronische preventiefocus (een motiverende oriëntatie met betrekking tot een sterke focus op het verzekeren van veiligheid en het vervullen van verantwoordelijkheid) negatief geassocieerd met een dergelijke overtuiging. Bovendien toonde de tweede studie aan dat gepercipieerde competentie met betrekking tot het nastreven van bedrijfsgroei de relaties bemiddelt tussen de twee chronische focussen en de groeiovertuigingen van kleine bedrijven met betrekking tot emotie gerelateerde uitkomsten.

In Hoofdstuk 3 werden drie studies gepresenteerd gericht op het onderzoeken van de mechanismen waarmee motieven van ondernemerschap verband houden met de intenties van bedrijfsgroei (Studies 1, 2 en 3) en de huidige betrokkenheid bij groeidrang (Studie 3). De studies die in dit hoofdstuk worden gepresenteerd waren specifiek gericht op het onderzoeken van de rollen van toekomstig tijdsperspectief (studies 1, 2 en 3) en het huidige tijdsperspectief (studie 3) in de context van ondernemerschap in een dergelijk mechanisme. Onderzoek 1 en 2 werden uitgevoerd met steekproeven onder voornamelijk westerse eigenaren van kleine bedrijven die online werden gerekruteerd. Onderzoek 3 werd uitgevoerd met een steekproef onder Indonesische eigenaren van kleine bedrijven die waren gerekruteerd in de regio Jakarta, Indonesië. Deelnemers aan de drie onderzoeken werd gevraagd vragenlijsten in te vullen omtrent maatregelen die betrekking hadden op de variabelen van interesse (motieven van ondernemerschap, tijdsperspectief, groei-intenties, huidige betrokkenheid bij groeigedrag) en demografische

variabelen. De resultaten van de drie onderzoeken boden een consistente ondersteuning voor de idee dat op kansen gebaseerd ondernemerschap indirect en positief verband hield met de intenties voor bedrijfs groei en de huidige betrokkenheid bij groei drang vanuit toekomstig tijdsperspectief. Het bemiddelende effect van toekomstig tijdsperspectief in de negatieve associatie van op noodzaak gebaseerd ondernemerschap met intenties voor bedrijfs groei en de huidige betrokkenheid bij groei drang bleek alleen significant te zijn in onderzoek 3. Bovendien werd de negatieve associatie van op noodzaak gebaseerd ondernemerschap met intenties voor bedrijfs groei en groeigedrag gemedieerd door het huidige tijdsperspectief.

Hoofdstuk 4 presenteert drie studies om te onderzoeken waarom eigenaren van kleine bedrijven die voornamelijk op kansen gebaseerd zijn de neiging hebben toekomstgericht te zijn in het runnen van hun bedrijf en dus sterke intenties hebben bedrijfs groei na te streven, terwijl eigenaren van kleine bedrijven die voornamelijk op nood gebaseerd zijn dat niet doen. In deze drie onderzoeken werd de rol van het gevoel van eigenwaarde van ondernemers (d.w.z. de subjectieve beoordelingen van ondernemers over de waardigheid van hun bedrijfseigendom) onderzocht. Vergelijkbaar met de onderzoeken die in hoofdstuk 3 worden gepresenteerd, zijn de onderzoeken 1 en 2 in dit hoofdstuk uitgevoerd met steekproeven onder voornamelijk westerse eigenaren van kleine bedrijven die online werden gerekruteerd. Onderzoek 3 werd uitgevoerd met een steekproef onder Indonesische eigenaren van kleine bedrijven die waren gerekruteerd in de regio Jakarta, Indonesië. In de drie onderzoeken werd de deelnemers gevraagd vragenlijsten in te vullen met schalen die de variabelen van interesse meten (d.w.z. motieven van ondernemerschap, ondernemersgeest, toekomstperspectief, algemene zakelijke groei-intenties, concrete groei-intenties) en demografische variabelen. Bovendien werden variaties in het gevoel van eigenwaarde van ondernemers geïnduceerd in onderzoeken 2 en 3. In onderzoek 2 werden variaties in het gevoel van eigenwaarde van ondernemers experimenteel geïnduceerd in twee versies van een schrijftaak: een vereenvoudigde versie waarin deelnemers werd gevraagd naar een deel van hun eigen, persoonlijke positieve kijk op hun bedrijf, en een uitgebreide versie waarin hen bovendien werd gevraagd uitgebreid in te gaan op deze opvattingen en om te schrijven over de positieve kijk van anderen op hun bedrijf. In onderzoek 3, uitgevoerd in Indonesië, werden variaties in het gevoel van eigenwaarde van ondernemers experimenteel geïnduceerd door deelnemers te vragen de positieve mening van anderen over hun bedrijf op te schrijven. Een controlevoorwaarde werd opgenomen in onderzoeken 2 en 3. De resultaten van de drie onderzoeken boden consistente

ondersteuning voor de idee dat de indirecte positieve associatie van op kansen gebaseerd ondernemerschap en zakelijke groei-intenties werd gemedieerd door achtereenvolgens het gevoel van eigenwaarde van ondernemers en het toekomstperspectief. Wat betreft op behoeften gebaseerd ondernemerschap; zelfrespect van ondernemers en toekomstperspectief bleken achtereenvolgens de indirecte negatieve relatie tussen op noodzaak gebaseerd ondernemerschap en de intentie voor bedrijfs groei te bemiddelen in studies 1 en 2. Bovendien bleek in studie 2 dat eigenaren van kleine bedrijven die gevraagd werden een uitgebreide versie van de schrijftaak uit te voeren, doorgaans een significant hoger niveau van ondernemersgeest hadden dan degenen in de controleconditie. Met andere woorden, het niveau van het gevoel van eigenwaarde van ondernemers kan worden vergroot door eigenaren van kleine bedrijven te vragen een uitgebreide versie van de schrijftaak uit te voeren.

De samenvatting van de belangrijkste bevindingen, de algemene discussie over de bevindingen en de algemene conclusies van de bevindingen worden gepresenteerd in hoofdstuk 5. Ten eerste is in het algemeen beloningsgerichte motivatie een betere voorspeller van motivatie voor bedrijfs groei dan op veiligheidsgerichte motivatie. Ten tweede zijn eigenaren van kleine bedrijven die overwegend gericht zijn op promotie, geneigd te geloven dat bedrijfs groei tot positievere resultaten zal leiden dan degenen die voornamelijk gericht zijn op preventie. Het betekent echter niet automatisch dat eigenaren van kleine bedrijven die preventiegericht zijn altijd sceptisch zullen zijn over de resultaten van bedrijfs groei. Ze kunnen een positievere kijk hebben op bedrijfs groei, zolang ze bereid zijn hun positieve perceptie van hun competentie met betrekking tot het nastreven van bedrijfs groei te verbeteren. Ten derde, in vergelijking met eigenaren van kleine bedrijven die voornamelijk op nood zijn gebaseerd, zijn eigenaren van kleine bedrijven die voornamelijk op kansen zijn gebaseerd over het algemeen toekomstgericht in het runnen van hun bedrijf. Hun neiging om toekomstgericht te zijn komt voort uit hun vermeende waardigheid van hun bedrijfseigendom, genaamd eigenwaarde als ondernemer. Zowel positieve beoordelingen van de waardigheid van hun eigen bedrijf als de neiging om toekomstgericht te zijn bij het runnen van hun bedrijf zijn inderdaad belangrijke variabelen die verklaren waarom op kansen gebaseerde eigenaren van kleine bedrijven van plan zijn om hun bedrijf te laten groeien. Tenslotte is de relatie tussen op noodzaak gebaseerd ondernemerschap en motivatie voor bedrijfs groei complex. Er kunnen veel factoren zijn (bijvoorbeeld sociaaleconomische factoren, culturele factoren, psychologische factoren) die de rol van het tijdsperspectief en het gevoel van eigenwaarde van

ondernemers beïnvloeden in de relatie tussen op noodzaak gebaseerd ondernemerschap en motivatie voor bedrijfs groei. Daarom is de ongetwijfeld belangrijk rekening te houden met verschillende factoren bij het onderzoeken van de gevolgen van op noodzaak gebaseerd ondernemerschap voor het nastreven van bedrijfs groei. Al met al is de beslissing om zakelijke groei na te streven een complexe beslissing, beïnvloed door vele factoren en omstandigheden.

Curriculum Vitae

Bramesada Prasastyoga was born in Jakarta, the Republic of Indonesia, on 17 June 1990. He obtained a Bachelor's degree in psychology from University of Indonesia in 2013. He was then awarded a scholarship from the Indonesian Endowment Fund for Education (LPDP) to pursue a MSC in social and organizational psychology at Leiden University, the Netherlands in 2014. In 2016, he was awarded the same scholarship to pursue a PhD at the Department of Social, Economic, and Organizational Psychology at Leiden University, the Netherlands. During his PhD project, he was supervised by Dr. Esther van Leeuwen and Dr. Fieke Harinck. Starting from June 2020, Bramesada works as a behavior change and marketing consultant at the Jakarta office of World Resources Institute, a global research non-profit organization that focuses on promoting environmental sustainability, economic opportunity, as well as human health and well-being. Bramesada's research interests include entrepreneurial behavior, psychological aspects of environmental decision making, social psychological consequences of poverty, and diversity.