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**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, Demirguc-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 Rijsdijk (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.

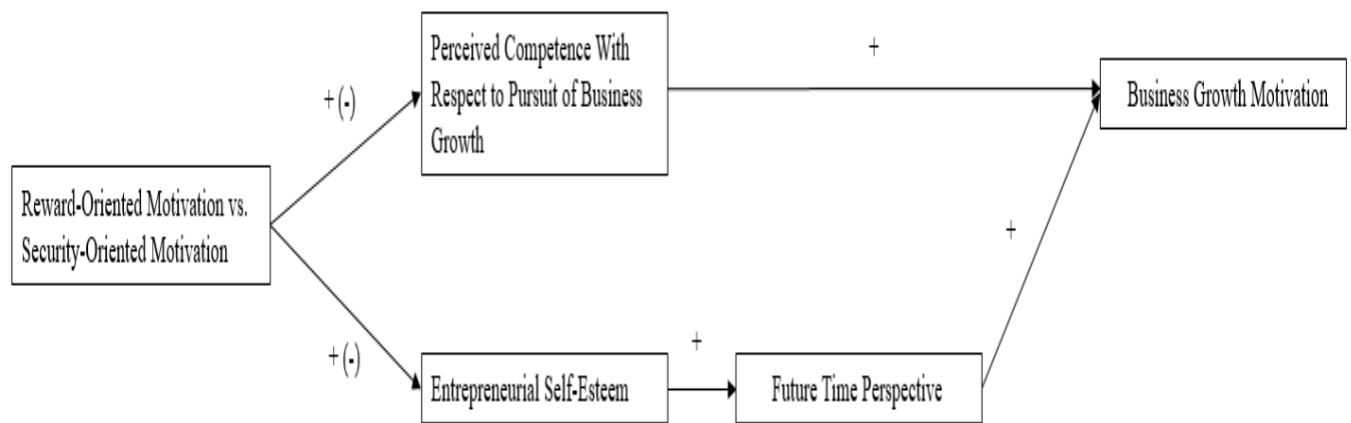
The first empirical chapter of this dissertation (Chapter 2) presents two studies that focused on the consequences of chronic promotion focus and chronic prevention focus on small business growth beliefs (i.e., beliefs regarding whether or not business growth leads to more positive (negative) business-related 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

