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OVERCOMING THE LIABILITY OF THEORETICAL NEWNESS: THE CASE FOR STEWARDSHIP THEORY (SUMMARY)

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SUMMARY

OVERCOMING THE LIABILITY OF THEORETICAL NEWNESS: THE CASE FOR STEWARDSHIP THEORY

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Principal Topic

To overcome stewardship theory's liability of newness, we introduce a validated and reliable measure for stewardship. Using Dubin's features of a theoretical model to position stewardship theory, we endeavour to take a structured approach in the Kuhn-characterised normal science stage of entrepreneurship. There is a danger that stewardship theory currently bears many of the hallmarks of a summative unit (in Dubin's terms), where a summative unit is one that can be referred to as a global unit that stands for an entire complex phenomenon; conveys a great deal of meaning but is always diffuse; draws together a number of different properties of a thing and gives them a label that highlights one of the more important properties. In the Kuhnian normal science stage of the entrepreneurship field without a validated robust scale, stewardship will remain positioned as a summative unit with a limited role to play in theory building.

Stewardship theory defines relationships based upon behavioural premises not addressed by the manager-principal interest divergence canvassed in agency theory. In that way, a steward unlike an agent is not motivated by self-interest. His/her motives are allied with the objectives of the principals. Psychological and situational aspects differentiate principal-steward relationships from principal-agent relationships. Stewardship theory has had conceptual but limited empirical development.

Method

Following the work of Davis, Schoorman, and Donaldson, we organized our established scales to capture the sub-dimension of psychological mechanism, which were motivation, social comparison, identification, and power. For situational mechanism, we measured management philosophy and cultural differences. The total number of items from the respective scales culminated in 119 Likert-type items on a 1-7 scale. To validate our proposed scale, we collected data from multiple respondents (n= 269) drawn from 130 companies varying in demographic attributes. Using these responses, we conducted a series of sequential CFAs. Twenty-four items were removed due to low factor loadings, resulting in 95-items, which demonstrated convergent and discriminant validities.

Results and Implications

This study's purpose was to use established scales to provide a stewardship scale. As well as contributing to the theoretical development of the field, the development and validation of this scale contributes to the growing body of knowledge that aims to understand agency-related problems in entrepreneurial firms, particularly as they mature.

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