ANTECEDENTS OF ENTREPRENEURIAL ORIENTATION: TESTING THE IMPACT OF ENGAGEMENT AND EXTRA-ROLE BEHAVIORS (INTERACTIVE PAPER)

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Recommended Citation
Belousova, Olga; Groen, Aard J.; and Gailly, Benoît (2014) 'ANTECEDENTS OF ENTREPRENEURIAL ORIENTATION: TESTING THE IMPACT OF ENGAGEMENT AND EXTRA-ROLE BEHAVIORS (INTERACTIVE PAPER),' Frontiers of Entrepreneurship Research: Vol. 34 : Iss. 16 , Article 15.
Available at: https://digitalknowledge.babson.edu/fer/vol34/iss16/15

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Principal Topic

Research suggests that entrepreneurial orientation (EO) may have a positive impact on the organizational performance (Rauch et al., 2009). It is, therefore, surprising, how little we know about the way EO is formed within organizations (Anderson and Eshima, 2011) and what causes its potential heterogeneity across the business units (Wales et al., 2011), as this knowledge is needed to understand how firms may foster, develop and maintain the desired level of EO.

In this paper we investigate whether the heterogeneity of EO manifestations may be linked to the business unit employees’ work engagement and their extra-role voice behaviors. We argue that if a company expects entrepreneurial activities from its employees, the challenge for the management is to instill the personal emotional and cognitive engagement among them. We believe that along with engagement a business unit EO is unthinkable without the possibility of employees to voice their suggestions and improvements. We find partial confirmation for our hypotheses and show that for managers and staff the mechanism works differently.

Method

The study is conducted on a sample of business units from an industrial company observed at two different points of time. This approach is used to separate in time the suggested antecedents and the level of business unit’s EO, while reducing the variation potentially caused by observing different companies. We perform the analysis at the level of management and the level of organizational members (staff) separately. The primary tool of the analysis is structural equation modelling.

Results and Implications

We find that the different levels of management step onto the entrepreneurial path for different reasons: while for the managerial level a cognitive engagement seems to play a role, the staff members need to be emotionally engaged with the company to start making suggestions which would lead to the higher entrepreneurial orientation of the firm in the future.

This research has further a practical, or managerial, contribution is that the study increases our understanding of the role of engagement of employees in organization and suggests that rather than being a goal in itself, engagement may become an instrument in the hands of the top managers who lead their organizations towards being more entrepreneurial.