DISPLAYS OF ENTREPRENEURIAL PASSION AND EMPLOYEES’ COMMITMENT TO NEW VENTURES (SUMMARY)

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SUMMARY

DISPLAYS OF ENTREPRENEURIAL PASSION AND EMPLOYEES’ COMMITMENT TO NEW VENTURES

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Principal Topic

In leadership research, supervisors’ affect was found to influence employees’ performance (George, 1995). As in the entrepreneurial context passion plays a significant role (Smilor, 1997, Cardon et al., in press), we investigate the effect of entrepreneurs’ displays of passion on the employees’ commitment to work for their company. We draw on psychological literature (e.g., Sy et al., 2005) and suggest that employees’ commitment, i.e., the identification and involvement with the firm (O’Reilly and Chatman, 1986), will increase when employees perceive high levels of passion displayed by entrepreneurs about inventing, founding, or developing their ventures (cf. Cardon et al., in press).

Furthermore, employees’ commitment was shown to be positively influenced by goal similarity between supervisor and employee (Vancouver et al., 1994). We propose that the perception of financial and nonfinancial goals as being similar will also have a positive effect on the employees’ commitment as well as a moderating effect on the relationship between perceived entrepreneurial passion and commitment.

Method

To test our hypotheses empirically, we designed a field experiment. In our conjoint-based experiment (Shepherd and Zacharakis, 1997) employees in German start-up firms are confronted with 16 profiles (which are replicated to test for reliability) describing hypothetical work environments based on different levels of entrepreneurs’ displays of passion for inventing, founding, and growing a business, and different levels of financial and nonfinancial goal similarity between the entrepreneur and employees. We analyze participants’ commitment in the different hypothetical situations by employing Hierarchical Linear Modeling (HLM) (Raudenbush et al., 2004).

Results and Implications

Our work contributes to previous research on entrepreneurial passion by answering a call for research on the effect of displays of entrepreneurial passion on employee behavior (Cardon, 2008). Second, we take into account a central phenomenon in social interaction and experimentally investigate the direct and moderating influence of perceived goal similarity between entrepreneur and employee. So far, work on entrepreneurial affect (including passion) has mainly been theoretical. We present one of the first empirical studies directly assessing the effect of entrepreneurs’ displayed passion on their employees’ commitment to the new venture and integrate similarity as a central variable in the leadership-employee relationship.

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