



Faculty of Technology Management and Technopreneurship

**THE ANTECEDENTS AND CONSEQUENCES OF
ENTREPRENEURIAL COMMITMENT:
MODELLING COMMITMENT
AMONG MALAYSIAN ENTREPRENEURS**

Rahayu Binti Tasnim

Doctor of Philosophy

2015

**THE ANTECEDENTS AND CONSEQUENCES OF
ENTREPRENEURIAL COMMITMENT:
MODELLING COMMITMENT
AMONG MALAYSIAN ENTREPRENEURS**

RAHAYU BINTI TASNIM

**A thesis submitted
in fulfillment of the requirements for the degree of Doctor of Philosophy**

Faculty of Technology Management and Technopreneurship

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

2015

DECLARATION

I declare that this thesis entitled “The Antecedents and Consequences of Entrepreneurial Commitment: Modelling Commitment among Malaysian Entrepreneurs” is the result of my own research except as cited in the references. The thesis has not been accepted for any degree and is not concurrently submitted in candidature for any other degree.

Signature :

Name : RAHAYU BINTI TASNIM

Date :

APPROVAL

I hereby declare that I have read this thesis and in my own opinion this thesis is sufficient in terms of scope and quality for the award of Doctor of Philosophy.

Signature :.....

Supervisor Name:.....

Date :.....

DEDICATION

To my beloved parents, husband, and sons.

“If you deny yourself commitment, what can you do with your life?”

- Harvey Fierstein

ABSTRACT

The researcher's interest in the topic of entrepreneurial commitment was stimulated initially by theoretical and practical observations: What makes some entrepreneurs so highly *committed* to entrepreneurship and how might this sense of commitment be instilled in others? This doctoral thesis puts 'commitment' under the microscope, and intends to address the questions concerning entrepreneurial behavior, and leading to entrepreneurial success. The main emphasis of this thesis is to explore *what* entrepreneurial commitment is, *how* it is developed, and whether it can be *profiled* across entrepreneurial phases, levels of success, race and gender. To allow for a rigorous examination, a blend of two methodologies was utilized – the Interpretative Phenomenological Analysis in Phase 1, and the Component-Based Structural Equation Modeling (CB-SEM) in Phase 2 of this research. In Phase 1, six successful entrepreneurs were interviewed using the phenomenological approach. In this phase, the first research objective was accomplished; a common conceptualization of commitment in the entrepreneur was established. 'Commitment' is seen as the force that binds the entrepreneur to his/her tasks and daily responsibilities, and that this 'force' affects goal achievement and performance in *some way*. This finding led to the construction of the conceptual Model of Entrepreneurial Commitment, which was then empirically tested using the CB-SEM approach in Phase 2. A questionnaire, the Entrepreneurial Commitment Metrics, was developed and distributed to entrepreneurs throughout Malaysia. 402 completed sets were returned and findings led to the accomplishment of the remaining three research objectives. This phase concluded with a comprehensive discussion on how entrepreneurial commitment is developed and how it is profiled across entrepreneurial phases, success levels, race and gender. This research holds that entrepreneurial commitment is shaped by the entrepreneur's affective, normative and continuous commitments and is the force that *binds* and *directs* the entrepreneur to perform entrepreneurially. Passion, values and personality form the entrepreneur's affective commitment, while internalized norms and the feelings of responsibility and righteousness form the entrepreneur's normative commitment. Lack of alternatives and the magnitude of investments, form the entrepreneur's continuous commitment. This thesis furthermore illustrates that commitment and motivation are *distinct* concepts in the entrepreneurial process. Another pioneering and enticing discovery reveals the magnitude of commitment and performance are at their *highest* in the growth phase of a business, in 'above average' successful entrepreneurs, in Chinese entrepreneurs, and in female entrepreneurs. These valuable findings demystify our understanding of entrepreneurial commitment in a Malaysian setting, and may allow for further efforts to nurture entrepreneurial commitment at a national level. The final chapter concludes with highlighted suggestions on these proposed efforts.

ABSTRAK

Minat penulis yang mendalam terhadap topik komitmen keusahawanan telah distimulasi dari pemerhatian teoretikal dan praktikal; Apa yang menyebabkan sesetengah usahawan terlalu *komited* kepada keusahawanan serta bagaimana komitmen ini dipupuk dikalangan usahawan lain? Tesis ini meletakkan 'komitmen' dibawah lensa mikroskop, dan bertujuan menjawab persoalan berkaitan tingkah-laku keusahawanan, terutamanya yang menjurus kepada sukses didalam perniagaan. Fokus utama tesis ini adalah untuk mengkaji *apa* itu komitmen keusahawanan, *bagaimana* ianya dibentuk, dan sama ada ianya boleh *diprofil* merentas fasa keusahawanan, tahap kejayaan, bangsa dan jantina. Bagi penilaian yang komprehensif, campuran dua metodologi telah digunapakai – Analisis Interpretasi Fenomenologi (IPA) di dalam Fasa 1, dan Persamaan Model Struktural berdasarkan Komponen (CB-SEM) di dalam Fasa 2 kajian ini. Dalam Fasa 1, enam usahawan berjaya telah ditemuduga menggunakan kaedah fenomenologi. Disini, objektif kajian pertama telah dicapai; sebuah konsep am mengenai komitmen di dalam usahawan telah ditemui. Fasa ini memperlihatkan 'komitmen' sebagai 'kuasa' yang mengikat usahawan kepada tanggungjawab harian mereka, dan kuasa inilah yang mempengaruhi pencapaian matlamat serta prestasi keusahawanan dengan *cara yang tersendiri*. Dapatan ini telah digunakan untuk membangunkan sebuah model konseptual Komitmen Keusahawanan, yang kemudiannya telah diuji secara empirikal menggunakan kaedah CB-SEM dalam Fasa 2. Disini, sebuah soal-selidik, Metriks Komitmen Keusahawanan, telah dibina dan di agihkan kepada para usahawan seluruh Malaysia. 402 respon lengkap telah diterima dan dapatan soal-selidik ini telah membolehkan empat lagi objektif kajian dicapai. Fasa kedua ini merumuskan secara terperinci bagaimana komitmen keusahawanan dibentuk serta bagaimana ianya diprofilkan merentasi setiap fasa keusahawanan, tahap kejayaan, bangsa serta jantina. Kajian ini mendapati bahawa komitmen keusahawanan dibentuk daripada komitmen 'afektif', komitmen 'normatif' dan komitmen 'berterusan', dan ianya adalah kuasa yang *mengikat* dan *mengarah* para usahawan untuk meningkatkan prestasi. 'Semangat', 'nilai' dan 'personaliti' membentuk komitmen afektif. 'Norma dalaman' dan perasaan 'bertanggungjawab' serta 'benar' membentuk komitmen normatif. Manakala, 'ketiadaan alternatif' dan 'magnitud pelaburan' yang telah dibuat membentuk komitmen berterusan. Tesis ini juga menunjukkan bahawa komitmen dan motivasi merupakan dua konsep yang *berbeza* dalam proses keusahawanan. Kajian ini juga menjadi perintis kepada penemuan berikut; magnitud komitmen keusahawanan serta prestasi keusahawanan adalah dikedudukan *tertinggi* di fasa perkembangan perniagaan, dikalangan usahawan yang 'agak berjaya', dikalangan usahawan Cina, dan dikalangan usahawan wanita. Penemuan berharga ini telah berjaya merungkai persoalan berkenaan pemahaman kita terhadap komitmen keusahawanan di Malaysia, serta memungkinkan kita membangunkan komitmen keusahawanan di peringkat kebangsaan. Bab terakhir tesis ini merumuskan beberapa cadangan bernilai mengenai usaha pembangunan ini.

ACKNOWLEDGEMENTS

My sincere and furthestmost gratitude is dedicated to my thesis supervisor, Professor Dr. Salleh bin Yahya, from the Faculty of Technology Management and Technopreneurship, Universiti Teknikal Malaysia Melaka (UTeM), for his incredible intellectual energy and humble examination of my work. His tremendous support, both spiritually and mentally has indeed encouraged and guided me throughout the completion of my thesis, and in a better comprehension of what the philosophical word ‘commitment’ is all about.

My appreciation reaches out to Professor Dr. Jorg Henseler, Professor Dr. Christian M. Ringle, Associate Professor Dr. Ishak Mad Shah and Dr. Azwadi Ali for their guidance and knowledge sharing.

My special thank you also goes to the people from the Majlis Amanah Rakyat, and the SME Corp, as well as from PUNB, PNB, MDEC, R&DCIC Melaka, and the Companies Commission (SSM) for their graceful and valuable assistance. This thesis would not be realized without the facilitation of the respected successful entrepreneurs, and all who have contributed in data collection and information gathering.

Exceptional thanks to my beloved husband, and children for their unbelievable support, and for their absolute sacrifice and understanding. Thank you to my parents for their implausible encouragement during the hardest of times.

TABLE OF CONTENTS

	PAGE
DECLARATION	i
APPROVAL	ii
DEDICATION	iii
ABSTRACT	iv
ABSTRAK	v
ACKNOWLEDGEMENT	vi
TABLE OF CONTENTS	vii
LIST OF TABLES	xii
LIST OF FIGURES	xv
LIST OF APPENDICES	xvii
LIST OF PUBLICATIONS	xviii
CHAPTER	
1 INTRODUCTION	2
1.0 Preface of Study	2
1.1 Precursors and Rationales of Study: A Reality Check on Malaysian Entrepreneurship	5
1.1.1 Malaysian Entrepreneurs	7
1.1.2 Malaysian Entrepreneurship: What GEM Reports	10
1.2 Commitment and Entrepreneurial Performance	15
1.3 Commitment and Motivation	17
1.4 Commitment and Phenomenology	18
1.5 The Problem Statement	20
1.6 The Research Questions	22
1.7 Research Objectives	23
1.8 Research Purpose and Methodologies	25
1.8.1 Phase 1: Interpretative Phenomenological Analysis	25
1.8.2 Phase 2: Structural Equation Modeling	26
1.9 What this Study Contributes	27
1.10 Organization of Thesis	29
2 REVIEW OF LITERATURES	31
2.0 Introduction	31
2.1 Commitment in the Entrepreneurial Process	31
2.2 An Overview of Commitment	34
2.3 Organizational Commitment	37
2.3.1 Affective, Normative and Continuous Commitment	38
2.4 An Overview of Motivation	43
2.5 Motivation and Commitment – An Integration of Theories	46
2.6 Entrepreneurial Passion	52
2.7 Values	56

2.7.1	Values and Commitment	62
2.7.2	Values in Entrepreneurship	63
2.8	Personality	65
2.8.1	Personality and Entrepreneurship	67
2.9	Norms in Entrepreneurship	70
2.10	Gaps in Entrepreneurship and Organizational Behavior Literatures	71
2.11	Summary	73
3	RESEARCH METHODOLOGY	76
3.0	Introduction	76
3.1	Theoretical Models and Underpinnings	76
3.1.1	Commitment in the Entrepreneurship Process	77
3.1.2	Commitment in the Entrepreneur	81
3.1.3	Motivation in the Entrepreneur	82
3.1.4	The Convergence of Theories	84
3.1.5	The Theoretical Foundation of Interpretative Phenomenological Analysis	87
3.1.6	The Theoretical Basis Comparing PLS with other Co-variance SEM Techniques	89
3.1.7	The Theoretical Basis of PLS-MGA	91
3.2	The Research Framework: Theorizing the Antecedents of Entrepreneurial Commitment	92
3.3	The Research Design	
3.3.1	Purpose of Study: Exploratory	94
3.3.2	Operational Framework	95
3.3.3	The Research Paradigm: Pragmatism and Composite Analysis	97
3.3.4	Type of Investigation: Co-relational	99
3.3.5	Extent of Researcher Interference with Study: Minimal	99
3.3.6	Study settings: Non-contrived	100
3.3.7	Unit of analysis: Individuals	100
3.3.8	Time horizon: Cross-sectional	100
3.4	Data Collection and Analysis – Phase 1: The Qualitative Phase (IPA)	102
3.4.1	Data Collection in IPA	102
3.4.1.1	Semi-Structured In-Depth Interviews	102
3.4.1.2	The Interview Schedule	103
3.4.1.3	The Sampling Design	104
3.4.1.4	Pilot Interview	106
3.4.1.5	Sample Size and Saturation of Data	106
3.4.1.6	Validity Assessment in IPA	107
3.4.1.7	Ethical Considerations	109
3.4.2	Data Analysis in IPA	110
3.5	Data Collection and Analysis – Phase 2: The Quantitative Phase (Component-based SEM)	112
3.5.1	Data Collection for PLS	112

3.5.1.1	Population and Unit of Analysis	112
3.5.1.2	Sample Size	114
3.5.1.3	Sampling Technique	115
3.5.1.4	Pilot Testing	117
3.5.2	Data Analysis in PLS	117
3.5.2.1	The Measurement Model Validation	119
3.5.2.2	The Structural Model Evaluation	121
3.5.2.3	Using PLS-MGA	123
3.6	Summary	124
4	THE IPA PHASE: DATA COLLECTION, ANALYSIS AND DISCUSSION	129
4.0	Introduction	129
4.1	The Pilot Interview	129
4.2	Data Collection – The Main Interviews	131
4.2.1	Profile of Respondents	131
4.3	Data Analysis	133
4.3.1	Transcription and exploratory noting	133
4.3.2	Development of emergent themes and connections across themes	134
4.3.3	Identifying Patterns across Cases	136
4.4	Discussion	138
4.4.1	Affective Commitment	138
4.4.2	Normative Commitment	141
4.4.3	Continuance Commitment	143
4.4.4	Values and Personality	145
4.4.5	Motivation	149
4.4.6	Over-all Commitment	151
4.5	IPA: The Conclusion	153
5	THE COMPONENT-BASED SEM PHASE: GENERATING HYPOTHESES AND MEASUREMENTS	155
5.0	Introduction	155
5.1	Generating Hypothesis Statements	157
5.2	Designing the Questionnaire: The Entrepreneurial Commitment Metrics	159
5.3	Measuring Uni-dimensional Constructs	159
5.3.1	Measuring Entrepreneurial Passion	160
5.3.2	Measuring Values	161
5.3.3	Measuring Personality	162
5.3.4	Measuring Internalized Norms	163
5.3.5	Measuring Responsibility and Righteousness	163
5.3.6	Measuring Investment	164
5.3.7	Measuring Lack of Alternative	164
5.3.8	Measuring Motivation	165

5.3.9	Measuring Entrepreneurial Performance	166
5.4	Measuring Multidimensional Constructs	166
5.4.1	Measuring Entrepreneurial Commitment	167
5.4.2	Profiling Entrepreneurial Commitment:	
	Tests of Moderating Impacts	168
	5.4.2.1 Entrepreneurial Commitment and Entrepreneurial Phase	169
	5.4.2.2 Entrepreneurial Commitment and Success	170
	5.4.2.3 Entrepreneurial Commitment and Race	170
	5.4.2.4 Entrepreneurial Commitment and Gender	170
	5.4.2.5 Does motivation play a moderating role?	170
5.5	Summary	171
6	THE COMPONENT-BASED SEM PHASE: DATA COLLECTION AND ANALYSIS	172
6.0	Introduction	172
6.1	Testing for Face Validity: Pilot Study Results	173
6.2	Main Study Results and Analysis	176
6.2.1	Collected Data and Respondents' Profile for the Main Study	176
6.2.2	Preliminary Analysis	181
	6.2.2.1 Missing Data Analysis	181
	6.2.2.2 Outliers	182
	6.2.2.3 Normality	183
	6.2.2.4 Homoscedasticity	183
	6.2.2.5 Non-Response Biasness	184
	6.2.2.6 Factor Analysis	185
6.2.3	Measurement Model Evaluation	187
6.2.4	Measurement Model Validation	193
6.2.5	Assessing the Hierarchical Block of EC	195
6.2.6	Structural Model Evaluation: Baseline Model	199
6.2.7	Hypotheses Results	203
6.2.8	Mediating Analysis and Competing Models	204
	6.2.8.1 Competing Model 1	205
	6.2.8.2 Competing Model2	206
	6.2.8.3 The Confirmed Model of Entrepreneurial Commitment	208
6.2.9	Profiling Entrepreneurial Commitment:	
	Tests of Moderating Impacts	209
	6.2.9.1 Entrepreneurial Commitment throughout the Entrepreneurial Phase	209
	6.2.9.2 Entrepreneurial Commitment and Success	215
	6.2.9.3 Entrepreneurial Commitment and Race	220
	6.2.9.4 Entrepreneurial Commitment and Gender	224
	6.2.9.5 Does motivation play a moderating role?	228
6.3	Summary	231

7	THE COMPONENT-BASED SEM PHASE: A DISCUSSION AND SYNTHESIS	235
7.0	Introduction	235
7.1	Accomplishing the Aims of this Study	236
7.2	The Hierarchical Model of Entrepreneurial Commitment	239
7.2.1	The Antecedents of Entrepreneurial Commitment: <i>H1</i> to <i>H7</i>	239
7.2.1.1	Entrepreneurial Passion: <i>H1</i>	240
7.2.1.2	Values: <i>H2</i>	241
7.2.1.3	Personality: <i>H3</i>	242
7.2.1.4	Internalized Norms, Righteousness and Responsibility: <i>H4</i> and <i>H5</i>	243
7.2.1.5	Investments and Lack of Alternatives: <i>H6</i> and <i>H7</i>	246
7.2.2	The Components of Entrepreneurial Commitment: <i>H8</i> to <i>H10</i>	248
7.3	Behavioral Outcomes of Entrepreneurial Commitment	253
7.4	Profiling Entrepreneurial Commitment	256
7.4.1	Commitment across Entrepreneurial Phases	256
7.4.2	Commitment across Entrepreneurial Success	261
7.4.3	Entrepreneurial Commitment across Race	265
7.4.4	Entrepreneurial Commitment across Gender	272
7.5	Summary	275
8	SUMMARY AND CONCLUSION	278
8.0	Introduction	278
8.1	Theoretical Implications and Contributions: What we now know about entrepreneurial commitment.	278
8.1.1	Critical analysis and synthesis of literatures	278
8.1.2	Extension of the literature to understand the context of study	280
8.1.3	Extension of the entrepreneurial behavior literature	281
8.1.4	Extension in the literature to understand specific contexts	283
8.1.5	Methodological Contributions	285
8.2	Practical implications: Developing and Nurturing Entrepreneurial Commitment	288
8.2.1	Cultural and Social Norms	289
8.2.2	Entrepreneurial Education	291
8.3	Limitations and Directions for Future Research	295
8.3.1	Context	296
8.3.2	Moderation and mediation effects	297
8.4	Closing Remarks	298
	REFERENCES	300
	APPENDICES	320

LIST OF TABLES

TABLE	TITLE	PAGE
1.1	The GEM Entrepreneurial Framework Conditions	10
1.2	Summary of the problem statement, research questions and objectives	25
2.1	Summary of the constructs in the Integrated Model of Employee Motivation and Commitment	51
2.3	The Characteristics of Values	59
2.4	Definitions of motivational types of values in terms of their goals and the single values that represent them	61
3.1	Summary of the research design elements	101
3.2	The interview schedule	104
3.3	Number of business establishments participating in the Economic Census 2011	113
3.4	The required number of samples	114
3.5	PLS Measurement Model Criteria	120
3.6	PLS Structural Model Criterion	123
3.7	Summary of the Research Methodologies applied in this study	126
3.8	Summary of applied data analysis techniques and purposes	127
4.1	Biodata of selected successful entrepreneurs for the IPA interview	132
4.2	Master Table of Themes across Cases and Percentage of Coverage	138
5.1	Summary of Hypothesized Statements	158
5.2	Measurements for ‘entrepreneurial passion’	161
5.3	Measurements for ‘values’	161
5.4	Measurements for ‘personality’	163
5.5	Measurements for ‘internalized norms’	163
5.6	Measurements for ‘responsibility and righteousness’	164
5.7	Measurements for ‘investment’	164
5.8	Measurements for ‘lack of alternatives’	165
5.9	Measurements for ‘motivation’	165
5.10	Hypotheses for moderating tests	169
6.1	Measurement of sampling adequacy and total variance for first level constructs	173
6.2	Retained items for each first-order construct	174
6.3	Mann-Whitney-U test to observe the difference between first-four and final-four questions in the ECM	176
6.4	ECM surveys distributed according to the relevant distribution techniques	177
6.5	Summary of ECM distribution and collection by stanum	178
6.6	Summary of respondents’ profile	180
6.7	Levene’s Test of Homogeneity of Variances	184
6.8	Mann-Whitney-U test to observe non-responsive biasness	185
6.9	EFA for all first-order independent constructs	186

6.10	Outer loadings of first-order latent constructs	189
6.11	Cronbach α , composite reliability and AVE values after elimination of low-loading constructs	191
6.12	Construct correlations	194
6.13	Results of the hierarchical block assessment and baseline structural model	198
6.14	Baseline Model fit statistics	200
6.15	Baseline Model GoF statistics	201
6.16	Hypothesis results	203
6.17	Structural models of Baseline Model and Competing Models	207
6.18	Hypotheses results for mediation analysis	207
6.19	Hypotheses for moderating tests	209
6.20	Sub-samples for the entrepreneurial phases	210
6.21	Specific results for the entrepreneurial phases	211
6.22	Path coefficients and PLS-MGA values for ‘survival’ and ‘growth’ groups	213
6.23	Path coefficients and PLS-MGA values for ‘survival’ and ‘maturity’ groups	213
6.24	Path coefficients and PLS-MGA values for ‘growth’ and ‘maturity’ groups	213
6.25	Data on entrepreneurial success levels	215
6.26	Descriptive statistics for ‘Entrepreneurial Success’	216
6.27	Specific results for Entrepreneurial Success	217
6.28	Path coefficients and PLS-MGA values for ‘below average’ and ‘above average’ entrepreneurial success groups	218
6.29	Path coefficients and PLS-MGA values for ‘below average’ and ‘high’ entrepreneurial success groups	219
6.30	Path coefficients and PLS-MGA values for ‘above average’ and ‘high’ entrepreneurial success groups	219
6.31	Data on ‘race’	221
6.32	Specific results for ‘race’	222
6.33	Path coefficients and PLS-MGA values for ‘Malay’ and ‘Chinese’ entrepreneurs	223
6.34	Path coefficients and PLS-MGA values for ‘Malay’ and ‘Indian’ entrepreneurs	223
6.35	Path coefficients and PLS-MGA values for ‘Chinese’ and ‘Indian’ entrepreneurs	223
6.36	Data on ‘gender’	225
6.37	Specific results for ‘gender’	226
6.38	Path coefficients and PLS-MGA values for male and female entrepreneurs	227
6.39	Specific results for ‘motivation level’	229
6.40	Path coefficients and PLS-MGA values for entrepreneurs with ‘low’ vs. ‘high’ motivation levels	230
6.41	Over all PLS-MGA test results	231

6.42	Summary of results	234
7.1	Table of Accomplishments: The Problem Statement, Research Questions and Objectives	237

LIST OF FIGURES

FIGURE	TITLE	PAGE
1.1	TEA Rates for Participating Countries in 2012, by Phase of Economic Development	13
2.1	The General Model on Workplace Commitment	42
2.2	The motivation process	45
2.3	An integrated model of employee commitment and motivation	50
2.4	Values, Attitudes and Behavior Framework	57
2.5	Schwartz's circumplex structure of values	60
2.6	Model of person–entrepreneurship fit and entrepreneurial success	69
3.1	A caption of Moore's model of the entrepreneurial process	77
3.2	The Entrepreneurship Process and GEM's Operational Definitions	78
3.3	The Entrepreneurial Process and Venture Life-Cycle	79
3.4	Emergent conceptual framework - Entrepreneurial commitment exists and develops at point $t1$ to $t3$	80
3.5	The components of entrepreneurial commitment and its effect on entrepreneurial performance	82
3.6	The Commitment-Motivation Relationship	85
3.7	Emergent research framework – entrepreneurial commitment, motivation and entrepreneurial performance	86
3.8	Moderator modeling framework	91
3.9	The Research Framework	93
3.10	The Exploratory Research Design	95
3.11	The Operational Framework	96
3.12	Steps in the Phenomenological Approach	111
3.13	A two-Step Process of PLS Path Modeling	119
4.1	The Conceptual Model of Entrepreneurial Commitment	154
5.1	The Conceptual Model and Hypothesized Relationships of Variables	156
5.2	The Hierarchical reflective block of Entrepreneurial Commitment	168
5.3	Moderating model of 'motivation'	171
6.1	Measurement model used in CFA based on original SMARTPLS 2.0.3 output	193
6.2	Structural model of the hierarchical reflective block of Entrepreneurial Commitment	196
6.3	Structural model of the Baseline Model	202
6.4	Competing Model1	205
6.5	Competing Model2	206
6.6	The Confirmed Entrepreneurial Commitment Model	208
6.7	Path coefficients across entrepreneurial phases	211
6.8	Path coefficients across success levels	218

6.9	Path coefficients across races	222
6.10	Path coefficients across gender	226
6.11	Moderating model of 'motivation'	228
6.12	Path coefficients across motivation levels	230
7.1	The Final Model of Entrepreneurial Commitment	236
7.2	The Hierarchical Model of Entrepreneurial Commitment	253
7.3	The Antecedents and Behavioral Outcomes of Entrepreneurial Commitment	255
7.4	Profiling commitment across entrepreneurial phases	259
7.5	Entrepreneurial Commitment across Entrepreneurial Success Levels	263
7.6	Entrepreneurial Commitment across Races	268
7.7	Entrepreneurial Commitment across Gender	273
8.1	Commitment in the Iterative Entrepreneurial Cycle	297

LIST OF APPENDICES

APPENDIX	TITLE	PAGE
A	Participant 6: Original Transcript	320
B	Participant 6: Exploratory Comments, Emergent Themes and Super-Ordinates	328
C	The Entrepreneurial Commitment Metrics	338
D	Outlier Examination Results	347
E	Cross-Loadings	348

LIST OF PUBLICATIONS

1. *What, Exactly, is Entrepreneurial Commitment?: An Investigation to Model Commitment in Malaysian Entrepreneurs*, Journal of Applied Management and Entrepreneurship (in publication), 2015.
2. *Can the Start-up Process be Taught by Playing? A Case Study on the Play-Test of the E² Start-up! Board Game*, Asian Social Science, May 2015 (in publication).
3. *“I’m Loving It!” What Makes Successful Entrepreneurs Affectively Committed to Entrepreneurial Performance?* Journal of Applied Management & Entrepreneurship, Vol. 19, Number 2, April 2014, Printed ISSN:1077-1158, PDF ISSN: 2326-3709.
4. *“I Believe...” The Normative Commitment of the Entrepreneur*, Asian Social Science, June 2015 (in publication).
5. *“Old Fashioned, Yet Admirable” : Revisiting Bloom to Revolutionize Board Gaming in Our Entrepreneurship Classroom*, ACRN Journal of Entrepreneurship Perspectives, Vol. 3, Issue 1, p. 31 - 42, Jan. 2014, ISSN 2224-9729.
6. *Academic Issues Encircling Maritime Management Education in Malaysia: The Case of Netherlands Maritime Institute of Technology*, Paper Presented at the GlobalMET Conference, Kuala Lumpur, 3 - 4 April 2014.
7. *‘Playing Entrepreneurship’: Can Games Make A Difference?* Entrepreneurial Practice Review, Vol. 2, Issue 4, Issue 1, Winter 2013, 4-16 (CABELL)
8. *“Are Successful Entrepreneurs Committed or Motivated?” A Research Review Synchronizing Commitment, Motivation and the Entrepreneur*, ACRN Journal of Entrepreneurship Perspectives Vol. 2, Issue 2, p. 46-62, Oct 2013, ISSN 2224-9729.
9. *Exploring Research Commitment in Malaysian Institutions of Higher Learning: An Application of Interpretative Phenomenological Analysis*, Archive Des Science, Vol. 65, No. 10, Oct 2012, 605-612. (ISI, SCOPUS, Impact factor: 0.48, h-index 4).
10. *Developing Entrepreneurial Commitment: An Application of Interpretative Phenomenological Analysis*, Asian Science Social, 2014 (SCOPUS, in publication).
11. *“Fail First! True Tales of Successful Malay Entrepreneurship”* (title of book still unconfirmed). (Fourthcoming)

12. *“Can Cheap be Good?” A Commitment to Corporate Social Responsibility: The Malaysian KTIM*, Paper presented at the 10th Asian Academy of Management International Conference 2013 Penang, Malaysia, August 2013.
13. *Review on Knowledge Management as a Tool for Effective Traceability System in Halal Food Industry Supply Chain*, Journal of Research and Innovation in Information Systems, August 2012, 79-85 (*ISSI Journal*).
14. *A Review of Corporate Governance: Ownership Structure of Domestic-Owned Banks in Term of Government Connected Ownership, and Foreign Ownership of Commercial Banks in Malaysia*, Journal of Organizational Management Studies, Vol. 2012 (2012), pg. 1- 18 (*EBSCO, PROQUEST, CABELL*).
15. *Why I Skipped Class*, self-published, 2009 & 2010.
16. *Developing Entrepreneurial Intentions in Classrooms: A Case Study of Multimedia University*, 2010. Proceedings, Post Graduate Research Colloquium on Business & Law, Multimedia University.
17. *Proses Pembelajaran dan Hubungannya Dengan Keputusan Kerjaya Pelajar Untuk Menjadi Usahawan*, 2009. Paper presented at the *Seminar Kebangsaan Hasil Pembentangan Kajian Keusahawanan 2009*, (Government grant recipient).
18. *Enabling the Rural Poor to Overcome Poverty: Nurturing Entrepreneurial Thinking Through Rural Entrepreneurship Education Programs*, Proceedings, International Conference on Entrepreneurship & Small Business Doctoral Research, 2008.

CHAPTER I

INTRODUCTION

1.0 Preface of Study

“People say that little knowledge is a dangerous thing. For us to bluntly shout out to entrepreneurs out there the importance of being ‘totally committed’, or that they must possess a ‘committed-mindset’ makes no sense if we ourselves fail to truly understand what entrepreneurial commitment is all about in the first place”.

– Amir Aziz, founder and CEO of Indochine Bioplastiques Sdn Bhd, 2012.

Entrepreneurship is risky. It is analogous to being a lone captain of a boat, in the open and violent seas, on a seemingly endless journey to a land unknown and perhaps, unimaginable of. Before take-off, this journey is often envisaged by the captain to be a smooth sailing endeavor, with failures predictably ‘manageable’ along the way. More often, though, it is *not*. The real test kicks off when the boat begins to leak, while the journey is yet thousands of miles away. Self-assured, the entrepreneur plasters the leak, and his journey recommences. But who would guarantee that his boat will never, again leak? Or, that a bad storm would never take place? *No one*. It may leak more frequently than expected, and storms may recur each day. Often the entrepreneur faces extreme hardships along the way,

frustratingly making him slow down. In reality, many of them decide to abandon ship. They *quit*.

Needless to say, failure is a big part of the startup game. A recent study shows that venture-backed startups fail at a much higher rate than previously thought (*The Venture Capital Secret: 3 Out of 4 Start-Ups Fail*, 20 September, 2012). In an all-inclusive study by Ghosh, who studied the life cycles of 2,000 start-up ventures from 2004 to 2010, it is reported that an astounding 3 out of 4 start-ups fail in their first few years (Nobel, 2011; *Startling Start-Up Stats*, 4 October 2012). An astonishing 90% to 95% of start-ups fail to meet their targeted revenue, planned growth rate or date to break-even on cash flow; the previous rate was 55% (Nobel, 2012; Politis & Gabrielsson, 2009; Scott & Lewis, 1984; Shepherd, Douglas, & Shanley, 2000). This universal data illustrates a key point; that the first years prove to be the most critical years in a business' life, with not many making it through. So what, exactly, makes a successful entrepreneur? What psychological mindset is demanded for one to survive through the turbulent, dark seas, particularly in the first few years of venture seafaring? How then does this mind-set influence entrepreneurial behavior in the ensuing entrepreneurial phases? Does this psychological mindset impact entrepreneurial performance? And, more importantly, if it does, what can be done to nurture and develop the psychological mindset?

We hear, quite often, people talking about '*commitment*'. It is a custom to hear, for instance, people around us promoting commitment in the workplace, to students preparing for the exams, to a marriage or relationship, and the list goes on. In other words, commitment seems to be a prerequisite to realize positive behaviors and

valuable outputs in our daily activities, signifying that it is one of the most dominant psychological factors in shaping behavior and how an individual acts. The psychological mindset of commitment is, to this day, still debated across a myriad of research domains, including entrepreneurship. Many have argued its significance in the entrepreneurial process and that commitment is said to directly impact entrepreneurial performance. In short, the role commitment plays in entrepreneurship is widely supported.

Nonetheless, although commitment is germane to the entrepreneurship literature, a few phenomena still remain to be demystified. For instance, *what, exactly, shapes entrepreneurial commitment?* How does the committed-mindset influence entrepreneurial behavior and more precisely, entrepreneurial performance? And more importantly, since commitment plays a key role in the entrepreneurship process, how then is it possible for us to *cultivate* a committed-mindset amongst prospective entrepreneurs? These are among the questions the researcher responded in her quest to contribute to the wealth of academic literature and practical managerial implications throughout this thesis.

In the following sections, the researcher illumines the state of Malaysian entrepreneurial activity and performance, and on how truly understanding the committed mindset would immensely assist in the making of successful entrepreneurs. An overview of the study is then presented, which includes the research purpose, objectives and questions, as well as an epigrammatic view of the methodologies and the significance this study puts forward.