

≈ SUMMARY ≈

ENTREPRENEURIAL ORIENTATION ACROSS THE TASMAN

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Principal Topic

Whilst the Global Entrepreneurship Monitor (GEM: 2005) identifies Australia and New Zealand as having similar rates of total entrepreneurial activity (TEA), introspection into similar business systems across the Tasman are indicative of varying rates of entrepreneurial orientation. This study examines entrepreneurial orientation within a defined franchise system, one in Australia, the other in New Zealand. The objective is to evaluate the degree or rate of entrepreneurial orientation within these two systems, and highlight differences and reasons therefore. Nieman, Hough and Nieuwenhuizen (2003: 11) advise that entrepreneurial orientation is critical to the survival and growth of organisations, notwithstanding the importance to prosperity of economic advantage. They further inform that entrepreneurial orientation is focussed by a unique combination of factors, including culture, role models, family, education, work experience and personal orientation. Personal orientation includes factors such as creativity and innovation, risk taking, autonomy, pro-activeness and achievement orientation.

Research Methodology

Electronic media is used toward a survey analysis across a franchise system, one operating in Australia, the other in New Zealand. The system is part of the same franchise brand, representing responses from approximately two-hundred franchisees. Inferential statistics are implemented to identify differences in entrepreneurial orientation between the two systems. Character themes are identified as entrepreneurial orientation measures, identified by Bolton and Thompson (2003). Character themes of focus, advantage, creativity, ego, team and social are identified within a twenty point association matrix. This matrix further identifies associations of inventor, entrepreneur, leader and non-entrepreneur.

Results and Implications

Despite similar TEA rates across the Tasman, entrepreneurial orientation within the defined franchise system varied. Within the New Zealand context, the non-entrepreneurial association factor, closely followed by the leader association dominated the responses. Within the Australian context, the entrepreneur association dominated. Despite a significant difference in associations, further analysis identified that the management style of the franchisor influenced the relative association identified by franchisees. This highlights the link to corporate entrepreneurship (intrapreneur), due to the networking functionality of franchise systems. Implications involve the recommendation for franchisor motivation to develop multi-site outlets, whereby franchisees own multi-outlets. Less rigid operational procedures, managerial relationship marketing initiatives, and appropriate franchise paradox strategies enhance entrepreneurial orientation in the system.

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