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Entrepreneurial Orientation of Grocery Retailers

The purpose of the study was to find out an answer to the question “What kind of retailer groups with different entrepreneurial orientation can be identified among grocery retailer entrepreneurs”. The answer involved studying two subproblems: the theoretical and empirical dimensions of grocery retailers’ entrepreneurial orientation.

Entrepreneurship in this study is defined as the use of entrepreneurial attributes in pursuit of a particular task, usually in the industrial or commercial context. Entrepreneurship means behaviour which is guided by values and attributes whose combination is called entrepreneurial orientation.

The answer to the first subproblem (What kind of theoretical dimensions of grocery retailers’ entrepreneurial orientation can be identified?) was searched by exploring research on entrepreneurship, and studies and reports on retail trade. Psychological trait theory offered starting points for studying the dimensions of entrepreneurship. The entrepreneurial orientation model of retail entrepreneurs comprises the following seven dimensions: innovativeness, need for achievement, internal locus of control, attitude to risk exposure and uncertainty, human relationship management, attitude to work, and customer orientation.

The theoretical framework was empirically tested by employing quantitative research. The respondents were grocery retailers of Kesko Group chains. The data was collected by using group administered survey at 12 retailers' meetings. The respondents gave their answers to 57 statements in the questionnaire using five-point Likert-scale. The data comprised the responses of 381 retailers.

In order to reduce the number of variables summated rating scales were made to describe each entrepreneurial dimension. The reliability control cut the number of variables from 57 to 36. The number of variables was further reduced by carrying out a principal component analysis with the variables used for summated rating scales. On the basis of the content and the loading of the variables, the resultant four principal components were called: innovativeness, conservatism, self-confidence and diligence. These principal components determine grocery retailers' primary entrepreneurial orientation. They also give an answer to the second subproblem of this study (What kind of empirical dimensions of grocery retailers' entrepreneurial orientation can be identified?).

In order to answer to the main research question of this study, a cluster analysis was carried out as a follow-up analysis for the principal component analysis, which resulted in four groups whose difference was statistically significant. Based on the principal component scores they were called: modern developers, individual hard workers, complacent featherbedders, and cautious innovators.

Following managerial conclusions can be drawn from the findings of this research. The identification of the primary dimensions of grocery retailers' entrepreneurial orientation should be taken into account in the selection and train-

ing of the retailers. A test for identifying at least the modern developer and cautious innovator types should be developed. In the training innovativeness, self-confidence and diligence should be emphasized, and conservatism in entrepreneurial orientation should be minimized. Although experience seems to make individual hard workers and complacent featherbedders, even they should be motivated to maintain their innovativeness and to have closer cooperation within the chain.

There seems to have a tendency to analyse entrepreneurs as a group, but they are individuals whose differences, for instance in their traits and qualities, should be considered. They all share entrepreneurial orientation – only different traits are more prevalent in different groups. Understanding orientation differences would help the chain management to enhance internal cooperation within the chain. In the light of the findings of this study, also entrepreneurs can analyse themselves and try to develop their entrepreneurial traits and qualities. ■