

# Entrepreneurial Attitudes: Comparing Independent Business' Owners With Franchisees

Dr. João Bento Oliveira<sup>1</sup>, Patricia Peghini<sup>2</sup>, Juliana Moro Bueno Mendonça<sup>3</sup>, Dr. Andre Carbs Martins Menck<sup>4</sup>

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## ABSTRACT

The ability to identify opportunities is the force behind thousands of small and medium enterprises, contributing to the improvement of social and economic performance of a country. The choice between starting an independent business and becoming a franchisee seems to depend on different behaviors and attitudes of the entrepreneur. This research aims verify, based on entrepreneurial attitudinal characteristics and the theory of planned behavior, whether there are differences in the degree of entrepreneurial attitude of franchisees and independent business owners, especially in the food service industry. The quest to possibly finding different entrepreneurial attitudes originated from assumedly less entrepreneurial characteristics of the franchisee, such as greater risk-aversion and reduced innovativeness. As a theoretical basis, we dug into the concepts of entrepreneurship, entrepreneur and franchise, besides attitude and planned behavior. To data collect data we used the Instrument for Measuring Entrepreneurial Attitude (IMAE) proposed by Lopes and Souza Jr. (2005). The study was conducted with thirty occupants of the position of owner, main manager or co-owner of small and medium-sized food enterprises, in the city of Uberlândia, Brazil. Fifteen of them were franchisees and fifteen were independent business owners. Results indicated that, contrary to expectations, the entrepreneurial attitude of franchisees showed up higher. The most determinant factor in the entrepreneurial attitude differences observed in this study seems to be time in business.

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## 1. Introduction

Entrepreneurial activities give rise to businesses that will create jobs. Hence, high rates of entrepreneurship contribute to economic growth and social development of a country. In particular, entrepreneurial activity in the food service industry is quite important for Brazilian economy, as small and medium businesses make up for most of the large number of enterprises in the industry: 187,000 businesses in 2009, according to the Brazilian Institute of Geography and Statistics (IBGE, 2011b). Those companies were responsible for the occupation of 1.27 million people in the country, generating net revenues of 45.5 billion Brazilian reais—around US\$25 billion—in 2009 (IBGE, 2011b). Such figures highlight the importance of entrepreneurship in this industry.

One of the factors that most contribute for business success is the entrepreneurial ability of the person responsible for managing the business. Behavior and attitude are strategic in developing an entrepreneurial profile. Research has been done towards the measurement of such characteristics, both in analyzing the differences in entrepreneurial attitude among different industries (Pedrosa and Souza, 2008), or intra-industries (Antonioli, Mello Jr., Castro, 2008).

In contrast, the growth in the number of franchises and its economic importance to the development of the country put franchising in a prominent position on the stage of entrepreneurship in Brazil. According to the Brazilian Franchising Association (ABF, 2011), the number of franchised units in the country grew by almost 70% between 2001 and 2010, generating more than 777,000 jobs in 2010. In 2008, the Brazilian Institute of Geography and Statistics (IBGE) classified as “entrepreneurial companies” (i.e., small and medium companies lead by entrepreneurs) a total of 1.9 million enterprises in Brazil (IBGE, 2011a). Therefore, the 72,000

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<sup>1</sup> Associate Professor, Department of Finance and Entrepreneurship, Universidade Federal de Uberlândia, Brazil, Email: jbento@ufu.br

<sup>2</sup> Assistant Professor, Universidade Federal do Triângulo Mineiro, Brazil, Email: patricia\_peghn@hotmail.com

<sup>3</sup> Visiting Professor, Faculdade Santa Rita de Cássia, Brazil, Email: juliana\_mbueno@hotmail.com

<sup>4</sup> Associate Professor of Marketing, Universidade Federal de Uberlândia, Brazil, Email: menck@ufu.br

franchised units in the country represented 3.8% of the entrepreneurial companies. Their sales reached 79.5 billion Brazilian reais (around US\$43 billion) in the same year (ABF, 2011).

Although many studies have raised the importance of franchising in the context of entrepreneurship in general (Shane & Hoy, 1996; Kaufmann & Dant, 1998; Hoy, Stanworth, & Purdy, 2000), to date little effort has been made to try to identify differences in entrepreneurial attitudes of franchisees and independent business owners. Studying this issue is important, given the argument that franchisees are the less innovative and less likely to take risk when compared to independent business owners, as some authors assume. Therefore the research question faced in this paper is whether franchisees are more or less enterprising than independent business owners. Hence, the scope of this paper is to determine whether there are differences between the entrepreneurial attitude of franchisees and independent business owners. It does so by examining entrepreneurial behavioral characteristics, especially in the food service industry.

This paper seeks to describe independent business owners and franchisees by looking at their entrepreneurial behavioral attitudes, under the theory of planned behavior. Following literature review, we present the research method. Next, a synthesis of the results is presented and discussed. Conclusions and concluding remarks finalize the paper.

## 2. Literature Review

### 2.1 The Entrepreneur and Entrepreneurship

The word entrepreneur has as its origin the term *entreprendre*, first used in France (Degen, 2009). Economists are considered pioneers in the study of entrepreneurship, being exponents Richard Cantillon (between the seventh and eighth centuries) and Jean-Baptiste Say (in the nineteenth century). Although the authors of such studies have been framed exclusively in the area of economics at the time, they were geared towards business creation and business management (Filion, 1999). For Cantillon, entrepreneurs were "people who took advantage of opportunities with the prospect of making profits, assuming the risks involved" (Filion, 1999, p. 7). Say traced the border between entrepreneurs and capitalists, associating the former to change and innovation (Filion, 1999).

However, Austrian economist Joseph A. Schumpeter was the person who popularized the use of the term related to innovation (Filion, 1999). He described entrepreneurs as the agents of a creative destruction process and, as so, key figures for the economic development of countries (Degen, 2009). Also, the innovation theme was central in the studies of Austrian Peter Drucker, under the scope of the attitude toward the innovative organization (Monteiro Jr., 2011).

Besides economists, behaviorists also excel in studies on entrepreneurs, emphasizing their psychological aspects. The first representatives of this trend were Max Weber and David C. McClelland, specially the latter (Filion, 1999). McClelland identified the need for achievement as a characteristic associated with successful entrepreneurs (DEGEN, 2009). In behavioral studies that followed, other characteristics were attributed to entrepreneurs. However, no consensus on a psychological profile has scientifically established for the entrepreneur (Filion, 1999).

Brazilian studies on entrepreneurship have been influenced mainly by Canadian researchers, among whom Louis Jacques Filion stands out, with his visionary theory (Dolabela, 2000). For Filion (1991), an entrepreneur is a person who identifies and develops a vision about what s/he wants to accomplish. Entrepreneurs are supported by the following elements: self-image (values, visions and motivations), energy (dedication and commitment), leadership (command), understanding of the industry (search for information), relationships (networks of contacts), and space in itself (freedom). On the academic development of the area, Filion (1999) comments:

“Interestingly, the development of entrepreneurship as a discipline has not followed a pattern similar to that of other disciplines. Indeed, a large number of researchers, each using culture, logic and methodology, established to varying degrees in their own fields of study, and began to take an interest in working in entrepreneurship and small businesses [...] Now, however, more people are devoting time and efforts exclusively to the field of entrepreneurship. The amount of new enterprises is increasing and the fraction of Gross National Product (GNP) attributable to the small business sector is growing in all countries year after year.” (p. 11)

Baron and Shane (2007) mention some factors that are responsible for the increasing trend in the search for entrepreneurial activities: First, “the media is full of glowing accounts of successful entrepreneurs” (Baron and Shane, 2007, p. 9). This attracts more people into this field. Second, changes on the implicit understanding of employment relations aroused, making employees less loyal to their employers. Third, there were also changes in basic values. As Shane and Baron (2007) put:

“In the past, security was a dominant theme for many people: they wanted a guaranteed job with infallible salary increases. Now, research shows that young people, in particular, prefer a more independent life style, one that offers a choice instead of certainty or predictability.” (p. 9)

In this context, Filion (2000) identifies the entrepreneur as an individual capable of conceiving ideas for creating something new. Thus, people who “like to do what they want the way they think they should” would benefit from the entrepreneurial process (Filion, 2000, p. 229). Another advantage seen by entrepreneurs from younger generations is the greater concern about the adoption of an “eco-living.” They look for reducing the stringency on themselves and people with whom they work, seeking the balance between success and happiness at an earlier stage than older generations (Filion, 2010). In contrast, while presenting advantages for newer generations of entrepreneurs, there has been questioning whether young people, among other things, analyze environment trends to detect the best business opportunities and avoid premature closure of their companies. Filion (2000) believes that “a large number of established entrepreneurs face an unequal struggle for survival in the market.” (p. 18)

The entrepreneurial process is another important issue in entrepreneurship. The entrepreneurial process begins with the recognition of an opportunity, as emphasized by Baron and Shane (2007). The other main stages are: planning for and securing initial resources, launching the new venture, building its success and harvesting the rewards. For the development of these phases over time, three key processes must be present: generation of ideas, creativity and opportunity recognition. According to Filion (2000), identification of business opportunities is a critical activity for the entrepreneur, who must always be alert to the potential market.

Also regarding opportunity, Baron and Shane (2007) say that “because new businesses are different from established firms, the former are better at pursuing some kinds of opportunities, while the latter are better at pursuing other” (p. 52). Hence, while established firms, in general, have the advantages from the learning curve, support from the reputation they have built, and access to more resources, new businesses tend to be “best in exploring the destructive changes in competencies” (Baron & Shane, 2007, p. 49). Also, while established companies probably developed a system of routines—hence, performing certain activities that do not contribute directly to their results—, new businesses take advantage when doing new things, for not being limited to routines (Baron & Shane, 2007).

Similarly, according to Filion’s (2004) theory of entrepreneurial vision, after having consolidated the central vision of their business, the owner of a small business tends to adopt few complementary views to modify a business that is “doing right,” i.e., that is having a satisfactory profitability. Only when this business grows to a new level and the company hires people with intrapreneur profile, it will be able to innovate again:

“In short, intrapreneurs identify and then visualize the ideas they would like to accomplish. Such ideas can usually be classified as different from the central vision, provided they are related to elements that are not always essential for the organization, but that, once explored, will contribute to simplify or improve the achievement of central vision.” (Filion, 2004, p.69)

Thus, when the entrepreneur owner accepts a new idea, which will contribute to the central vision, he can reactivate the entrepreneurial spirit again. That is what happens with old successful entrepreneurs who become excited about new projects.

## **2.2 The Franchisee**

Before presenting the considerations about the franchisee, here is the definition of a franchise operation followed in this paper:

“Franchising is a system by which a franchisor grants the franchisee the right of using a trademark or patent, associated with the right of exclusive or semi-exclusive distribution of products or services, and possibly also the right of using implementation and administration technology or operating system for a business developed or held by the franchisor, via direct or indirect compensation, without, however, characterization of employment.” (Brazil, 1994, p. 19733)

Contrasting the entrepreneur and the self-employed franchisee, Degen (2009) sees in the former the roles of entrepreneur and businessman, whereas the latter acts as an executive and employee:

“The most innovative and hence riskier businesses require more roles of entrepreneur and businessman. This is the case of launching a completely new product or service in the market. On the other hand, safer businesses—usually requiring less innovative roles—require the roles of executive and employee. It is the case of buying a franchise.” (p. 8)

Moreover, the author considers the acquisition of a franchise as “a way to copy the business of others and minimize risk” (Degen, 2009, p. 39).

In contrast, Baronet (2000) reminds that “creativity is not just inventing something from scratch, but can also manifest through imitation” (p. 45). This author believes that there are different degrees of novelty and creative action. This way, becoming a franchisee cannot be ruled out as a novel, creative way of doing business. The author compares an artist who paints a picture with an entrepreneur who creates a company that generates jobs. Nonetheless, creativity alone is not enough to characterize an entrepreneur.

Furthermore, the option for a franchise does not preclude the franchisee from taking risk, a characteristic of entrepreneurial action (Michael, 1996; Machado & Espinha, 2010). Also, the recognition of opportunities, another critical characteristic of entrepreneurship (Filion, 2000; Baron & Shane, 2007) is proper of being a franchisee.

Meloche, Lamonde and Mascarenhas (2000) consider franchise as “a legal business structure itself” (p. 159-160) when it takes to the legal business structure and types of commercial companies. They think it is more appropriate to characterize a franchise as a contract for permission to use the brand and know-how of the franchisor company.

Williams (1999) considers that franchising is more attractive for individuals with less schooling and less professional experience. According to Degen (2009), the franchising sector is preferred by candidates who want help in choosing, installing and operating the business with less risk involved. To do so, they pay to the franchisor the so called franchise fees, royalties on sales, right to use the trademark, and advertising, among others. Hence, Degen considers that the franchisee, as an entrepreneur, agrees to pay the fees and accepts to operate the business in accordance with the requirements and the model established by the franchisor. For this reason, the same author considers undeniable the need for prior analysis of the obligations to be met by applicants for a franchise. This will help avoiding the frustration of the more creative individuals when faced with the rigidity of the franchise model, and the consequent lack of room for innovation. Policies and procedures are dictated by franchisors, and usually bear no possibility of making changes (Degen, 2009).

## **2.3 Entrepreneurial Attitudes**

The approach of entrepreneurial attitudes herein undertaken is based on the Theory of Planned Behavior proposed by Ajzen (1985). In this perspective, attitude is defined as an individual, positive or negative, evaluation of a stimulus object. Attitude formation begins with the creation of a belief linking the object to its attributes. Hence, Ajzen (1991, p. 189) considers the existence of three types of beliefs, namely: *a*) behavioral beliefs that determine attitudes toward behavior; *b*) normative beliefs, that constitute subjective norms; and *c*) control beliefs, which influence the perception of behavioral control. As the author says:

“[...] a person’s attitudes follow, spontaneously and consistently, beliefs accessible in memory and then guide the corresponding behavior. The number and types of beliefs that are available vary depending on the motivation and ability to process information on the attitudes relevant to the context.” (Ajzen and Fishbein, 2000, p. 1)

According to Ajzen (2001), attitude predicts behavioral intentions. Intention, grounded on motivational factors, is an indicator of the effort that the person is willing to do in order to execute or not a behavior. Moreover, the greater the involvement is, the better the behavioral performance will be (Ajzen, 1991). On the other hand, some behaviors do not depend solely on human will, but also on non-motivational factors. These are represented by the availability of opportunity and the necessary resources, such as time, money, skills and ability and external cooperation. Therefore, altogether, motivational factors (intention) and behavioral control (opportunity and resources) determine the execution of a specific behavior (Ajzen, 1991).

**2.4 Behavioral Characteristics of the Entrepreneur**

To better understand entrepreneurial behavior and attitudes, we make a brief review of some studies on the topic. According to a study conducted by Management Systems International (1990), successful entrepreneurs have thirteen main characteristics. Those can be grouped into three factors, Planning, Implementation and Power, as outlined in Table 1. However, that study does not explicitly recognize a fourth factor, Innovation, an entrepreneurial characteristic mentioned by 95% of the authors reviewed by Kornijeznk (2004) and found in 100% of the papers on entrepreneurship studied by Souza (2006). Thus, there is a need for the addition of a fourth factor—Innovation—composed by two characteristics: creativity and innovation (Lopez Jr. and Souza, 2005). Altogether, the dimensions presented by Management Systems International (1999) and the dimension highlighted by Kornijeznk (2004) and Souza (2006) form the basis for the Instrument for Measuring Entrepreneurial Attitude (IMAE), created by Lopez Jr. and Souza (2005). In their study, the four factors were grouped into two dimensions: Management and Persistence, and Exploration and Innovation, as shown in Table 1.

**Table 1 – Behavioral characteristics of the entrepreneur, their dimensions and factors**

Behavioral Characteristics	Factors	Dimensions
Establishment of goals Information search Planning and monitoring	Planning	I- Exploration and Innovation
Creativity Innovation	Innovation	
Search for opportunities Initiative Persistence Risk taking Commitment	Implementation	II- Management and Persistence
Persuasion Establishment of a network Leadership Independence Self-reliance	Power	

**Source:** Prepared by the authors based on MSI (1999), Kornijeznk (2004) and Souza (2006) *apud* Lopez Jr. e Souza (2005).

In this paper, attitude is understood as a predisposition to entrepreneurial behavior, i.e., the intention to act in accordance of entrepreneurial behavioral characteristics, such as planning, innovation, initiative and self-reliance, among others outlined in Table 1.

The objective of this paper is to check whether franchisees and independent business owners have or not similar attitudes towards Exploration and Innovation (Dimension I) and Management and Persistence (Dimension II). Therefore, we test the following null hypotheses:

**H1:** Franchisees and independent business owners are similar in terms of Exploration and Innovation (Dimension I).

**H2:** Franchisees and independent business owners are similar in terms of Management and Persistence (Dimension II).

### 3. Method

Based on the aforementioned concepts about entrepreneurship, franchising and entrepreneurial attitude, this paper attempts to analyze the following research problem: Is there is a difference in the entrepreneurial attitude of the owners of independent businesses and franchisees? The companies object of this study belong to the food industry (franchises and independent businesses) located in Uberlândia, Minas Gerais State, Brazil. This city is the second largest in the State of Minas Gerais, second to the capital, with about six hundred thousand inhabitants (IBGE/Census, 2010c). Currently, the city has about 25 stores of the food franchise industry. The survey was conducted in the main shopping mall of the city, where 72% of the city's food franchisees are located.

Santos (2002) describes a study as descriptive when the researched phenomenon has appeared in previous research. Hence, this study is descriptive in nature. The approach was quantitative, according to Carrieri and Luz (1998). Given the need to identify and measure the entrepreneurial attitude of the owners, we adopted the scale of the Instrument for Measuring Entrepreneurial Attitude (*Instrumento de Medida da Atitude Empreendedora—IMAE*), with 36 items. This data collection instrument has been used in several studies on entrepreneurship. The IMAE was developed and validated by Lopes and Souza Jr. (2005). A Likert scale of 10 points ranging from “never” to “often” is used to measure the entrepreneurial attitude.

Data were collected via questionnaires, which were delivered in person in 60 stores, franchises and non-franchises located in the mentioned mall and nearby. Of the population of about 25 food franchises in Uberlândia, 15 agreed to participate, representing 60%. A larger number (25) of completed questionnaires was collected from independent businesses, but we opted to use 15 of them to match the number of franchisee questionnaires. The selection of these questionnaires picked those stores having size and location characteristics similar to the respondents in the group of franchisees.

So, our total sample consisted of 30 questionnaires, chosen by convenience, in two equal groups of 15 elements. The collected data were analyzed quantitatively with SPSS v.15. Descriptive and inferential analyzes were performed, with hypothesis testing using t-student statistics, in order to investigate differences in means (Hair Jr. et al, 2009).

It is important to emphasize that the level of analysis is the individual (managing owner) in the context of the organization. The unit of analysis is the entrepreneurial attitude of the owners responsible for decision making in the enterprise. Some precautions were taken, such as ensuring the confidentiality of information and non-identification of participants (Marconi & Lakatos, 2006).

### 4. Results

In the sample taken for analysis, all of the 30 respondents held the position of managing owner or co-owner. Of the 15 respondents from the franchisee group (herein called Group A), 60% are male and 40% female. As for the duration of existence of the company, this group has on average 1.62 years in the market. The average age of the franchisees is 38 years old. For the 15 independent businesses owners (Group B), 80% are male and 20% female. The average time of existence of this group of companies is 13.58 years and the owners are on average 43 years old. Another collected variable refers to the educational level of the respondents. In Group A, 80% of respondents bear graduate or postgraduate degrees. In Group B, only 40% of the owners have such level of study.

Regarding “previous autonomous activity prior to starting the current business,” 67% of the franchisees had no prior experience. In contrast, 60% of the owners of independent businesses had owned a previous business. This result is potentially linked to older average age in this latter group, as well as to longer time in business. Franchising literature posts that franchising is the preferred option among candidates who want help in choosing, installing and operating the business (Degen, 2009). This seems in accordance with the lower level of previous business experience of franchisees in this research.

The focus of this study resides on the dimensions of the IMAE scale (Souza & Lopes Jr., 2005). The reliability coefficient (Cronbach's Alpha) of the entire scale was found to be 0.87. This is a positive indicator, as the Cronbach's Alpha ranges from 0 to 1 and the closer to 1 the value, the greater the reliability of the dimensions of the construct (Hair Jr. et al, 2009; Corrar, Paulo, & Dias Filho, 2009). The calculation was also performed for Dimensions I and II individually, respectively with  $\alpha = 0.87$  and  $\alpha = 0.67$ .

In order to analyze whether there are significant differences between Groups A (franchisees) and B (independent business owners) in terms of entrepreneurial attitude in both dimensions covered in the research instrument (Exploration and Innovation, and Management and Persistence), we used the sum of the Likert scale ranks for the pertinent items, as suggested by Hair Jr. et al (2009). The averages were calculated for the two dimensions of the study, as presented in Table 2.

**Table 2 – Descriptive Analysis**

Dimensions	Groups	N	Mean	Std. Deviation	Std. Error Mean
Exploration-Innovation	Franchisees	15	170.9	11.29	2.91
	Independent businesses	15	152.9	23.62	6.10
Management-Persistence	Franchisees	15	136.7	8.86	2.29
	Independent businesses	15	129.1	10.87	2.81

**Source:** prepared by the authors.

The results indicate that Group A (franchisees) holds a higher average in both dimensions. This is an indication that franchisees hold higher attitude levels than independent business owners both towards Exploration-Innovation and Management-Persistence. However, it is necessary to perform the hypothesis test to statistically validate or not whether the overall attitude is higher for franchisees in Dimensions I and II. The results are presented in Table 3.

**Table 3 – Hypotheses Tests**

Dimensions		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sigma	T	df	p-value (2-tailed)	Mean Difference	Std. Error Difference
Exploration-Innovation	Equal variances assumed	10.6	0.003	2.66	28	0.013	18	6.76
	Equal variances not assumed			<b>2.66</b>	<b>20.1</b>	<b>0.015</b>	<b>18</b>	<b>6.76</b>
Management-Persistence	Equal variances assumed	2.14	0.155	<b>2.1</b>	<b>28</b>	<b>0.045</b>	<b>7.6</b>	<b>3.62</b>
	Equal variances not assumed			2.1	26.9	0.045	7.6	3.62

The results in **bold** reflect the t-tests performed under skedasticity supported by Levene's Test.

Source: prepared by the authors.

In order to perform statistical verification, mean difference tests (Independent Sample Test) were conducted. The Groups A and B's variances for Dimension I (Exploration and Innovation) are non-homogeneous or heteroskedastic ( $p < 0.05$  on Levene's test for variance equality). So we run a hypothesis t-test for the equality of the means under heteroskedasticity assumption, obtaining  $p = 0.015$  (two-tailed t-test), lower than the standard 5%. Therefore, Hypothesis 1 is rejected, indicating that for this sample the means of Groups A and B are different. Moreover, the means for Group A is significantly higher than the means for Group B ( $p = 0.007$  for single-tailed t-test under heteroskedasticity), showing empirical support for franchisees being more Exploring-Innovative, which is contrary to the literature expectations.

For Dimension II (Management and Persistence), Levene's test of variance (Hair Jr. et al, 2009) supports that Groups A and B variances are homogeneous or homoskedastic ( $p=0.155$ ). A t-test performed for the equality of the means under the assumption of homoskedasticity is significant at 5% ( $p=0.045$ ). Therefore, Hypothesis 2 is also rejected, indicating that the mean for Group A (136.73) is also statistically different from the mean for Group B (129.13) in Dimension II. Moreover, the means for Group A is significantly higher than the means for Group B ( $p=0.022$  for single-tailed t-test under homoskedasticity). The result support that franchisees have higher, not lower, entrepreneurial attitude towards Management-Persistence when compared with independent business owners, as we might infer from the literature.

Literature indicates that franchisees are less innovative and less risk-taking (Degen, 2009). The option for investing on a franchise operation, rather than on an independent new business is not only advertised as less risky but also clearly requires a lower dose of innovativeness. In fact, most franchise contracts formally preclude any change in the business format. In contrast, however, some authors have already indicated that the option for a franchise does not exclude risk taking (Michael, 1996; Machado & Espinha, 2010). Moreover, these authors argue that becoming a franchisee is related to the recognition of an opportunity, which is an important characteristic for entrepreneurial Dimension II, Management and Persistence.

We also looked at the relationship between time in the market and entrepreneurial attitude. In order to understand this issue, we attempted to relate the variable "time in business" with Dimension I, Exploration and Innovation. Franchisees in this study rank significantly higher than independent business owners in Dimension I. However, interviewed franchisees had only 1.62 years of time in business, whereas independent business owners had 13.58 years. This is a wide difference and may have influenced the results we have obtained. In fact, such results are consistent with considerations of Filion (2004) on the stagnation of the innovation process that follows the consolidation of the central vision of the business. Our finding can be evidence that time in business affects entrepreneurial attitude in Dimension I, Exploration and Innovation: As entrepreneurs have their business central vision consolidated, they may stop innovating as much as they have done in the initial steps of their business.

Time in business may also have influenced our findings on Dimension II. The analysis of Dimension II, *vis-a-vis* the variable "time in business" shows that the independent business owners rank lower in their attitude towards Management and Persistence, but at the same time have much longer time in business. Shane and Baron (2007) provide an explanation for this, as they point out the differences in opportunities for new businesses and established ones. According to these authors, established businesses have the advantage of the learning curve, which leads to the development of a system of routines. Paradoxically, though, such advantage can bring limitations: Companies with less time in the market have the advantage of having to do new things, whereas routines may lead to the limitation of restricting the search for new and potentially better approaches. On the same venue, time in business is a great reducer of risk: In order to reach an older age, a business has to overcome a number of hurdles that may have eliminated riskier enterprises. As a result, older businesses tend to require less risk taking.

## 5. Conclusions and Recommendations

The objective of this study was to investigate, based on entrepreneurial behavioral characteristics and the Theory of Planned Behavior, whether there are differences between the entrepreneurial attitude of franchisees and independent business owners in the food service industry. This goal was accomplished through the comparative analysis of entrepreneurial attitudes of both groups in Dimensions I (Exploration and Innovation) and II (Management and Persistence), as well as the intersection of the data with the demographic variable "time in business." Our results indicated that, contrary to literature expectations, the entrepreneurial attitude of franchisees towards these two dimensions is higher when compared to independent business owners' attitudes. The alternative explanation for the observed entrepreneurial attitude differences seems to be related with a factor exogenous to the IMAE scale used in this study, "time in business."

This research presents a contribution to the field of entrepreneurship, since it enables the identification of the components forming entrepreneurial attitude. Moreover, it also provides evidence for the importance of the variable "time in business," as foreseen by Filion (2004) and Baron and Shane (2007). A more detailed understanding of the entrepreneurial attitudes among franchisees and independent business owners



considering their orientation, characteristics and motivations may help current and future entrepreneurs in guiding their strategies. This may help starting a new business or enduring an enterprise with greater chances of success.

One limitation of this study is that only fifteen franchisees and fifteen independent business owners were surveyed, which does not allow further generalizations. A larger number of subjects, bearing a more widespread range of "time in business" for both groups of interest, would allow for an attitudinal study with holding the effects of that variable. Hence, a replication of the present study with a larger sample may help confirming the finding on the "time in business" factor. A larger sample may help confirm (or not) our results, controlling for this variable.

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