

Employers Pay Attention! Committed Employees May Be Aspiring Entrepreneurs

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For managers, have you ever encountered such a situation: even employees who show commitment to your organizations could decide to resign and set up their own businesses. To give an example, Xoogle, a group of people who resign from Google and set up their businesses despite still speak highly of Google, is such a case.

Actually, a 2011 research indicated that nearly 90% of entrepreneurs worked for others before setting up their own businesses. To the source firm, employees' departure and entrepreneurship, in general, hurts the firm performance. And the damage is even worse than if employees simply joined other established firms because these new entrepreneurs could transfer more resources (e.g., their colleagues who decide to follow them) to their own firm. It is thus urgent for employers to understand employees' motives and find ways to retain such employees and their business ideas.

A recent study sheds light on why even affective committed employees might want to leave current organizations and start new businesses. The researchers find that pro-social rule-breaking (PSRB), a unique rule-breaking behavior that committed employees' conduct, might help explain their entrepreneurial intentions.

Defined by Morrison, PSRB represents "any instance where an employee intentionally violates a formal organizational policy, regulation, or prohibition with the primary intention of promoting the welfare of the organization or one of its stakeholders." Morrison further explored three motivations why people get involved in PSRB: To do one's job more efficiently, to help a subordinate or colleague, or to provide good customer service.

Let's take an example to help you understand PSRB better. Assuming that an out-of-town customer needs you to repair a piece of equipment on the same day to avoid a shut-down of their production line. Your company requires employees' travel to be approved by their superiors. You have not been able to reach your superior all morning, and the customer is very anxious. Under such circumstances, if you decide to travel to repair the equipment for your customer without the approval of your superior, you are conducting PSRB to "breaking the rules for the

right reason."

Researchers found that employees who are more committed to their organizations are more likely to conduct PSRB, since they will prioritize the deeper-level organizational assumptions, values, and welfare, such as sustainable profitability and organizational reputation, over a specific manager or a specific rule. However, PSRB contains the risk of being penalized due to its rule-breaking nature. So with the same level of organizational commitment, younger employees who are less risk-averse are more likely to conduct PSRB.

Unfortunately, it is often very difficult for the management to accept PSRB because those who made the formal rules will also enforce their rules and take a tough stance toward any challengers. Besides, different stakeholders have different views of the same behavior, so a well-intentioned PSRB may be interpreted as an ill-intentioned act by coworkers.

However, PSRB involves an ethical decision requiring deliberate tradeoffs and moral assessments. After deliberation, if employees choose to perform PSRB that they believe ethical, they will not easily give up such beliefs. Given the pressure from the management, they may choose to leave and rebuild the "ideal" organization elsewhere, leading to higher entrepreneurial intentions. Such intentions will be further enhanced in the employees who have high confidence in their capabilities to become successful entrepreneurs.

So now we could conclude: if committed employees' PSRB behaviors are not well-recognized, they are more likely to leave their organizations and set up new ventures, especially when they are young and have high confidence in their capabilities as entrepreneurs.

Knowing this, how should we retain such PSRB employees in our organizations? An organization needs to carefully examine rule-breaking employees' motives and reasoning, recognize their goodwill and adjust its own rules and managerial practices in order to retain its employees. By setting a fair evaluation system and making adjustments to formal rules, organizations can keep their committed employees.

Another direction is to recognize their good-intention and utilize them as intrapreneurs, which means entrepreneurs within existing organizations. Allowing employees the autonomy to pursue their business ideas inside the organization will not only satisfy their needs for achievement and independence but also help organizations improve their services and functions so that organizations can

become more profitable and grow faster.

Committed employees are treasures for any organization. Sometimes they may conduct prosocial-rule breaking for helping their beloved organizations. For retaining such employees and their business ideas, their PSRB behavior needs to be evaluated and justified with caution.

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