



Department of Business Studies

***PROPERTY RIGHTS
SETTING THE FRAME FOR
CORPORATE GOVERNANCE AND
CORPORATE ENTREPRENEURSHIP***

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1 Introduction

The theory of property rights was debated already in the Bible suggesting that a person's right to have and to use things only can be founded in the person's labour. The economic approach focuses on entitlements given participants of organisations. As organisational forms vary, so will the entitlements. Participants governing and developing organisations will be the focus of this dissertation. The empirical object will be riding schools.

1.1 Problem

The pure idea of galloping over a field covered in soft white snow, trotting along the seaside in Åhus, or just pottering around in the stable results in a joyful mind, the actual realisation ends in almost complete happiness. Apparently have more people than me discovered this and the number of riders, horses and riding schools is constantly increasing in Sweden. Riding schools are however not the hottest subject within the research of business administration and to my knowledge am I rather unique being employed in a project focusing on governance and development of riding schools.

To understand the background of this dissertation some of the project's results conducted on two riding schools will briefly be discussed. This first riding school was organised as a democratic non-profit association with member-governance, i.e. the members elected the directors of the board and the directors were all members of the association, often parents to children who also were buying riding lessons. The members worked to some extent voluntarily. The association rented the establishment from the municipality but owned the horses. The daily activities, i.e. taking care of the horses, planning and carrying through riding lessons, having theory lessons, planning for future competitions was supervised by the manager and performed by employees. During a period of four years a manager was offered a large degree of freedom to act and was allowed to both plan and initiate developmental activities, e.g. the manager started a youth centre, organised larger jumping competitions for the Swedish jumping elite, and was engaged in environmental activities. The customers, also members, were mainly younger females. Thus, an association where the members governed and the manager developed. The organisational form of a non-profit association showed implications for both governance and development, e.g. the board did not decide to introduce the new concept of western riding as it might drive the core business such as traditional riding lessons out of the market, and as the governors also were members they would not put the core business at risk.

The second riding school was organised as a privately held firm with one owner who had made a lot of investments in the firm and who had total responsibility over the firm. At the very beginning the riding school was owned by a non-profit association but as they suffered from financial problems the board of the non-profit association decided to sell the riding school. The new owner decided to remain within the same location and rented the establishment from the association. The structure of the riding school was simple with the owner having insight in every business and only restricted forms of delegations existed. In this case had the organisational form (privately firm) with a strong owner, influence on governance, e.g. the organisational structure was simple and gave the owner insight in every business. The owner was the one introducing developmental activities.

These two case studies (Collin & Smith, 2003c) focusing on governance and development of two differently organised riding schools indicate a need for a theoretical framework capable

of including aspects of governance and development. Not only is there a need for intertwining the concepts of governance and development but also to consider different organisational forms, i.e. it cannot be assumed that governance in a non-profit association and a privately held firm is the same. One reason is that the governing body of a board of directors is lacking in a privately held firm, another is that members of a non-profit association have no liabilities what so ever, whereas the private owner is the juridical person.

Theories focusing on governance, development and organisational forms are not lacking, however, they have not been presented in one overall framework.

One scientific field focusing on governance is Corporate Governance, CG. CG has become a topical issue in many European countries in recent years (Lannoo, 1999) and deals with mechanisms claimed to determine the fate of the organisation (Schleifer & Vishny, 1997). CG includes agency theory (Jensen & Ruback, 1983) and transaction cost theory (Williamson, 1996) and focuses for example on the conflict of interests between managers and shareholders (Williamson, 1996), how managers can be compensated to act in accordance with the shareholders (Gomez-Meija & Wiseman, 1997), the importance of the board of directors (Zahra & Pearce, 1989) and the orientation of the board (Dzialo et al., 1998).

One scientific field focusing on organisational development is Corporate Entrepreneurship, CE. Schumpeter (1934) claims an entrepreneur to be a person who carries out new combinations, which may take the form of new products, processes, markets, organisational forms, or sources of supply. The entrepreneurial person constitutes the ground for the field of CE, CE, which focuses on factors influencing the process of creating new businesses within organisations in order to develop the organisation and to enhance an organisation's competitive position or the strategic renewal for existing business (Zahra, Jennings & Kuratko, 1999).

The two concepts of CG and CE are commonly held separately, however, a comprehensive theory of the firm could be claimed to be in need of both the aspects of governance and disciplining, i.e. CG, and the aspect of enabling activities, i.e. CE. The concepts have to some extent been intertwined, (e.g. Gabrielsson, 2002; Zahra, 1996; Taylor, 2001; 2003), claiming, for example, the board to be one important governance mechanism that enables development (Gabrielsson, 2002), the product market another (Zahra, 1993).

The two cases of riding schools showed differences in governance. The non-profit association had member-governance whereas the private was governed by one person. The members made no financial investments whereas the private owner invested both capital and time. This indicates that governance will differ due to organisational form, i.e. non-profit association or privately held firm. The Cadbury report defines CG as the system by which companies are directed and controlled (Cadbury, 1993), thus, not stating the company to be a corporation and suggesting CG to be capable of including different organisational forms. However, as the CG researchers' empirical focus tends to be larger listed corporations (e.g. Schleifer & Vishny, 1997) the development within the field is more in line with listed corporations than with smaller non-profit associations. The field of CE focuses on listed corporations (Zahra, 1993) and to some degree on SME's (Gabrielsson, 2002). The interest in focusing on more than one form of organisations is that governance of the two forms of riding schools indicated differences, and if governance differs, it could be assumed that its influence on developmental activities would differ too. The industry of riding schools does not only present two organisational forms, but corporations, co-operatives and partnerships have also been noticed.

One field setting the frame for including different organisational forms, e.g. privately held firms and non-profit associations, is the field of property rights.

The theory of the firm was at the emergence seen as a single proprietorship, where the single proprietor constituted the juridical person making all investments and, among other rights, had the right to the residual (Alchian & Demsetz, 1972). The proprietor was considered to be the owner, and the owner, with the right to make decisions, governed and disciplined the organisation in accordance with the proprietor's interests and development was enabled when corresponding to the single proprietor's interests. Over time have other organisational forms than the single proprietorship evolved, i.e. co-operative firms, non-profit associations, and joint stock companies, obscuring the definition of ownership based on the single proprietorship. A non-profit association has for example members who make no financial investments and who do not constitute the juridical person, however, members tend to constitute the board and be part of decision-making; a joint stock company receives financial means from shareholders, who in turn strive for dividend on invested capital but seldom are all shareholders active governors; members of a consumer co-operative make investments but cannot sell their rights and might not strive for development. Thus, the definition "owner" and the "owner's rights" differ with organisational forms. The theory of property rights, claiming the single proprietor to have certain rights, will be suggested to be of importance for stating organisational rights. However, instead of focusing on but one form, i.e. the single proprietorship, will the theory of property rights make it possible to separate different organisational forms. The rights are specified by the rules of society, implying a privilege, granted and sanctioned by society, to control activities and their effects (Reynolds, 1983).

Thus, three main problems are visible:

- CG and CE are commonly held separately even though it can be claimed that CG influence CE and that the concepts therefore could gain in understanding with an intertwinement.
- The empirical object of CG is mainly listed corporations, the empirical objects of CE are mainly listed corporations and SMEs. An empirical object covering more than one or two organisational forms could further the development of the theories.
- Theories of CG and CE are more or less neglecting other forms than corporations and SMEs. A comprehensive theory, capable of including different organisational forms, is needed as a framework for explaining CG and CE.

Hence, with the base in the theory of property rights a separation of organisations is possible. Including the aspects of governing organisations and enabling development a comprehensive theory of governance and development in different organisational forms can be offered.

1.2 Purpose

The aim of this dissertation is to state organisations' governance and its influence on development, based on the theory of property rights. A model will be created where the theory of property rights makes it possible to separate five organisational forms, and mechanisms of governance will be claimed to stimulate or restrain corporate entrepreneurship. The dissertation will empirically focus on the opposite of main stream, thus instead of listed corporations, riding schools.

1.3 Outline

Before continuing the outline of the dissertation will be presented.

Chapter 2: This chapter presents that the research of this dissertation is based on the positivistic approach, that the deduced hypotheses, presented in a model, are based on different theories, and that the model in its entirety will be evaluated.

Chapter 3: This chapter presents the theoretical framework where the theory of property rights makes a separation of different organisational forms possible. Characteristics of mechanisms of governance are described for the different organisational forms, and the characteristics in the different organisations are hypothesised to stimulate, restrain or have no influence on corporate entrepreneurship.

Chapter 4: This chapter presents the methods that were used to accomplish the empirical analysis. The empirical object was to contrast from the commonly focus of corporations and involves all Swedish riding schools. The sample did however not include all organisational forms and two empirically evaluated organisational forms were created.

Chapter 5: This chapter presents the analysis of the two organisational forms. The analysis has focused on three aspects, i.e. a) organisational forms' CG character, b) CG's influence on CE without a separation on organisational form, c) CG's influence on CE when separating the two organisational forms. The last part presents a summary of the analysis.

Chapter 6: This chapter includes the conclusions as a summary of the analysis and conclude that the model depicted in chapter 3 cannot be rejected, that indications of organisational differences are present, and that CG has influence on CE.

2 Method

This chapter will present the chosen methodology, including chosen theory and scientific approach. The approach will be deducted hypotheses, presented in an overall model. The model will be tested and evaluated with a survey conducted on riding schools.

The aim with this dissertation is to make a distinction of different organisational forms, e.g. non-profit association and privately held firm. The organisational forms are then suggested to differ concerning characteristics of the governing aspects, i.e. CG. Deducted hypotheses will be created with the aim of explaining CG's influence on CE, that is, whether CG restrain or stimulate developmental activities. This will be presented in a testable model.

To accomplish this aim a theory was needed that made it possible to separate organisations from each other. The theory found to be of importance was the theory of property rights. The reason for choosing this theory is that it offers the possibility to explain institutional relations, i.e. rights and liabilities that society collectively offers individuals and organisations. The original idea with property rights was that rights can only be founded in a person's labour, the economic approach focuses instead on the rights given organisations' actors (Reynolds, 1983). The collection of rights, also defined as bundles of property rights, makes it possible to set a frame which separates organisational forms. The definition in this dissertation is based on Alchian and Demsetz (1972) who defined five ownership rights, i.e. the right to be a residual claimant, to observe input behaviour, to be the central party common to all contracts with inputs, to alter the membership of the team, and to sell these rights. Considering these five rights it can for example be noticed that the owner of a privately held firm has unlimited liability but also the right to the residual, whereas a non-profit association actually is lacking an owner but where the members govern, they have, however, no liabilities. Thus, the base for the model lies in the theory of property rights and will separate five organisations, i.e. non-profit association, single proprietorship, corporation, co-operative firm and partnership.

The aim is further to understand characteristics of CG and CG's influence on CE in the five separated organisations and the aim is to create hypotheses for specific theories concerning for example the function of the board and the board's influence on developmental activities, or the managerial labour market and its influence on development. In the specific derivations of CG mechanisms and CG's influence on CE, different theories have been used as support and help for the development of the deductively created hypotheses.

CG includes theories, i.e. agency theory (Jensen & Ruback, 1983) and transactions cost theory (Williamson, 1996), but also more specific theories, e.g. demographic theories (Pelled, 1996) have been used in order to create specific hypothesis. The term of corporate governance has been in use for less than twenty years and deals with the disciplining aspects of governing an organisation and has been defined as the system where the wills of the principals are implemented in an organisation through controlling managerial action (Jensen & Meckling, 1976), and stated to determine the fate of the organisation (Schleifer & Vischny, 1997). The reason for choosing CG is that it offers a wide set of governing mechanisms, applicable on different forms of organisations, regardless being a corporation or a non-profit association.

CE is a new field without any distinct theories yet. It is a rather eclectic field importing ideas from theories about entrepreneurship and agency theory. CE deals with factors influencing the development of an organisation and even though entrepreneurship has been an issue for a long time (Schumpeter, 1934) the field of CE has recently gained in interest and a more systematic

approach has emerged (Lumpkin & Dess, 1996; Zahra, Jennings & Kuratko, 1999; Zahra 1991; 1993; 1996; Gabrielsson, 2002.) The reason for choosing CE is that the governing aspect focuses on disciplining organisations and excludes the dimension of entrepreneurial and developmental activities, which is the focus of CE.

Thus, a set of different theories will be used which may give the dissertation an eclectic character, implying the construction of a framework based on loose theoretical thinking and mixing concepts (Collin, 2002). This is however not the case, the theories constituting the base, i.e. theory of property rights, agency theory and transaction cost economy have their roots in neo-classic tradition and although they differ in basic assumption it does not make them logically contradictory, but implies rather contributions due to their different focus. Agency theory may for example be better to apply when focusing on individual incentives, whereas transaction cost theory has advantages when focusing on structure.

All three fields, i.e. bundles of property rights, mechanisms of CG and characteristics of CE, are based on researchers' definitions and findings. However, the deduced hypotheses presented in the model may vary in theoretical support as not all five organisations in relation to CG mechanisms may have been of interest for former research.

The main alternative to the rather limited use of theories and the deductively approach would be an inductive approach. This approach would be productive if the field have come into major problems that could be caused by too rigid concepts and hypothesised relationships. This is however not the case in this problem. The problem of organisational forms influencing CG and CE is a rather new problem that could productively make use of established theories. It is not advisable to infuse too much of uncertainty into a research project. This dissertation is handling the new question of relationship property rights, CG and CE. It is not a need of induction but of theoretical stability, which the mainstream theories of property rights, agency theory and transaction cost theory can offer.

A model including the deductively formulated hypotheses focusing on characteristics of governance and how governance in five organisations restrain or stimulate development will be presented. The collection of data, which will be specified in rich detail in the empirical method chapter, focuses on the variables pointed out in the hypotheses, suggesting possibilities of generalisation to be sought for. The aim of the empirical object is that it includes the five different organisations, thus what commonly have been the empirical focus within the field of CG and CE, i.e. listed corporations, will be abandoned. Instead will the empirical object be Swedish riding schools. There are mainly three reasons for choosing this industry; the industry presumably contains different organisational forms, the industry offers a challenge to the mainstream empirical objects of capitalistic listed corporations, and the author have personal experience and interest in riding schools. All Swedish riding schools will be included in a survey. The survey is conducted with a questionnaire.

A theory predicting certain outcomes can be empirically evaluated or tested. In order to test a model and to draw conclusions stating that the model can be used for different organisational forms, the number of empirical objects must be high and a satisfying number of different organisational forms must be present. All Swedish riding schools will be included in the survey, making statements of riding schools possible. However, it became evident that not all five organisational forms stated in the theory were present among the riding schools. Therefore will the model in its entirety only be evaluated, whereas some specific hypotheses will be tested. However, the ambition was to test the model and the hypotheses.

The theory of property right states bundles of rights given specific actors contracted to an organisation, the field of CG states mechanisms surrounding the organisations, and the field of CE states factors influencing development. Theories within these fields constitute the base of the creation of hypotheses. These hypotheses are presented in a model that in its entirety will be empirically evaluated. The next chapter presents the theory of property rights, making it possible to distinguish between different organisational forms, mechanisms of governance and their influence on CE.

3 Theoretical framework

The firm seen as a nexus of contracts is an organisation contracting different participants. Depending on organisational form the participants' entitlements to the firm's resources tend to vary. The theory of property right will therefore constitute the base for a separation of different organisational forms, in which participants' bundles of property rights and property liabilities differ. A comprehensive theory of the firm will be claimed to involve the disciplining mechanisms of corporate governance, and the enabling dimension of corporate entrepreneurship. The theory of property rights will set the frame for separating different organisational forms, the theory of corporate governance will be adapted to describe the mechanisms of governance and corporate entrepreneurship will be used to describe governance influence on development of the organisations.

3.1 Introduction

Property in its physical form is not what contributes with utility and satisfaction, but derives rather from its characteristics and what the owner is entitled to do with the property (Williamson, 1996) thus property is not a thing but the rights which extend over a thing (Reynolds, 1983). Property rights are further specified by the rules of society as it is here the organisations perform, implying a privilege, granted and sanctioned by society, to control activities and their effects (Reynolds, 1983). The content of property rights affects the allocation and use of resources and can be granted to individuals or groups of individuals.

Trade and production involve contractual arrangements: these activities exist not so much to accomplish the exchange of goods and services but to permit the exchange of bundles of property rights (Furubotn and Pejovich, 1972). The firm seen in its very basic form is claimed to be a nexus of contracts and treaties, which enables economic actors i.e. suppliers of labour, intermediate inputs, capital, raw materials, and land to co-operate with each other through a system of bilateral contracts, where the entrepreneur is the function responsible for connecting the different interests (Alchian and Demsetz, 1972). Alchian and Demsetz (1972) stated the entrepreneur to be the owner and to have five property rights; the right to be a residual claimant, the right to observe input behaviour, the right to be the central party common to all contracts with inputs, the right to alter the membership of the team, and the right to sell these rights.

However, due to organisational form the rights vary. At the emergence of the theory of the firm, the firm was the single proprietorship where the proprietor made all investments, had unlimited liability and where no separation between the owner and the manager existed. Over time have corporations evolved where shareholders make financial investments and have limited liabilities, but where a separation between the shareholder and the manager is present. The commonly empirical object for researchers tends to be listed corporations where there is a separation between the owner and the manager. Research has however emphasised a need for studying organisations with different ownership types (Huse, 2003). The theory of property rights presents an institutional pattern that specifies what participants within different organisational forms are entitled to do with resources and goods. The ambition is to abandon the idea with principals/owners and agents/managers where the principals are entitled to rights that they in turn can delegate to agents, and instead to focus on the bundles of property rights in organisations. As organisations differ in forms, e.g. non-profit associations, single proprietorships, corporations, co-operative firms, partnerships, and as the behaviour of economic participants are claimed to profoundly be influenced by the property rights which

they hold (Ricketts, 2002), property rights cannot be neglected when discussing different organisational forms, their governance and their development.

Therefore, the theory of property rights will constitute the base in this dissertation, followed by the theory of CG offering mechanisms claimed to discipline organisation. The disciplining aspects will then be added by the concept of CE which focuses on the enabling of organisations' development. CG and CE have been studied before but the concepts have often been held separately. The intertwining of the two concepts have predominately been focused large listed corporations (Zahra, 1996), and to some degree on SME's (Gabrielsson, 2002) and primarily based on delegation of rights.

The already stated fact that organisations' entitlements of property rights differ will be further discussed below in the part of property rights.

3.2 The theory of property rights

The economics of property right was an early and influential dissent from orthodoxy and mainly introduced by Coase (1959, 1960), Alchian (1961) and Demsetz (1967) claiming that economic performance is largely determined by the way in which property rights are defined and distributed.

The mainstream of agency theory predicts conflict of interest between the residual claimant and the manager which are to be reduced if market instruments are used to construct incentives that award proper actions before contractual realisation (Collin, 2002). No perfect conditions for predictability exists which brings that the organisation has to engage a residual capital, owned by a residual claimant. The residual capital assumes the risks of the firm, and invested money implies the right to the residual. The residual being positive results in dividend, the residual being negative suggests the capital claimant to stand the losses. However, depending on organisational form, the liabilities of the right to the residual vary, i.e. within a single proprietorship the proprietor stands the entire losses, within a corporation the shareholders have limited liability and loose but the invested capital.

It has further been stated that "where the risk lies, there lies the control" (Robertson & Dennison, in Ricketts, 2002, p. 263) claiming the residual claimants to have the right to control. Depending on organisational form, the right to control will be entitled to different participants, i.e. within a single proprietorship the proprietor will control, in the corporation the shareholders will control. Thus, the firm seen as a nexus of contracts implies the contracts to establish an allocation of rights among the participants who compromise the firm.

Agency theory claims originally the single proprietor, seen as the principal, to have the right to make decisions. If this person gives approval, the right for making decisions can be delegated to other participants within the organisation. This suggests the corporation's residual claimants or shareholders to have the right to make decisions as they make the financial investments and stand the risk. Board of directors or managers on the other hand do not have the right to make decision but can through the shareholders' approval be delegated the authority to make decisions. On the contrary, Hansmann (2000) claims the right to make decisions to be widely dispersed throughout an organisation suggesting workers, managers, board of directors, shareholders, partners, and single proprietors to have the right to make decisions. As organisations have been claimed to establish allocations of rights among the participants with a contracted relation to the firm, the right to make decisions cannot longer be claimed to be vested but in the role of the residual claimant. Thus, the approach where the principal/shareholder/owner has the right to make the decisions, and the right to delegate the

decisions, will be abandoned, and instead will the allocation of property rights claim the participants of organisations to have the right to make decisions.

Another reason for the allocation of decision-rights is that property rights are divided with the base in economic efficiency. Transaction cost theory involves costs of negotiating, monitoring, and enforcing the transaction and the problem facing the organisation is to economise on these costs in order to achieve the gains from production (Williamsson, 1996). The issue is how to reduce the costs of co-ordination. One answer to this problem lies in the creation of exchange criteria or contracts between the parties that regulate transactions and allocate to the transacting parties the specific rights to the use of resources. Organisational forms, such as corporations, co-operative firms and non-profit associations, reduce the costs of transaction by allocate to the manager the rights to make decisions.

The term ownership has been at issue since the dawn of human history, i.e. “the bitter struggles over Joseph’s coat and Jacob’s inheritance”, (Monks & Minow, 1995, p.86) but seem to be of less relevance for the theory of property right. Ownership is mainly a combination of rights and responsibilities with respect to a specific property (Ricketts, 2002). The theory of property rights includes the owner to be a possessor of residual rights of control (Hansmann, 2000). Still, with the aim of taking different organisational forms into consideration the term ownership is not the best definition as for example the non-profit association is without owners (Hansmann, 2000). What is of importance and interest is not to state the owner and the manager, but to state property rights of participants within different organisational forms. Hansmann (2000) defines the people finding it useful to deal with the firm as “patrons”. The patrons might be workers, providers of capital, consumers of the firm’s output, or suppliers of other inputs such as raw materials, professional services or intermediate goods. However, patrons who possess residual rights of control and who possess rights to the residual are still given the title owners.

Organisations allocate property rights, or control of assets, to various participants involved in the organisations which present opportunities for them to realise their interests and affect governance and development of the organisation. In general, the various members of an organisation have certain rights in the firm, specified by the formal and informal contractual agreements. Therefore, as already claimed by Fama (1980, p. 290) “the ownership of the firm is an irrelevant concept”, what is relevant is how the property rights makes it possible to separate between organisational forms by considering a specific organisation’s constitution of property rights.

This dissertation aims at dealing with different organisations, constituted with individuals. These individuals have been defined as the organisation’s participants. The participants take active part in the organisation’s business and have a contractual relation to the organisation. Participants differ from stakeholders in the sense that even though stakeholders might be affected by the organisation’s activities they do not necessarily take active part in the organisation’s activities and businesses.

3.2.1 Property rights depicted in five organisations

Alchian and Demsetz (1972) suggest the single proprietor to have five rights, i.e. the right to be a residual claimant, the right to observe input behaviour, the right to be the central party common to all contracts with inputs, the right to alter the membership of the team, and the right to sell these rights. The property rights presented here is based on their definition and include; the right to be the residual claimant which involves the constraint of limited,

unlimited or no liability, which has a strong influence on e.g. risk behaviour and has therefore been added. The right to observe input behaviour, the right to be the central party common to all contracts with inputs and the right to alter the membership of the team are included in the right to monitor and the right to be the decision-maker, added with the right to make the decisions privately or collectively. The last characteristic is the right to sell or transfer these rights. These characteristics of property rights will make a separation of five organisations possible; the single proprietorship, the partnership, the corporation, the co-operative firm, and the non-profit association, all constituted with property rights with different entitlements. The different individuals having contractual agreements with the organisation will be included in the definition “participants”.

	Single proprietorship	Partnership	Corporation	Co-operative firm	Non-profit association
Residual claimant	Single proprietor	Partners	Shareholders	Members	Government Association
Residual liability	Unlimited	Unlimited	Limited	Limited	Government - occasionally Members - none
Monitor	Auditors Mass-media Single proprietor	Auditors Mass-media Partners	Auditors Mass-media Shareholders Board of directors	Auditors Mass-media Members Board of directors	Auditors Mass-media Government Members Board of directors
Decision-maker	Single proprietor Manager	Partners Manager	Shareholders Board of directors Manager	Members Board of director Manager	Members Board of directors Manager
Decisions	Privately	Collectively	Collectively Privately	Collectively Privately	Collectively Privately
Transferability	Transferable rights	Restricted transferable rights	Transferable rights	Non-transferable rights	Non-transferable rights
Non-market resources					Donation, Voluntarily work

Characteristics of five organisations’ property rights

The right to the residual involves the right to surpluses, losses or both surpluses and losses, which varies with the limited/unlimited or no liability of the different organisational forms. Main residual claimants will be shareholders, partners, single proprietors, government, association, and members. The single proprietorship and the partnership involve unlimited liability. These two forms of organisations imply the proprietors to be the juridical persons of the organisation, resulting in liabilities such as not having the possibility to simply leave the organisation. Members of the non-profit association have no liabilities at all, whereas the governmental residual will include liability when facing losses and only if the government agrees on supporting the organisation from financial difficulties or from bankruptcy.

The monitoring part involves parties i.e. auditors, mass media, shareholders, board of directors, partners, single proprietors, members and government. Auditors audit the organisation through scrutinising the accountancies, and are oriented towards creating trust in the information and to detect illegal actions. Without auditing the managers could engage in businesses that would not be possible with a well working auditing process. Mass media influence organisations to act in a social legitimate way through discerning socially less approvable actions. Shareholders, partners, single proprietors, and government are financial investors and tend to be willing to monitor the activities undertaken by the organisations where the investments have been made. Members of co-operatives make limited financial investment but still have the right to monitor. Members of non-profit association make only financial investments in form of membership fees and have no entitlements to claim the

residual. Still, the members have the right to monitor the activities. Thus it is not only residual claimants that have the right to monitor.

It has been claimed that the allocation of property rights implies participants of organisations to have the right to make decisions. Depending on organisational form the right to make decisions will be entitled to different participants.

The overall right to make decisions in corporations, co-operative firms and non-profit associations is a right for shareholders and members as they have the right to nominate and elect the directors of the board. Corporations have the shareholder's general meeting, and co-operative firms and non-profit associations have member meetings where the opinions of shareholders/members are taken into consideration when e.g. electing directors of the board, change the directors, decide about the dividend, or decide on liquidation. The shareholders/members have, however, no further right to influence the decision-making of the selected board. The board has the function of making strategic decisions, providing managers with service, control managers, and/or to constitute an arena for conflict resolution. (Collin, 2002) The allocation of property rights suggests the manager to have the right to make daily operative decisions. Managers tend to have firm-specific knowledge and with the absence of shareholder or members in everyday decisions the manager will be the one with this entitlement. Managerial decisions cannot be withdrawn.

Partnerships and single proprietorships are lacking a board and the right to make decision is nested in the role of either the partners or the single proprietor. As in the case of e.g. the corporation, recruited managers have the rights to make operative decisions. Both within the single proprietorship and the partnership the proprietors constitute the juridical person implying unlimited liability, suggesting these participants to be highly motivated to make most of the decisions by themselves and managers will to a lesser extent make decisions. Another aspect is that managers are claimed to have allocated rights of making decisions due to demand on economic efficiency. The proprietors of single proprietorship and partnership might have other interests than pure profit maximisation, which could increase the problem with managerial co-ordination, and if the managers are to decide, it could result in decreasing the benefits rather than increasing. Thus, the allocation of decision-rights to managers would not reduce the costs of co-ordination within these two forms of organisations.

Decisions can be made collectively or privately. The single proprietor makes privately decisions. Partners of a partnership have to collectively agree on what to decide and make collective decisions. Shareholder, members, and board of directors must make their decisions collectively. When the right to make decision is vested in the role of the manager, the decision will instead be made privately.

The right to transfer the property rights is a right existing in the single proprietorship and the corporation. Single proprietor can transfer their rights to other proprietors and shareholders can transfer their shares to other shareholders. Partners within a partnership can transfer their rights only when the other partners give their approval to the new partner. Both the co-operative firm and the non-profit association have non-transferable rights.

Resources available to all organisations are the product market, subsidiaries, and capital. A difference between the organisations is non-market resources, the non-profit association being the only organisation receiving donations and having the privilege of volunteers.

A description of the five organisations and their bundles of property rights will follow.

3.2.1.1 The single proprietorship

Alchian and Demsetz (1972) argue that the structure of property rights observed in the classical capitalist firm was a response to the transactional problems, and in particular to the problem of team production. The essence of a firm is according to them that the firm lets the people work as a team where the final output is the joint result of the combined efforts of all the inputs working at the same time. The individual contribution of each member of the team cannot be separated and individual efforts cannot be separated from the team. This will lead to problem with shirking and the solution offered is that the team requires a monitor to observe the individual members and to check that their efforts are satisfactory. The monitor may have the same incentives to shirk as the other team members but not if the monitor becomes the residual claimant. The more effectively the team works the bigger the residual for the monitor. The monitor will therefore increase the effort for monitoring and try to discipline the members, and the monitor becomes the common party to all contracts with the power to alter these contractual arrangements and to hire and fire team members. (Alchian & Demsetz, 1972) This characterises the single proprietorship which has a single proprietor who has all authority and makes investments, stands the entire risk and is the only residual claimant. When revenues are exceeding profit the proprietor receives the surplus, and when facing losses the proprietor has the choice of investing more or quitting. The rights are transferable and entitles the proprietor to autocratic decisions, this implies, however, not that the single proprietor may use the assets privately, but that the person has the right to alone decide what to do with the assets. Proprietors have unlimited liability and constitute legal persons, leading to a restriction in their property rights as they cannot simply leave their organisations but have to sell or liquidate the organisation first. This restriction further suggests the proprietors to be prone to make the decisions by themselves. They have often made a lot of investments, both financial and personal, and recruited managers tend to have restricted managerial rights for making decisions, mainly due to the proprietors' unlimited liability and that goals are other than pure profit maximisation. Profit maximisation are the overall goal of a corporation, a single proprietor can instead focus on goals such as realising an idea, or the maintenance of customer loyalty.

3.2.1.2 The partnership

A partnership is an organisation where two or more individuals make investments and become partners. The partners make collectively the decisions, are the joint residual claimants, and have jointly liabilities. When facing a bankruptcy and the partnership is without sufficient means, the partners' private economy will be affected. As in the case of the proprietorship managers are claimed to have rights to make decisions, however, due to the partners investments and unlimited liability the partners are inclined to be interested in both monitoring and decision-making. Mass media has the right to monitor the partnership, and partnership has no demands on appointing an auditor. Partners can transfer their rights but the new partner has to be accepted by the other partners. Thus the transferability is restricted in that the transfer has to be accepted by the other partners. Within this organisational form there is no limited liability and the property rights emphasis an obligation, i.e. the partners, being the juridical persons, cannot just leave the organisation, but has to either sell it or liquidate it. If partners in a partnership conclude an agreement where one, or some of the partners, only have limited responsibility, i.e. only risking the capital invested, a limited partnership exists. This organisational form will however not be more described as it is a partnership only with limited liability for some of the partners.

3.2.1.3 The corporation

A corporation with hundreds or thousands of individuals differ strongly from both the single proprietorship and the partnership. The most apparent difference is that the residual claimants in the corporation have limited liability and do not have to stand losses excessive their investments. The single proprietor alone signs contracts with banks or other suppliers of capital and with suppliers of input factors etc. and the single proprietor is the juridical person. However, in the corporation the juridical person is the organisation in itself, resulting in limited liabilities for the corporations' residual claimants, shareholders and boards can simply decide to leave without any further liabilities. All shareholders of a corporation have the possibility to monitor the corporation through taking part of the accountancy, and the right to decide, through nominate and vote for the directors of the board. They can also decide whether the corporation is to be liquidated. The general rule for making decision is one-share-one-vote, i.e. votes are appointed according to the amount of capital invested in the corporation (Hansmann, 2000). The profit of the corporation can either be reinvested in the corporation or divided among the shareholders. The shareholders have the rights to individually decide when to sell their rights. If the shareholders have the right to monitor so has the board, it being constituted by shareholders, however, a much closer supervision is possible. The board of directors makes collectively formal decision-making and contract, among other things, managers. Managers have in turn, as said before, the rights to make the operative decisions. Auditors and mass-media play an important role for the corporation providing information to society and shareholders.

3.2.1.4 The co-operative firm

Co-operatives are monitored by a co-operative society which is composed by members. Co-operatives may be monitored either by those who sell to the co-operative (a producer co-operative), by those who buy from it (a consumer co-operative), or by those who work there (a worker co-operative) (Hill, 2000). All members have the right to monitor and all members have the same rights to vote for directors of the board, thus a democratic organisation.

Depending on co-operative firm (producer, consumer, or worker) the members' insight and capability to monitor will vary. A member of a worker co-operative tend have a lot of insight in the services or/and products produced as the members take active part in producing, whereas as a consumer have little or no insight in the production. Regardless co-operative, members populating the board have the right to monitor the organisation. The board has the right to make decisions, but as in the corporation it is the managers who have the rights to make operative decisions. The members of a co-operative have no private property rights in the co-operative society, and the decisions are made collectively. Most co-operatives are governed according to one-member-one-vote principle. When a new member enters a co-operative that person pays a smaller entrance fee and has immediately access to all assets that earlier generations of members have accumulated. Members have limited liabilities and as within the corporation is it the organisation itself that constitute the juridical person, thus members are free to leave when they want. In contrast to the corporation are the rights not transferable. The members receive surpluses in form of improved terms of trade, e.g. better price and service, better working conditions, and the members can also decide if a refund is to be distributed.

3.2.1.5 The non-profit association

The non-profit association is a democratic organisation, where members at the annual meeting select a board of directors, and members also tend to populate the board. Membership includes paying a smaller membership fee but it can not be said to represent financial investments, and membership includes no liability. The main resources of a non-profit

association are donors, citizens paying for the service, and the devotion and engagement from voluntarily working members. Participants of the non-profit association are, in contrast to the other forms of organisations, forbidden to receive the net earnings of the organisation (Hansmann, 2000). The association is however not forbidden from earning profits, but the distribution of the profit will stay with the association as no dividend to participants exists. The governmental residual will only include liability when facing losses and only if the government agrees on supporting the organisation from financial difficulties or from bankruptcy. The members can whenever they want leave the association, but they have not the rights to transfer their rights.

The board, the members, and the government have the right to monitor the activities of association, but whether they will monitor or not depend on the association's activities, e.g. an youth sport organisation will be monitored by the members as they take active part of the services offered, the Red Cross with donators widely dispersed suggests a lesser degree of monitoring, governmental donations could imply the government being prone to monitor, but the government could also be less interested in monitoring, leaving it all to the association itself. But the entitlement to monitor exists. As in the other organisations do the mass media and the auditors have a monitoring function. The formal strategic decisions are made collectively by the board, but the manager has the right to make privately operative decisions.

These are the five organisations involving different bundles of property rights. Claiming organisations to be constituted with property rights, giving participants different entitlements, would suggest a need for governing and disciplining these participants and the activities of the organisations. CG is a theory dealing with the aspects of governance and its disciplining effects on organisations, and is of therefore of interest when discussing the governance of the five organisations. An introduction to the field of CG will follow.

3.3 Corporate Governance

A system of CG, can be thought of as the processes and structures used to direct an organisation's business, and the key object should be the enhancement of value creation for the organisation's participants. Two main tradition fields dealing with CG is agency theory and transaction cost theory, and even though the distinction of the organisations has been based on property rights, the contributions of agency theory and transaction cost theory cannot be neglected when considering the aspect of governance.

Agency theory claims conflicts of interest between the residual claimant, defined as the principal, and the manager, defined as the agent as the agent agrees to act on behalf of the principal (Collin, 2002). Coase (in Ricketts, 2002) makes a distinction between the firm and the market aiming at clarifying the nature of the firm and separates the firm from the market as they represent different ways of co-ordinating resources for production. The firm has an internal organisation which co-ordinates resources based on an authority relationship. This type of governance structure makes plans and exists to co-ordinate and allocate resources through formal directions and bureaucratic methods, which contrasts starkly with the competitive market process where the interplay of supply and demand allocates resources through the market price mechanism. (Ricketts, 2002) This leads to the theory of transaction cost economics, developed by Williamson (1996) where the central concept implies that in a transaction where a part has to make specific investments the possible parties to transact with will be reduced, leading to an increasing dependency between the transacting parties. Still, the transacting parties are exposed to opportunism and bounded rationality. Compared to agency

theory, transaction cost economics focuses not on the market but instead on the governance structure, which enables a transaction to satisfy both parts.

3.3.1 Mechanisms of corporate governance

The governance system will be presented in mechanisms claimed to exist among the organisation's input factors, within the organisation, at the output markets, and within the institutional environment of the organisation (Collin, 2002). Mechanisms among the organisation's input factors are constituted by the market for managerial labour and the capital. The market for managerial labour includes supply, demand, and skills of managers which will have influence on whether the organisation is capable of appointing managers with the right characteristics, e.g. a corporation offering managerial financial incentives might have a bigger supply of external managers than a small non-profit association.

Mechanisms within the organisation are the strategy and structure, the board of directors, the internal managerial labour market added with managerial compensation, and auditors. Within the organisation the goal is to make the structure fit with the strategy, which will be monitored by the board within the co-operative firm, but will be a task for single proprietor in the proprietorship. The advantage of the single proprietorship is that decisions will be made privately, whereas decisions within the corporation will need to be collectively decided and might be more time demanding. An internal process of recruiting managers might limit the agency problems as the manager is socialised and is often present within the worker co-operative firm. Compensation of managers also tend to make the managers act in accordance with the shareholder of the corporation, but the ways of rewarding differ as e.g. a non-profit association have limited resources for financial compensation and might instead more commonly, or only, offer fringe benefits. Auditors are appointed to scrutinise the actions performed by the organisation.

Mechanism of CG at the output market is the product market which tends to affect organisations differently. A non-profit association where the members have no liability will be less attentive to changes among competitors than a single proprietor which have unlimited liability.

Organisations are surrounded by influences from culture, mass media, state legislation, and regulations, and tend to vary due to norms and history.

These are the mechanisms available which govern and discipline organisations and their participants. Mechanisms that will be taken into account here is the capital structure, the board of directors, the external and the internal managerial labour and managerial compensation, the structure and strategy of the organisation, and the product market.

However, a comprehensive theory of organisations cannot exclusively deal with the dimension of governing, i.e. disciplining managers to act in accordance with the goal of the organisation but also has to include the aspect enabling action, leading to new possibilities and business development. The next part will therefore present the theory of enabling action, corporate entrepreneurship.

3.4 Corporate Entrepreneurship

Business development is a field that opens up the possibilities for companies, where the possibilities can be whether they choose to focus on already existing or new business, decide to grow or renew, focus on to grow organically or through acquisitions, or to renew organically or through acquisition (Igelström, 2003). In the context of CG the problem is not development in itself but the direction of development, whether it will be in the interest of the principal or in the interest of the agents.

An authoritative notion of entrepreneurship was stated by Schumpeter (1934) who saw stability and growth as contradicting concepts, and who claimed innovations to be the central aspects of development. It could be the introducing of new products, new methods of production, the opening of new markets, new supply of resources, or new organisational and governmental processes. The individual realising this was the entrepreneur. Entrepreneurship research has become a multidisciplinary field where many scientific disciplines use different definitions and research approaches. The modern concept of entrepreneur has many different meanings, both in common language and in academic language. (Brush, 1995) Theories of entrepreneurship have their roots in four disciplines: economics, business history, psychology, and sociology. These fields emphasise different aspects of entrepreneurship. The perspective of interest here is the economic perspective describing entrepreneurs as a function, either as a middleman, co-ordinating factors of production, or as innovators, changing the factors themselves. The entrepreneur is a person who notices a profit-making opportunity that others have overlooked.

A theory concerning not the person per se, but the organisation's ability to act entrepreneurial is corporate entrepreneurship, CE (Zahra, 1991: 1993: 1996). The advantages of studying entrepreneurship from a firm behaviour perspective are according to Covin & Slevin (1991) a) that a firm behaviour, as strategy, structure, and performance, are more clearly understood than when only studying characteristics of individual entrepreneurs; b) firm behaviour is more easily measured than at the individual level; and c) firm behaviour is more manageable.

CE refers to the process of creating new business, enhance an organisation's competitive position or strategic renewal for existing (Covin & Slevin 1991; Zahra, 1991, 1993). Creating new business is achieved by redefining the firm's products or services or by developing markets. Redefinition of a firm's products involves revising the concept of the existing business by developing or introducing new products, services or technologies. Revising the business occurs through adding new business to a firm's portfolio through acquisitions or joint ventures, or internal developments, product introductions, and market development, or both. (Zahra, 1991) Market development can occur by locating new markets for existing products, or through creating markets for products newly developed by the firm. The creation of new business through market and product development requires risk taking and careful articulation of the firm's competitive posture or altering the rules of the competitive game. (Zahra, 1991) CE has further been claimed to be formal or informal activities. Informal efforts occur autonomously with or without the insight of the official organisation, and can result from individual creativity or pursuit of self-interest, and some of these efforts eventually receive the firm's formal recognition and become an integral part of the business concept. (Burgelman & Sayles, 1986; Zahra 1991)

3.4.1 Definition of corporate entrepreneurship

Authors have used different terms to refer to CE; intrapreneurship (Pinchot, 1985), internal CE (Schollhammer, 1982), corporate venture (Ellis & Taylor, 1987) internal corporate venture (Burgelman & Sayles, 1986), and entrepreneurial posture (Gabrielsson, 2002). The definition of CE has been product innovation, risk-taking, proactiveness (Miller, 1983); risk-taking behaviour, aggressiveness, product innovation (Covins & Slevin, 1991; Gabrielsson, 2002); innovation, risk taking, seizing opportunities (Zahra, 1991); autonomy, innovativeness, risk-taking, proactiveness, competitive aggressiveness (Lumpkin & Dess, 1996) ; risk taking behaviour, strategic opportunism (Collin & Smith, 2003b).

Entrepreneurial actions involve some sort of risk-taking since, regardless development of new businesses or development of already existing businesses, the future is unknown and developments might result in failure. One characteristic of CE in this dissertation will be the organisation's risk behaviour.

Risk has by Baird & Thomas (in Lumpkin & Dess, 1996) been divided into three types; venturing into the unknown, committing a relatively large portion of assets, and borrowing heavily. Venturing into the unknown has been applied within personal entrepreneurship literature, often referring to personal risk, social risk and psychological risk. Financial analyses or risk taking refer to the familiar risk-return trade-off, the probability of loss or negative income. A high leverage of borrowing, and/or heavy commitments of resources, characterise organisations with a high risk taking behaviour. Collin & Smith, (2003a) make a further distinction between risk preferences and risk behaviour claiming risk preferences to be influenced by CG mechanisms, especially the capital structure, and that risk preferences influence the firm's propensity to experience critical situations and to act entrepreneurial upon them. The base for different risk preferences lies in the bundles of property rights constituting the organisations. The preferences in turn affect the organisation's risk taking behaviour.

Entrepreneurial actions involve the creation of new business and development of already existing business. These activities presuppose organisations to act aggressively and proactively, innovate new products, seize opportunities, redirect resources, change strategy, change structure, but the fundamental aspect of CE still lies in the creation of new business, and/or the development of already existing business. The second characteristic of CE in this dissertation will be the organisation's creation of new business and/or development of already existing business, hereafter defined as strategic opportunism. Strategic opportunism will in turn include aspects such as aggressiveness, proactiveness, innovativeness, seizing opportunities, redirecting resources, changing strategy and structure.

Thus, the concept of CE will here be defined as the organisation's risk behaviour and the organisation's strategic opportunism.

3.5 Mechanisms of corporate governance and their influence on corporate entrepreneurship in the five organisations

Different aspects have been claimed to influence CE activities; *the environment* – dynamism, hostility, heterogeneity, *strategic leaders* – ownership structure, managerial competence, board of directors, *organisational form* – strategy of growth or stability, structure of communication, scanning, integration, differentiation, resources, culture, and *organisation performance* – focus on profit maximisation or overall stakeholder satisfaction. (Covins & Slevin, 1991; Gabrielsson, 2002; Zahra, 1991; Lumpkin & Dess, 1996) This is one way of considering aspects influencing CE, another is the one made by Collin and Smith who base the intertwinement of organisational development on the disciplining mechanisms of CG (Collin & Smith, 2003b). This represents but at different way of organising the aspects claimed to influence CE. CG has laid the ground for the disciplining mechanisms of governance, and CE will lay the ground for factors enabling development. The model presented below is a development of the model presented by Collin & Smith (2003b). Their model contrasted two organisational forms and created hypotheses from that opposition. The model offered here is based on property rights making it possible to make distinctions between five different organisational forms and to deduce hypotheses with more details. This model is the base for the rest of the dissertation and includes five mechanisms of CG which are claimed to stimulate or restrain CE, that is risk behaviour and strategic opportunism. The model is new in the sense that it offers an overall framework of hypotheses covering five organisational forms where CG is claimed to stimulate or restrain CE. The rest of this chapter presents the hypotheses in detail.

Corporate entrepreneurship		
	Risk behaviour	Strategic opportunism
Capital structure		
Single proprietorship	Equity high – stimulate, Debts high – restrain	Equity high – stimulate
Partnership	Equity high – stimulate, Debts high – restrain	Equity high – stimulate
Corporation	Equity and Debts high – stimulate	Equity and Debts high – stimulate
Co-operative firm	Worker co-op: no influence Producer co-op: debts high – restrain, equity high – stimulate Consumer co-op: no influence	Equity high –stimulate, Debts high – restrain
Non-profit association	No influence	Restrain
Board of directors		
Single proprietorship	-	-
Partnership	-	-
Corporation	Stimulate	Restrain
Co-operative firm	Worker and producer co-op: restrain Consumer co-op: stimulate	Worker and producer co-op: restrain Consumer co-op: stimulate
Non-profit association	Stimulate	Stimulate
Managerial labour		
Single proprietorship	Restrain	Stimulate
Partnership	Restrain	Stimulate
Corporation	Restrain	Stimulate
Co-operative firm	Restrain	Stimulate
Non-profit association	Stimulate	Stimulate
Organisation strategy/structure		
Single proprietorship	F-form – stimulate Single business strategy - stimulate	Stimulate Stimulate
Partnership	F-form – stimulate Single business strategy - stimulate	Stimulate Stimulate
Corporation	Multidivisional structure - stimulate Diversified strategy - stimulate	Stimulate Stimulate
Co-operative firm	Multidivisional structure - stimulate Diversified strategy - stimulate	Stimulate Stimulate
Non-profit association	Complex structure - restrain Strategy – no influence	Stimulate Stimulate
Hostile product market		
Single proprietorship	Restrain	Stimulate
Partnership	Restrain	Stimulate
Corporation	Restrain	Stimulate
Co-operative firm	Worker co-op: no influence Producer co-op: restrain Consumer co-op: stimulate	Stimulate
Non-profit association	No influence	No influence
Non-market resources		
Non-profit association	Stimulate	No predictable influence

Mechanisms of CG and their influence on CE in five different organisational forms

3.5.1 Capital structure

3.5.1.1 The single proprietor

A single proprietor does not only have to stand the systematic risk, but also the unsystematic risk. It is unlikely to believe that a single proprietor has a diversified portfolio, diversifying the risks, but capital tends to be invested in the one organisation. The goal of the private residual claimant can be more than pure profit-maximisation, i.e. the single proprietor having a strong relation with the firm itself, suggesting that the firm's survival, relation to customers, and continuance of production is of more importance than profit maximisation. The single

proprietor has the possibility to sell the organisation but as the proprietor constitutes the juridical person of the organisation the person cannot just leave. It has also been noticed that a risk-averse individual, or one who prefers to study an opportunity thoroughly before embarking on it, may not advocate risk aversion by the entire organisation (Lumpkin & Dess, 1996). Which might give the result that within the single proprietorship risks are not taken that would have been taken by a corporation, it all varies with the risk preferences of the individual. Another aspect is that the single proprietor has unlimited liability. Thus, the allocation of property rights in the single proprietorship including one residual claimant making specific investments, having unlimited liability such as not the possibility to leave the organisation, suggest the preferences for assuming risk to be low. The risk preferences of the single proprietor claimed to be low, suggest the organisation's risk behaviour to be the same, i.e. low.

When equity is high the risk behaviour tends to be high and stimulate CE, however to what degree is solely dependent on the preferences of the single proprietor. When debts are high the risk taking behaviour tends to be low as the property rights imply total liability and personal responsibility. The single proprietor has everything invested in that organisation, and everything to lose.

H1. The capital structure will stimulate risk behaviour when equity is high, but restrain risk behaviour when debts are high.

Being the only residual claimant with unlimited liability put pressure on the single proprietor making that person very alert on environmental changes, acting rather pro- than reactive. A large amount of equity will, when being in accordance with the proprietor's preferences, lead to development of new business or engagement in seizing opportunities in already existing business. A large amount of debts also implies a willingness of changing business, but due to unlimited liability the financial situation will restrict from carrying through strategic opportunism. Instead a need of staying alert on changes will be noticed.

H2. The capital structure will stimulate strategic opportunism. When equity is high strategic opportunism will lead to the possibility of creating new business or development of already existing, when debts are high leading to alertness.

3.5.1.2 Partnership

The difference between the single proprietorship and the partnership is that there is more than one proprietor in the partnership. The property rights implies the partners to be the residual claimants, to monitor, to make decisions, and they have unlimited liability. These rights implied in the single proprietorship low preferences for assuming risk. The partners have joint liabilities, and are the jointly legal entities of the organisation, suggesting slightly higher preferences for assuming risk than in the single proprietorship as individuals have higher preferences for assuming risk when they are not risking only their own investments, and within the partnership the investments are divided among the partners. The partners are also subjected to a higher degree of opportunism. One partner with scarce own resources might have higher preferences for assuming risk in a partnership than if this person were the single proprietor, as this partner knows his/her own personal situation, something that other partners are unaware of, leading to a higher risk taking behaviour of the organisation. The allocation of property rights, with unlimited liability implies the preferences for assuming risk to be higher than within the single proprietorship, but still low. The capital structure will have the same influence on risk behaviour as in the single proprietorship, i.e. stimulate when equity is high and restrain when debts are high.

H3. The capital structure will stimulate risk behaviour when the equity is high, but restrain risk behaviour when debts are high.

Being the residual claimants with unlimited liability put pressure on the partners, making these participants alert on environmental changes, but not to the same degree as in the single proprietorship as the partner have joint investments and liabilities.

H4. The capital structure will stimulate strategic opportunism. When equity is high strategic opportunism will lead to the possibility of creating new business or development of already existing, when debts are high leading to alertness.

3.5.1.3 The corporation

A corporation's capital consists of equity and debt, and contributors of capital are banks, shareholders, and suppliers. Property rights of the shareholders include the right to the residual as well as the right to monitor, and shareholders tend to make investments with the ambition of earning money. Shareholders are claimed to have a diversified portfolio, only standing the systematic risk, and they have limited liability, suggesting shareholders to be less risk-averse. They are only risking already invested capital, and with the ambition of increasing dividend they tend to have high preferences for assuming risk. Thus, the allocation of property rights in a corporation gives shareholders the right to the residual, but implies limited liability, and shareholders tend to have a diversified portfolio, resulting in that the preference for assuming risk is high.

The risk behaviour will be dependent on the corporation's capital structure. A large amount of equity emphasises a possibility of increasing dividend, but also the possibility to engage in new ventures as capital is available and the willingness to assume risk is high, which makes the possibility of carrying through CE activities likely. As the share of equity decreases, so does the risk behaviour until the capital solely is constituted by debts. A high amount of debt implies a high degree of risk taking as shareholders' equity is not put at stake.

H5. The capital structure, constituted either by a high degree of equity or a high degree of debts, will stimulate risk behaviour.

A high amount of equity implies new strategies financial possible and will make strategic opportunism possible. A large amount of debts also implies a willingness to engage in new business as the shareholders' equity is not put at stake, and if it is financial possible a high amount of debts will still lead to strategic opportunism. If the financial restrictions might hinder new engagements a high amount of debts will make the organisation stay alert on changes.

H6. The capital structure will stimulate strategic opportunism. When equity and debts are high leading to development of new activities or existing activities, and alertness.

3.5.1.4 The co-operative firm

Members of a co-operative firm have collective rights to assets and are the residual claimants. When a new member enters that person has immediately access to assets what earlier generations of members have accumulated. New members generally pay only a small entrance fee and have no total responsibility for the actions undertaken by the co-operative. It is normally beneficial for investors to have a diversified portfolio and a corporation whose stock

prices are undervalued will normally be expected to be the target of potential take-overs. Members of co-operatives have non-transferable rights, but they have the possibility to diversify and thereby reduce risk. A diversified portfolio should imply the preferences for assuming risk to be high, however, it could not be assumed that all members in co-operatives have a diversified portfolio. The worker co-operative for example tend to have members who engage in but one co-operative and therefore the preferences for assuming risk are low. On the other side is it not the members' money that are put at stake and the members have limited liability. Members are constituted with a diverse set of people and tend to have heterogeneous preferences, including heterogeneous preferences for assuming risk. Whether the preferences for assuming risk is high or low will therefore be dependent on the specific investment made by the member and the member's benefit of the co-operative. In a working co-operative the member is both the employer and the employee, and it could be argued that the members put a lot of effort and engagement into the organisation. Members would therefore disagree to risky projects due to their specific investments. The producer co-operative includes co-operating producers who jointly market, or jointly offer the products for sale to wholesaler with the aim of better prices. It would here be argued that the producers, when disagreeing or seeing better possibilities elsewhere, have higher preferences for assuming risk, than the worker co-operative. The idea with the consumer co-operative is that the consumers, the members, should be able to affect the supply and the prices. However, they tend to make small specific investments and as they are not risking their own money, neither do they have to stand the risk, it could be argued that their preferences for assuming risk is high. If a project were to fail they are likely to find the products elsewhere.

The allocation of property rights claims the members to be the residual claimants who have limited liability, and their preferences for assuming risk will vary due to the member's specific investments in different co-operative firms. The preferences for assuming risk will vary within co-operative firm. A worker co-operative will have the lowest preferences for assuming risk due to their specific investments, a producer co-operative will have higher preferences for assuming risk as the producer can choose other co-operatives, the consumer co-operative will have the highest preferences for assuming risk as the members have made the less firm specific investments and tend to have more possibilities to choose from if deciding to leave the co-operative.

Members of a worker co-operative will be claimed to have low preferences for assuming risk both when the capital is constituted with a high degree of debts as well as with a high degree of equity. The reason is that the members have made highly firm specific investments. Members' preferences for assuming risk within the consumer co-operative will be the same, regardless capital structure. These members have limited liability and can receive better prices when being members, but as they have a wide variety of substitutes to choose from they are not likely to change their preferences for assuming risk as the capital structure changes. If the co-operative disappears there are other to join. The producer co-operative will however be affected by the capital structure. Producers will be claimed to have made some firm specific investments, and even though they have limited liabilities they have to find a new co-operative, implying costs, if the one they appoint is a bad performer. These members are claimed to have medium preferences for assuming risk. When capital is constituted with a high degree of equity their conditions could be improved and the risk behaviour will be high. When the amount of debts are increasing high preferences for assuming risk will be lower as the costs for the members to find a new co-operative might be too high.

H7. The members of the worker co-operative's low preferences for assuming risk will regardless capital structure restrain risk behaviour, thus the capital structure has no influence on risk behaviour.

H8. The members of the producer co-operative's medium preferences for assuming risk will when debts are high restrain risk behaviour, and when equity is high stimulate risk behaviour.

H9. The members of the consumer co-operative's high preferences for assuming risk will regardless capital structure stimulate risk behaviour, thus the capital structure has no influence on risk behaviour.

It is difficult to justify members that they should invest in the co-operative firm when they have to share this investment with others, likewise, when a member leaves that person has no access to the assets to which the person has contributed. Therefore, to get capital the co-operative firm needs to borrow money. The use of capital is not optimal, mainly because the members do not have to bear full consequences of their actions (Nilsson 2001; Katz & Boland, 2002) which is the same within the corporation, but shareholders receive dividend, which increase the incentives for controlling and investing. Still, co-operative members may receive part of the residual in form of statement of account. In contrast to the corporation, co-operatives do not appoint members with the aim of receiving capital to the organisation, but have members as the co-operative better can serve their interests. Shareholders have further the right to transfer their rights leading to profits if the share increases in value, this is not present in the co-operative. Since the capital use is not optimal lenders are more cautious, resulting in higher costs for borrowed capital, thus reducing the value of the co-operative firm for its members. The capital growth tends to be low due to a low degree of equity and expensive debts (Nilsson, 2001). As the degree of equity tends to be low, expensive debts tend to be economised upon, thus capital available for investments is restricted to the free cash flow and the limited resources available will dampen strategic opportunism. The limited liability suggest an openness towards entrepreneurial action, but the limited liability and the fact that no financial dividend is paid, suggests attitudes towards changes to be rather that of reactivity, than the corporate way of proactivity.

H10. The capital structure, constituted with a high degree of debts, will restrain strategic opportunism in all forms of co-operatives. The capital structure being constituted with a high degree of equity will stimulate strategic opportunism in all forms of co-operatives.

3.5.1.5 The non-profit association

Non-profit associations are governed by the members. Members only pay a membership fee and have limited liabilities. Capital can therefore not be claimed to be a very strong limitation of a non-profit association as losses will not affect the financial situation of the members themselves (Collin & Smith, 2003b). When a non-profit association is faced with a negative residual or when facing bankruptcy the government is the entity liable. Whether the association will survive or not is for the government to decide, (the association can of course have other donators contributing with capital). Non-profit associations are however incapable of obtaining equity, since capital consists of debts, donations, and retained earnings (Hansmann, 2000). The members of the association are not personally allowed to benefit from the net earnings made by the association. Earnings made by the non-profit association will be equity of the association, thus the association will be the residual claimant, but only when the residual is positive.

However, as members cannot suffer or gain personally and financially from the profits made, the capital structure, regardless constituted with equity or debts, will have no influence on risk behaviour.

H11. The capital structure will have no influence on risk behaviour.

The residual claimant is the association itself, but the association's risk behaviour will be affected by the preferences of the members. When engaging in risky projects the members have no liability, make no financial investments and are without the entitlement to the residual, thus the allocation of property rights implies high preferences for assuming risk. The capital will however not make members act in a proactive way as they know they have the support from the government, but rather that of reactivity.

Non-profit associations have however been claimed to be poor bearers of risk as they cannot sell equity since no share market is present, and they become therefore constrained in ability from raising capital to engage in new projects (Hansmann, 2000). As the residual is entitled to the association itself, only a small amount of capital is available for stimulating strategic opportunism. The capital structure's influence on strategic opportunism is also limited due to financial security.

H12. The capital structure will restrain strategic opportunism.

3.5.2 Board of directors

A board is generally considered to have four types of functions, i.e.; service (Golden & Zajac, 2001; Zahra & Pearce, 1989), control (Collin, 2002), strategic decision-making (Jonnergård & Svensson, 1995) and to be a place for institutionalising resolution of conflicts (Collin, 2002). Prevost et al. (2002) stress the importance of the board to create efficiency, especially in organisation where the separation between owner and manager is large. Table 3.2 characterising the property rights of the five organisations claims boards to have the right to monitor and to make collectively decisions. Both the functions of service and control could be claimed to be part of the right to monitor and the right to make decisions, whether the decisions involve giving service or monitoring is for the board to decide. The function of strategic decision-making is part of the right to make decisions. The fact that the board has to make decisions collectively suggests that it could be a place for conflict resolution. It has been claimed that boards are most important in public organisations

The single proprietor and the partnership operate without board of directors.

3.5.2.1 The corporation

A magnitude of researchers has studied the function of boards, mainly through observing the board/director characteristics. The board is the place for the residual claimants to monitor the organisation's activities and influence its activities, and it is the board making the formal decisions. Whether the directors are external or internal, a certain degree of social network among directors is supposed to exist. Leading to easier communication, thus furthering the service function toward managers. Directors have the right to claim the residual, but have limited liabilities. They do not constitute the juridical person of the corporation and are free to leave whenever they want. It has also been claimed that shareholders, then also directors, have a diversified portfolio and stand but the systematic risk. The board could therefore be claimed to have a stimulating influence on risk behaviour as they are spreading their risks through a

diversified portfolio, and they could be directors appointed to different boards thus having little firm specific investments.

H13. The board will stimulate risk behaviour.

Researchers have different opinions whether CE will benefit from external or internal directors. A high ratio of outside directors can expand the base of expertise from which a firm's manager can strengthen the system of corporate checks and balances, and increase directors' independence. It can also improve the board's ability to effectively perform its control function and encourage managers to pursue CE. On the other hand, outside directors might lack the interest of governance, resulting in restricted or none control of managers, and little influence over managerial entrepreneurial activities (Zahra, 1996). Hill & Snell (1988) conclude that a board dominated by insiders is positively associated with R&D spending, which is a sign of CE. R&D spending is however only a proxy of CE and not correlated with a measurement of CE.

Regardless insiders or outsiders, a board with a high degree of homogenisation among the directors gives little incentives to strategic opportunism as innovations seldom are generated in stable teams (Golden & Zajac, 2001). A heterogeneous board has the ability to see the organisation's situation from different angles, resulting in a more dynamic and creative board (Golden & Zajac, 2001). With a heterogeneous composition the communication increases, each director becomes an individual with opinions and the possibility for new development of ideas increases. It has however been claimed that boards of corporations commonly are characterised with homogeneous directors (Collin, 2002) leading to a restraining influence on strategic opportunism.

H14. The board will restrain strategic opportunism.

3.5.2.2 The co-operative firm

Co-operatives are democratically governed and the board is constituted by co-operative members, nominated and elected by members. Directors have limited liabilities and are entitled to the residual. On the contrary to the corporation, co-operative directors tend to have a non-diversified portfolio implying risk aversion, due to no diversification and firm specific investments (Nilsson, 2001). However, the risk preferences were said to differ between co-operatives, i.e. worker co-operatives have low preferences for assuming risk, the producer co-operatives have medium preferences for assuming risk, and the consumer co-operative have high preferences for assuming risk. A board in the consumer co-operative will therefore be claimed to have a more stimulating impact on risk behaviour than the worker and producer co-operatives.

H15. The board of worker and producer co-operatives will restrain risk behaviour.

H16. The board of consumer co-operatives will stimulate risk behaviour.

A key responsibility of the board has been claimed to be that of encouraging the growth of membership and its involvement in the affairs of the society (Davis, 2001). Co-operatives have also been stated to be unique in the respect that their customers also are the members, which impose a significant level of conflict to the decision-making process (Katz & Boland, 2002), which take place in the board. Because of the wide range of activities and different interests of members, much time and effort are spent lobbying or influencing the strategies selected by the co-operative (Davis, 2001). However, the members of e.g. a producer co-operative still tend to have the same point of departures for their ideas, and co-operatives have

been claimed to be homogenous (Hansmann, 2000). Members of a worker co-operative tend to have a high degree of firm specific investments and the board, constituted by members, will have a restraining influence on strategic opportunism. This contrasts to the consumer co-operative with a lower degree of firm specific investments and higher need of satisfying changes in demand from the members, this board will therefore stimulate strategic opportunism.

H17. The board of worker and producer co-operatives will restrain strategic opportunism.

H18. The board of consumer co-operatives will stimulate strategic opportunism.

3.5.2.3 The non-profit association

Two issues concern the composition of the board; whose interests are represented and how are these persons elected. Transaction specific investments would make the people who made the specific investment more prone to guard it and develop it, as the investment will be less valued in another context. A non-profit association with financial investments from government and other donors emphasise these participants to be represented at the board as they are experiencing the largest risk for being exploited and ought to be prone to guard their investments and control managerial actions thoroughly. However, members tend to constitute the boards of non-profit associations (Smith, 2003). Members make no financial investments and have limited liabilities, and the government is the residual claimant when facing a negative result. Directors of non-profit associations could be members in different organisation, thus spreading the risks, and the board can therefore be claimed to be risk positive as they have no liabilities, can claim no residual, and have a variety of associations to choose from.

H19. The board will stimulate risk behaviour.

One important factor for the election of board members contributing to the function of the board is the market for directors. A limited market implies that the directors elected might not be elected due to their competence or advantages, but due to the lack of competence among the competitors, or due to lack of competitors whatsoever. Dynamic development of co-operative firms has been claimed to require educated and skilled board of directors (Davis, 2001), which only can be achieved by a functioning market for directors. The market for directors will be claimed to be larger for corporations capable of offering financial incentives to their directors, than for co-operative firms and non-profit association which will result in, hopefully, a board with directors being there for the sake of fulfilling a task and with obligations, not only present due to low eligibility. The non-profit association might have a limited market of directors to choose from as the directors work voluntarily, without payment, and gain no financial rewards when governing the association.

A non-profit association tend to have members on the board with a diverse set of interests (Smith, 2003), which contrasts to the demographic similarity often characterising boards (Collin, 2002), and the function therefore tend to be more that of conflict resolution than of organisational monitoring. The monitoring aspect could, however, be realised if the directors take part of the association's services or products. This could be the case in a sport organisation, but it ought to be more difficult for a director of a hospital to have the insight in the services offered, both due to non-professionalism and difficulties in monitoring the outcome. An increased amount of ownership said to lead to CE (Gabrielsson, 2002) is not possible within the association, since one member only have one vote. As the board will represent different interest of the members it tend to be heterogeneous, thus representing

instability with high turnover, high level of conflicts, which, however, will stimulate entrepreneurial activities as different opinions are allowed, presented and dealt with.

H20. The board will stimulate strategic opportunism.

3.5.3 Managerial labour

Managerial labour can be influenced through recruitment process, through internal development and through incentive system. The recruitment process aims at recruiting managers with the skills of fulfilling the organisation's desire. Instead of guiding and disciplining managers, the low cost of alternative is to employ those that consistently act in accordance with the aim of the organisations. The possibility to make a successful recruitment depends on the managerial labour market. To the extent that there is a well-functioning market for managers, the managers can be expected to adhere better to the interests of the residual claimants. If they are aware of the fact that they can be easily hired and dismissed and that there is publicly available information about their records, they should be less inclined to act fraudulently. Managers are claimed to make firm specific investments and have a less diversified portfolio than e.g. shareholders, and are risking everything in but one company. Managers are therefore claimed to be risk averse. (Collin, 2002) Managerial interests are suggested to promote and encourage growth, primarily with a diversified strategy. However, due to organisational form, and residual claimants' interests and presence, the influence of managers' preferences will vary and differences of risk behaviour and strategic opportunism within the different organisational forms can be noticed.

3.5.3.1 The single proprietorship

Within the single proprietorship the proprietor makes all the investments, constitutes the juridical person and has unlimited liabilities. The proprietor can be viewed as the entrepreneur, as the proprietor alone has founded the organisation. It could be assumed that proprietors also have the role as managers, as proprietors have incentives (unlimited liability, single residual claimant, founded on the proprietors initiative) to monitor the organisation and make decisions that goes in line with the interest of the proprietor. The focus here is however on recruited managers.

The main focus of agency theory is to make managers act on behalf of the residual claimants. One way to achieve this is to offer managerial compensation, i.e. symbolic rewards, fringe benefits and financial compensation. Financial rewards are most attracting and tend to increase more due to size than due to actual performance (Gomez-Meija & Wiseman, 1997). This leads to a smaller managerial labour market for the single proprietor compared to the corporation. A smaller managerial labour market makes it more difficult to find an appropriate manager which ought to have a negative influence on risk behaviour since it is always a risk facing a shortage.

However, the bundles of property rights within the single proprietorship suggest restricted managerial influence on decision making, and hence, a shortage of the managerial labour market have little impact on CE. Regardless supply on the labour market, the proprietor will carefully monitor the organisation, mainly due to the proprietor's non-diversified portfolio, right to the residual and unlimited liability. The separation between the proprietor and monitoring is very small, and the preferences of the proprietor tend to override the preferences of the manager. Still, the manager has not the right to the residual, but tends to have a high degree of firm specific investments which suggests the managers to have a restraining influence on risk behaviour of the organisation.

H21. The managerial labour will restrain risk behaviour.

Even though it is commonly stated that managers are risk averse and tend to prefer growth conducted with a diversified strategy this cannot be claimed to be the case for the single proprietor. The impact of the manager to make decisions will be restricted due to the proprietor's interest in the organisation. The goal of the single proprietor might be others than profit and growth and as the manager acts to fulfil the interests of the proprietor, managers in single proprietorships will be more interested in fulfilling e.g. customer satisfaction than e.g. growth. If financial compensation is lacking, other forms could be offered. As the separation between the single proprietor and the function of monitoring is very small, the proprietor will be less eager to give the manager high degree of compensations as the proprietor is present and monitors the daily operations. The manager can however feel devoted and engaged in the organisation due to socialisation aiming at creation of institutionalised norms and behaviour. The single proprietor's property rights e.g. unlimited liability has a restraining influence on managerial ability to influence strategic opportunism. If the manager is given freedom to influence, it will be strategic opportunism corresponding to the proprietor's goals, and most probably not growth.

H22. The managerial labour will stimulate strategic opportunism when the proprietor gives approval to it.

3.5.3.2 The partnership

As in the case of the single proprietorship the managerial labour market for partnerships is small and managers have limited possibility to make decisions. The partners have unlimited liability, are the residual claimants, and tend to have an un-diversified portfolio, thus low preferences for assuming risk. Partners also tend to be present and daily monitor that the manager is acting on behalf of the partners. The managerial preferences for assuming risk will be low due to firm specific investments and the managerial influence on risk behaviour will be restricted.

H23. The manager will restrain risk behaviour.

The partnership assembles the single proprietorship concerning strategic opportunism. The partners can decide to give the manager a degree of freedom, but otherwise will the bundles of property rights suggest the partners to decide about strategic opportunism.

H24. The managerial labour will stimulate strategic opportunism when the partners give their approval.

3.5.3.3 The corporation

Large corporations can be assumed to have access to a large managerial labour market due to their better incentive systems (Collin & Smith, 2003b), which implies a higher possibility to find the right manager. Managers are likely to act with the aim of satisfying the residual claimants, and if they are demanding a constant increase of dividend that might be what the managers are striving for. The bundles of property rights exclude managers from being residual claimants, but include them to be decisions-makers. Shareholders have the right to monitor and some of them, represented at the board, have the right to make decisions. However, managers have the firm specific knowledge, know the business and the atmosphere, and as shareholders are not present in the daily operations of the corporation there exist an

allocation of managerial rights claiming managers to have the rights to make daily operative decisions. Thus, in contrast to the single proprietorship and the partnership do the bundles of property rights within this organisational form implies a higher degree of managerial influence on organisational behaviour and a separation between the residual claimant and the function of monitoring.

Managers are claimed to be risk averse as they have everything invested in but one corporation. Shareholders can monitor and stimulate managers through internal development, incentives i.e. bonuses, and through education, which ought to stimulate managers for increasing their efforts. Which can be true if the incentives and bonuses contribute to higher firm specific investments, but it will not lead to stimulation of risk behaviour as managers' firm specific investments increase, making the managers better educated and wealthier, but still the same, or even more, risk averse. Another thing restricting the managerial risk preferences is the large managerial labour market, suggesting managerial competition. Managers could also have the interest in, if not becoming famous, at least create a good reputation. Or, if a good reputation already exists, to keep this. This implies them to not engage in too risky project where the outcome is unknown.

H25. The managerial labour will restrain risk behaviour.

If the market for managerial labour is large the corporation is likely to be able to find a manager suitable for its operations, and giving rewards for finding new possibilities or developing new strategies may influence strategic opportunism. Shareholders tend to appreciate increasing dividend and expansion, as managers are to act in accordance with the interests of the shareholders they are interested in growth. Due to the managerial risk averseness growth, induces by managers, will be conducted with a diversified strategy, thus spreading the risks.

H26. The managerial labour will stimulate strategic opportunism, especially when conducted in a diversified strategy.

3.5.3.4 The co-operative firm

Managers of co-operatives have been claimed to enjoy considerable power. Once a manager has achieved a leading position it is difficult to replace that person. Their survival depends on having a committed management who understands co-operative purpose and values and can use them both to gain and utilise the co-operative difference, (i.e. wishes and needs of the members' must be taken into account) as a competitive advantage. (Davis, 2001)

In a working co-operative the members will be employed and a member could also be the manager. As the members have the right to monitor and the board has the right to make decisions it must be argued that the manager's goals need to be in line with the co-operatives. As members are part of the services/products of the co-operative they have a good insight in the services/products even without populating the board. Thus, the agency problem with information asymmetry is reduced within this organisational form. Members being part of top management contributes to a good insight in the organisation. Worker co-operatives further emphasise the possibility of internal recruitment as members that have been working within the co-operative for a while will have knowledge about the goals and business of the organisation. However, internal recruitment suggests the members to have highly specified investments in but this organisation, thus restraining risk behaviour.

Managers of the producer and the consumer co-operative could in contrast to the worker co-operative be claimed to have less firm specific investments. It could of course be the same, but the organisational forms do not demand it. It is only the worker co-operative that demand a high degree of investments of the members, since they are employed within the organisation. Members of a consumer co-operative never have to engage that deeply in the co-operative.

The managerial labour market for co-operatives is smaller than the managerial market for corporations, both concerning supply and demand, which increase the risk, i.e. if a manager is fired it is difficult to find a new position.

H27. The managerial labour will in all co-operatives restrain risk behaviour, the most in the worker co-operative and the least in the consumer co-operative.

Managerial influence varies due to organisational form, and it varies within the co-operatives as well. Members of a worker co-operative have made firm specific investments and are prone to safeguard their investments. The managerial influence on strategic opportunism will therefore be limited as members narrowly tend to monitor activities undertaken and planned for. The internal labour market present within mainly worker co-operatives suggests managers to have been within the organisation for a while, being familiar with the norms and behaviour of the organisation, suggesting some degree of socialisation. This may give blindness to defects in their work, resulting in difficulties in discovering new opportunities, or the need for changing the strategy or structure. Managers could also be recruited externally, the problem is then that managers tend to see the democratic process as a hindrance in their way of governing the organisation (Davis, 2001).

The consumer and the producer co-operative contrast to the worker co-operative suggesting members of the consumer and producer co-operatives to be less eager to safeguard their investments since very restricted investments are made. Thus, the managers are given larger degree of freedom to influence the development of the organisation. When this is the case the former claimed actions of managers will be expected; growth conducted in a diversified strategy.

H28. The managerial labour within the worker co-operative will stimulate strategic opportunism when the members give their approval and if the internal labour market does not restrain strategic opportunism.

H29. The managerial labour within the producer and consumer co-operatives will stimulate strategic opportunism.

3.5.3.5 The non-profit association

The non-profit association makes democratic decisions, and is open for members, members' ideas, characterised with the goal of human satisfaction, instead of the goal of profit maximisation. These goals tend to be more difficult to grasp, measure or even evaluate, than for example corporations' goal of profit maximisation which, even though difficult to fulfil, are clearly stated (Ricketts, 2002). Thus, whether the manager is acting in accordance with the interest of the non-profit association or not, is difficult to grasp.

It has been claimed that the corporate form represents a separation between managers and shareholder, the separation between manager and members is however even larger within the non-profit association as management is claimed to be in-effectively monitored by members

or donors (Hansmann, 2000). The Red Cross for example has many donors and members making smaller contributions. These donors can claim no residual and cannot gain profit from selling their rights, leading to limited incentives for monitoring the association's governance and see to that the contributions are fulfilling the purposes. Managers might be expected to have considerable discretionary power under these circumstances and claimed to have the control of the organisation (Nicols, 1967). The differences are however not that strong in contrast to a corporation with widely dispersed owners, but the obvious difference is that non-profit managers cannot be given incentive payments based on profit sharing, holding of common stock, or stock options (Ricketts, 2002).

However, other forms of compensation exist, i.e. social benefits and reputation. Social benefits, such as status, can be given to managers of organisations producing something that is highly valued in society, such as taking care of sick persons. Reputation of the managers is influenced by the performance of the organisation, for example high profitability or large increase in size. Social benefits and reputation is dependent on social acceptance, which creates a low level of risk taking. However, the managerial labour market tends to be smaller for non-profit associations than for corporations, mainly because of a weak incentive system. This implies that the managers are always in short supply, which makes reputation less important for managers. If reputation is of less importance, then managers will be more prone to engage in risky behaviour since failure within one association can easily be compensated by appointing a new association.

Non-profit associations need to appoint managers that gain satisfaction from the fact that they are engaged in some higher purpose than the simple pursuit of monetary reward. Managers will, as in the other organisational forms, tend to have made firm specific investments which has a restraining influence on risk behaviour. However, the limited supply on the managerial labour market will make managerial preferences for assuming risk increase and stimulate risk behaviour of the non-profit association.

H30. The managerial labour will stimulate risk behaviour.

It has been claimed that the ways of measuring managerial efforts is difficult within the non-profit association, mostly since the goals are diverse and could even be difficult to understand. The manager will therefore not have to act proactive, trying to increase the profits for the members since they are not the residual claimants, and when facing a big loss the government will be the institution taking the negative residual.

Since non-profit associations are without the ability of offering managerial financial compensations other forms of compensation has to be found. The democratic form advocate openness towards strategic opportunism (members are present at the board, allowed to bring forth their ideas, and their ideas will be carried through if possible, as the organisation is to strive for member satisfaction).

One form of managerial compensation could therefore be to give the managers a high degree of freedom to act. With this freedom the manager can realise and conduct activities that might benefit the manager in a personal way, but also shed some light on the organisation itself. However, compensations involving a high degree of freedom to act mainly generate the realisation of short-term strategies, as the managers will have a short-term perspective of benefiting themselves. Thus, instead of diversified strategies will the manager of the non-profit association focus on short term strategies. Different forms of fringe benefits could also be offered to the managers.

H31. The managerial labour will stimulate strategic opportunism, especially short-term strategies.

3.5.4 Organisational strategy/structure

“Strategy drives structure” is the common known statement of Chandler, (1962, in Collin, 2002) emphasising the importance of congruence between strategy and structure. It has been stated that it might not be the managers that have opportunistic behaviour but the organisational structure fostering that behaviour, (Perrow, 1972) further emphasising the essential dimension of strategy and structure.

According to Rumelt (1974, in Collin, 2002) three main strategies exist; the single business strategy, the related business strategy and the unrelated business strategy. The structure of organisation can be summarised in three forms, the functional form, the multi-divisional form and the matrix form. The functional structure is said to reflect the advantages of arranging, both for managers to specialise in the problems of a particular function, and for communication to be established mainly along functional lines, the multidivisional form increase the possibility to monitor different divisions and the matrix form combines different functions with different divisions. (Collin, 2002).

When having a single business strategy the functional form tends to be the solution and development is mainly conducted in relation to the core business. When having unrelated or related business strategies the most effective solution is the multidivisional form and development can be conducted in relation to the core business, or by developing new product, or establish the business on new markets.

3.5.4.1 The single proprietorship

The strategy is said to primarily be affected by managers or board of directors (Collin, 2002). The single proprietorship is without a board and the manager tends to be the proprietor. The strategy of the proprietorship will therefore follow the interest of the proprietor who probably had a strategy when founding the organisation in its first place. The proprietor has low preferences for assuming risk and the suggested strategy therefore tend to be simple, as a simple strategy is easier to monitor. If this strategy is functioning and resulting in some sort of profit, the proprietor can either be eager to develop and change strategy or unlikely to change strategy, the latter since a change always involves some sort of uncertainty and as the outcome is unknown. The single proprietorship with the proprietor as juridical person, suggests the structure to be simple, which will make monitoring of business easier, thus the functional form is to prefer. The single proprietor would be the one constituting the head office, with total possibility to monitor. Whether the proprietor will have functions or not depends on the size of the firm, production etc. In a multidivisional form the proprietor would have limited capability to monitor, hence, decreasing preferences for assuming risk and then also decreasing risk behaviour of the organisation. Due to the interest of the proprietor to monitor, the strategy suggested would be single business strategy conducted in a functional form, implying the proprietor to have a high degree of insight in the business and influence over governance.

H32. A functional form will stimulate risk behaviour.

H33. A single business strategy will stimulate risk behaviour.

Due to transferability (proprietors have the right to transfer their rights) the proprietors are unlikely to engage in short term strategies, but will have long-term planning. Long-term

planning could involve growth strategies, which have been claimed to stimulate CE (Zahra, 1991). Growth strategies include both growth in size and growth by introducing new products and innovations, changed strategy within the single proprietorship can be claimed to happen fast as the proprietor is the prime decision-maker.

The functional form makes it easy to monitor activities within the organisation, and development can occur within already existing activities. Adding a new activity would suggest more monitoring, and due to unlimited liability the proprietor tends to be averse towards changes, since the outcome is unknown. The strategy in itself tends to be different from the corporation's profit maximisation and exclude constant growth. The strategy could instead be to satisfy the existing customers, which however not implies a need to stay to the existing strategy. Due to the single proprietor's unlimited liability the proprietor needs to earn money and the strategy, e.g. satisfying customers increasing or decreasing demands, suggest the strategy to stimulate product innovation, proactiveness, and renewal of activities. A change of strategy will be restrained by the proprietors' interest in customer satisfaction and devotion to the goal, as well as unlimited liability.

H34. The organisational structure and strategy, i.e. single business strategy within a functional form, will stimulate strategic opportunism, mainly development related to the core business.

3.5.4.2 The partnership

Within the partnership the partners jointly make decisions about the strategy. As within the single proprietorship partners have unlimited liabilities and the strategy should therefore simple, which increase the possibility to monitor. The partners have low preferences for assuming risk and the strategy will only be changed if there are good reasons for it.

The single proprietorship was claimed to be best structured with the functional form. That would be the case in the partnership as well, having partners situated at the head office. A partnership with for example three partners could also have the multidivisional form where the head office, constituted with the partners, makes the strategic planning, and smaller units, i.e. divisions, make the strategic operative planning. This form increases the monitoring aspects as each division can more thoroughly be evaluated. The partners could also separately be responsible for the different divisions, thus even more increasing the monitoring affect. The divisions are to operate separately and a partnership might develop into a multidivisional form, but from the beginning it is likely that the partnership is structured in the functional form since the strategy from the beginning is thought of being simple. If the partnership is managed in the functional form the partners have good insight in the business, and as they have unlimited liability this is when the structure can stimulate risk behaviour.

H35. A functional form will stimulate risk behaviour.

H36. A single business strategy will stimulate risk behaviour.

If the strategy is in need of a change the partners must be united in their decisions, which could demand more time than for the single proprietor. Still, the functional form with a single business strategy will stimulate development related to the core business of the partnership.

H37. The organisational structure and strategy, i.e. single business strategy within a functional form, will stimulate strategic opportunism focused on development related to the core business.

3.5.4.3 The corporation

The corporation is an instrument through which capital is assembled for the activities of producing and distributing goods and services and making investments (Monks & Minow, 1995). Shareholders of a corporation want the assets to be easy to value and therefore prefer a simple structure. Shareholders diversify their risks through a diversified portfolio and do not demand one object to be diversified.

In contrast to the single proprietorship consideration to the manager of the corporation must be taken. Managers have a non-diversified portfolio and therefore prefer a diversified strategy. Managers are to act to satisfy shareholders since they contribute with capital, but as shareholders tend to be absent monitors, the managers can have a high degree of influence.

Risk behaviour would be stimulated by strategy if the strategy was related or unrelated business, thus not only focused on one specific business. The structure preferable for shareholder ought to be the multidivisional form as this form implies possibility for monitoring the manager. Larger corporation with a diverse set of businesses could also be organised in the matrix form. The complexity of the matrix form combines different divisions with different functions.

Due to managers low preferences for assuming risk a diversified strategy would stimulate risk behaviour. A diversified strategy demands a structure capable of governing more than one business, suggesting the structure to be multidivisional, or in its extreme, matrix. To change strategy in a multidivisional form the risk could be restricted to but one of the divisions. The multidivisional form will stimulate risk behaviour.

H38. A diversified strategy will stimulate risk behaviour.

H39. A multidivisional structure will stimulate risk behaviour.

This type of strategy having more than one business implies the organisation to be open for other and new possibilities. If the structure is multidivisional it is easier than in the functional form to add a new activity and strategic opportunism can take the form of either development in relation to the core business or without any relation.

H40. A diversified strategy in a multidivisional structure will stimulate strategic opportunism.

3.5.4.4 The co-operative firm

Co-operatives do not necessarily pursue strict profit maximisation strategies, but have rather the members' objectives to strive for. The worker co-operative provides e.g. the workers with satisfying conditions, the producer co-operative aims at satisfying the producers' with good terms of trade, and the consumer co-operative will look after the desires of the consumers. Co-operatives have been claimed to be inflexible organisations due to free riders (members taking no active part in monitoring), short-term planning (non-transferable rights), and influence problems (managers tend to have a strong power) (Katz & Boland, 2002).

A high influence from managers will induce a diversified the strategy since managers want to diversify. An advanced business concept gives the managers even more freedom to act, and more chance to behave deceitfully. It has however been concluded that co-operatives diversify into unrelated ventures at a lower level than non co-operatives (Katz & Boland, 2002).

Residual rights cannot be transferred upon the withdrawal of a member, suggesting the planning horizon of members to be short. This might be the case in the consumer co-operative but hardly in the worker co-operative. Members in the worker co-operative have made firm specific investments and are therefore prone to think about the future. However, the future in

the organisation depends on the members' age. It has before been claimed that the manager in the worker co-operative could be internally recruited which reduce deceitful actions, both due to managerial investments in the firm and that the manager is socialised with the norms of the co-operative. Within a consumer co-operative the members are not specifically motivated to think in the long run, and will not choose to make investments in firm-specific assets (Sörgaard, in Nilsson, 2001).

Managers of co-operatives tend to have a lot of influence and their low preferences for assuming risk will, when the strategy is diversified, stimulate risk behaviour. Shareholders of a corporation want the assets to be easy to value and they prefer a simple structure. This contrast to members of a co-operative who have non-transferable rights and therefore no interest in how easy or difficult the organisation is to value, which implies no limitation on the structure. If the co-operative firm has a diversified strategy it will benefit from a structure that fits the strategy, i.e. a multidivisional form. This form also makes it easier to evaluate different divisions contributions, hence increase the possibility for the members to evaluate the managers' behaviour. The manager could also benefit from a multidivisional form as delegation of responsibility could take place.

H41. A diversified strategy will stimulate risk behaviour.

H42. A multidivisional structure will stimulate risk behaviour.

Co-operatives make democratic decisions where the members' opinions are taken into consideration. Even though it has been claimed that managers have entitlements to make decisions a decision to change strategy will have to be taken by the members and due to collectively decisions it will take time to agree on a change. It has also been stated that even if members' demand changes the operations will not be redirected (Nilsson, 2001).

H43. A diversified strategy in a multidivisional structure will stimulate strategic opportunism, but members' averseness towards changes will have a dampened influence.

3.5.4.5 The non-profit association

A non-profit association is often founded with the vision or ideology of doing something good for society and its citizens. With the board's function being that of taking care of the members' different interests conducted with a wide variety of board members, gives the assumption that the governance of non-profit associations will stimulate strategies from the members, as member satisfaction is of high importance and the governance is democratic. The rights are non-transferable, the members have no liability and are devoted due to interest. This could suggest the non-profit association to involve short-term strategies, coming and going quickly. However, associations tend to have a core mission, i.e. taking care of sick people, offering childcare, looking after animals, night walkers, etc., this core product will not be affected by the short term strategies since it constitute the very foundation. Short-term strategies could instead be a way of compensating the volunteers, but will never be allowed to compete with the core business regarding resources. A non-profit association with a board constituted by voluntarily non-professionals having a restricted control over management, together with strategies varying in intensity due to members' engagement, will unease the maintenance of the short-term strategies. Associations therefore tend to have complex organisations since they are built in order to deal with complexity of different short-term strategies, added with the main strategy. Since the members are both governors, constituting the board or voting for directors, and customers, buying services, there might be conflicts concerning which new projects to support. Delegations of decision-making could in a

complex organisation stimulate risk behaviour, since the risk at the “headquarter” is less than within each division, and a higher risk behaviour can be accepted for the different divisions, which contrast to the functional form where the headquarter is subject to all risk. However, since the members are not separated from the headquarters, the complex organisations will not stimulate risk behaviour.

H44. A complex structure will restrain risk behaviour.

H45. The strategy will have no influence on risk behaviour.

The non-profit association aims at member satisfaction, and the satisfaction is founded in the core business. Thus, the short term strategies, with delegated responsibility, cannot threaten or compete with the core business regarding recourses, but must be outside the non-profit association’s core business. Growth will therefore be characterised with different short termed strategies, still with maintenance of the core business.

H46. A complex structure will stimulate strategic opportunism, mainly outside the core business.

3.5.5 The product market

The product market can induce a firm to innovativeness, through being dynamic, with frequent changes in products or tastes of the consumer (Lumpkin & Dess, 1996). Organisations innovate in anticipation of, or response to, their external environment, and researchers use different environmental classifications of its impact on CE; dynamism, hostility, industry life cycle changes (Covin & Slevin, 1991); dynamism, munificence, complexity, industry characteristics (Lumpkin & Dess, 1996); dynamism, hostility, heterogeneity (Zahra, 1991); dynamism, technological opportunities, perceived industry growth (Zahra, 1993). Competition in the market is widely considered an incentive to effort and in the case of perfect competition all discretion has been claimed to disappear (Ricketts, 2002).

3.5.5.1 The single proprietorship

The entitlements of the property suggest the single proprietor to be alert on environmental changes since if being unable to produce what the market demands the organisation will not survive. If the product market is dynamic and hostile the risk behaviour will be restricted as single proprietor have unlimited liabilities. The product market offering slow changes with little complexity will stimulate risk behaviour as the single proprietor can more easily follow and understand changes, putting effort into specific advantages.

H47. A hostile product market will restrain risk behaviour.

Regardless whether the product market is hostile or not, the single proprietor will, even if not acting, stay alert on changes. The single proprietor will not seek new ways or markets, but will enter new markets if the market does, acting as a follower.

H48. A hostile product market will stimulate strategic opportunism.

3.5.5.2 The partnership

Partners tend to have the same entitlements as the single proprietor, only distributed to more than one person, and the product market will stimulate risk behaviour when being less hostile, and restrain risk behaviour when being hostile.

H49. A hostile product market will restrain risk behaviour.

The bundles of property rights will make the partners always considering the market and changed demands, supply etc. Regardless whether the product market is hostile or not, the product market will stimulate strategic opportunism.

H50. A hostile product market will stimulate strategic opportunism.

3.5.5.3 The corporation

The difference between the two already mentioned organisational forms and the corporation is the separation of the residual claimant and the manager, present within the corporation. The managerial role in the two former is often vested within one of the residual claimants, suggesting the product market to have little effect on making the manager act less opportunistic. The proprietor or the partner will, regardless product market, be interested in good governance of the organisation. If the proprietorship or the partnership has a recruited manager that person can be monitored.

Corporations, on the other side, have difficulties in monitoring managerial actions thoroughly due to size and that shareholders seldom take active part in production. The corporation can profit from the mechanism of the product market in the sense that competition and rivalry will make the manager want to elude bankruptcy and therefore tend to act. Whether the risk behaviour will be influenced by the product market or not depend on which participant the analysis focus on.

Shareholders' rights to the residual emphasise a high degree of alertness towards environmental changes. Mainly due to need of securing future needs of financial means, which can be obtained with satisfied shareholders that want to make investments. The stimulation of risk behaviour, seen from the shareholders point of view has however little to do with the product market, and is instead present due to shareholders' diversified portfolio and systematic risk. Thus, the product market, seen from the shareholders' point of view will have no influence on risk behaviour.

Recruited managers in the corporation have already been claimed to have low preferences for assuming risk, and the product market will not affect these preferences different. Managers tend to be risk-averse, but also need to act in accordance with the shareholders of the organisation, as otherwise is the manager risking losing the position. A less hostile product market would therefore suggest the managers' preferences for assuming risk to increase and the risk behaviour would be stimulated. On the contrary, a hostile product market will, due to managers' low preferences for assuming risk, not influence the managers preferences, and instead restrain risk behaviour.

H51. A hostile product market will restrain risk behaviour.

A hostile product market will stimulate both shareholders' and managers' influence on strategic opportunism. They will stay alert on changes, analyse competitors, and look for changes, that could be ignored if market competition was perfect.

H52. A hostile product market will stimulate strategic opportunism.

3.5.5.4 The co-operative firm

An important condition for a productive market economy is that resources are mobile. It must be possible to move assets from a shrinking sector to an expanding one, from poor investments to prosperous investments. However, as co-operatives are built upon free cash flow, such movement is difficult (Nilsson, 2001).

Worker co-operatives having members with low preferences for assuming risk, where the manager tend to be internally recruited, will with a hostile product market not change risk behaviour. They have members with firm specific investments suggesting the co-operative firms to be a stable organisation even in turbulent environments. In contrast to the worker co-operative, members of a consumer co-operative is not that “locked-in” and when facing a hostile product market the risk behaviour of the organisation ought to be higher, as consumers could easily be lost. Producer co-operatives have members with different firm specific investments, the more investments the less will a hostile product market stimulate risk behaviour.

H53. A hostile product market will have no influence on risk behaviour within worker co-operatives.

H54. A hostile product market will restrain the risk behaviour of the producer co-operative.

H55. A hostile product market will stimulate the risk behaviour of the consumer co-operative.

If market conditions where the co-operative firm is operating change so that the needs of the members become weaker, or if they change or disappear, it is difficult to modify the focus of the firm. A co-operative firm, in which free cash flow represents a dominating part of the equity, will not necessarily shut down if the members’ need for the firm disappears (Nilsson, 2001). Thus, the product market will not have the strongest influence on strategic opportunism, but regardless co-operative form the product market will be claimed to have a stimulating influence on strategic opportunism. The worker co-operative might be the co-operative less concerned with watching, looking out for, or following competitors, but the product market will still stimulate to stay alert on changes and hinder the organisation to fall asleep.

H56. A hostile product market will stimulate strategic opportunism.

3.5.5.5 The non-profit association

Non-profit associations have difficulties in obtaining capital, making the organisation a bad bearer of risk (Hansmann, 2000). Regardless members’ interests, the non-profit association rely on debts, donations and retained capital and tend to be present in markets with slow changes, i.e. basic health services, educational services (Hansmann, 2000), and sport organisations. Regardless if the non-profit association is present on a hostile or a less hostile product market the association strive for goals, other than profit maximisation, and they tend to have an “inside” product market, with members also being governors. The product market will not influence the risk behaviour.

H57. The product market will have no influence on risk behaviour.

The association’s members are no residual claimants, implying the preferences for assuming risk to be high, but extremely restricted efforts will be made against the market and their different demands. A sport organisation appreciate the wellbeing of already existing members

more than a constant increase in e.g. size, which could lead to a more competitive atmosphere within the association (Smith, 2003). As the members cannot capitalise on the future through transferable rights, the future is of less importance to them. An association contributing with means to individuals in need also tends to be less concerned about competitors. Nursing care and hospital care, organised as non-profit association tend to react less rapidly to growth or increased demands, than for-profit organisations (Hansmann, 2000). The product market seen from the members' point of view will have no influence on strategic opportunism.

Members could be widely dispersed and are often without any financial interests in monitoring the association, implying control to be in the hands of the manager (Hansmann, 2000). It has therefore been stated that in order to decrease managerial opportunism non-profit association should exist in a competitive environment, which ought to foster managerial behaviour to go in line with the goal of the organisation (Ricketts, 2002). However, the absent of strong member control suggest the manager to control. Managers being risk averse, with little monitoring, implies the product market to have no influence on strategic opportunism.

H58. The product market will have no influence on strategic opportunism.

3.5.6 Non-market resources

Resources available to all organisations are resources that can be acquired on the markets. A difference between the organisations is non-market resources, the non-profit association being the only organisation receiving donations and having the privilege of volunteers.

Volunteer work is not only co-ordinated by price but “involve conformity to general norms of reciprocity defined as a mutually contingent exchange of gratification between two or more units” (Enjolras, 2000, p.352) and non-profit associations are claimed to be trustworthier than for-profit organisations (Enjolras, 2000). E.g., in a for-profit organisation the producer has more information about the service/product than the consumer, leading to ideas about asymmetric information. With lower quality the production costs will decrease and the profit increase, but the customer will be unaware. The producers in the non-profit association (the members) have no rights to the profit and they therefore gain little from decreasing the quality for increasing the profit. It is also likely that the members are the consumers, implying even less interest in lower quality, but an increasing trustworthiness.

Whether a non-profit association is a bank, a hospital, or a small organisation serving soup once a week to homeless, the organisations will not give the volunteer any financial compensation, but instead serve the volunteer's satisfaction of contributing to other peoples well being. The aim or interest might not be to grow or to develop, but there is a possibility of growing or development. Whether the volunteers will stimulate or restrain development depends on the members' interests. Enjolras (2000) makes a separation between members of non-profit associations, the ideological and the self-preservation members. Ideological members are donators and/or volunteers taking part of services offered by the association. They direct the association to comply with its constitutive ideology and they are motivated by the official goals of the organisation. The self-preservation members are motivated by the development of the association per se. They try to increase the market share of the association and are interested in private symbolic and material rewards. They are also interested in managerial development.

However, an association dominated by self preservation members will still have the financial back-up from government, but a higher interest in development, leading to a higher degree of stimulation of innovativeness, than an association dominated by ideological members. The question is however if the associational organisation is to stimulate private members with symbolic and material rewards, instead of being an ideological association? A too large amount of self-preservation members will make the gratification more difficult as the objectives of these members are private goals. Still, the presence of self-preservation members could benefit the association, as ideological members would get prone to act. The no liability of the members could induce entrepreneurial activities, but as the rights are non-transferable, activities tend to be short termed.

H59. Non-market resources, i.e. volunteers, will stimulate risk behaviour.

H60. Non-market resources will have no predictable influence on strategic opportunism.

3.6 Criticism and limitations of the theory

The model is an attempt to see if organisational forms differ when considering characteristics of CG mechanisms and their influence on CE. The model offers a new point of view with the base in property rights, and intertwinement of CG and CE but it has its limitations and deficiencies, i.e.:

- The theory is an attempt to, through considering the mix of property rights which makes it possible to separate five organisational forms, describe the mechanisms of governance, and their influence on developmental activities. This aim makes the assumption that organisations in one form behave similar, which of course could be claimed to be overstated. A non-profit association such as a small riding school on the countryside or a large hospital in a developed area differs most likely in board composition and attractiveness for governmental subsidiaries. Governance of corporations has been claimed to differ due to dispersed or non-dispersed ownership. The only organisational form that has been separated in the organisational forms is the co-operative firm since the property rights differed between at least three forms of co-operative firms (producer, consumer, and worker co-operatives). However, the aim has not been to in detail describe the organisations, but to offer an institutional frame, based on the theory of property rights, stating general hypotheses for five organisations.
- Five organisational forms have been separated and claimed to differ in regard of property rights. The author is aware that these five forms are overarching and that others exist. The chosen forms have however been thought of being the most important, and offered a satisfying degree of variation concerning the bundles of property rights.
- Theories of CG and CE tend to focus on performance as a measure of governance and development. This dimension has been left out in this dissertation. The reason for this is that the goals differ with organisational form. A corporation is stated to have profit-maximisation as goal, which hardly is the goal of a non-profit association, and a private owner can have the goal of survival instead of increasing profits. Thus, the

focus is on characteristics of CG, and CG's influence on CE, excluding the aspect of performance.

3.7 Summary of the theoretical framework

The theory presented is based on the theory of property rights which entitles participants contracted to organisations certain rights, i.e. the right to be residual claimant, the right to monitor, and/or the right to make decisions. The theory of property rights constitutes the base for a separation of five organisations. Theories of CG and CE have been added with the aim of explaining governance and development of the five organisations.

4 Empirical Method

This chapter states the method used to accomplish the empirical test and evaluation of the theory stated in chapter three. The main focus was to separate five organisations, understand characteristics of CG, and CG's influence on CE. The empirical object only covered three of the five organisational forms and it will therefore not be possible to test the model in its entirety. Where a satisfying number of responses was present the hypotheses will be tested, otherwise will they be evaluated.

4.1 The research strategy

The purpose of the dissertation was to state a theory separating between organisational forms, and to present a testable model of mechanisms of CG and its influence on CE, which was to be tested on riding schools. When testing hypotheses in order to create a generalisation the hypotheses are examined towards the population. From there an acceptance or rejection of the hypotheses can be made. The intention was to investigate all Swedish riding schools, which however cannot be claimed to be sufficient for a test of the model as not all organisational forms could be assumed to be present within the population. A survey including the entire population will however make it possible to evaluate the hypotheses within the chosen industry. The results are deducted hypotheses, empirically evaluated. However, one of the organisational forms showed a sufficient response rate and these hypotheses can be tested. The model in its entirety will be evaluated, implying no possibility to falsify the hypotheses neither to claim them to be valid or invalid for a population. Thus, the theory can neither be rejected nor accepted, only assume indications, and some hypotheses can be tested.

When looking at different research strategies, the most important is to choose the one that is appropriate to the particular research questions and objective. Saunders et al (2000) claim the most important strategies to be experiment, survey, case study, cross-sectional and longitudinal studies. Experiments are mainly accomplished within the natural science, case studies are conducted on a smaller sample of cases, and longitudinal studies demands data over a long period of time. The chosen research strategy for evaluating governance and development of riding schools differently organised will be a survey study. This is a popular and common strategy in business and management research, mainly because it allows the collection of a large amount of data from a sizeable population in a highly economical way. The strategy is often based on questionnaires making the data standardised, and even though it is a time-consuming strategy it is the researchers own time that is being spend and the work can be made whenever the researcher so desires and is not dependent on when the respondents have time. (Saunders et al., 2000)

4.2. Data collection

Data is commonly divided into two types, primary and secondary data. Data that has to be collected and revised is of secondary character and data that researchers create themselves is primary data. Both secondary and primary data will be used in this dissertation. The primary data consists of the answers received from the respondents. The secondary data consist of information received from other sources, e.g. the former conducted case studies within the

project, which mainly has contributed with overall information about the industry and helped to formulate the questionnaire.

4.3 The population

The model involves five different organisational forms, i.e. single proprietorship, partnership, corporation, co-operative firm and non-profit association, which suggest a large empirical base capable of covering all forms. One empirical object covering different organisational forms is the field of riding schools. The definition of riding schools is however not crystal clear. They can own or rent their establishment, own or rent their horses, have members or customers with private horses taking lessons, the personnel, i.e. instructors can receive wages or work voluntarily. Thus, there is no clear definition on a riding school.

The idea was to investigate all Swedish riding schools which, according to the Consultant of the National Equestrian Federation amount to about 500 (interview, Vilken), but according to The National Statistics Office there is but 150, or 1711. (1711 was found when searching for the companies with a specific SNI-code, i.e. business code, but included more than only riding schools. 150 was found when searching for companies including the word rids, short for riding school, and ridk, short for riding club, in their company name.) With the risk of excluding too many riding schools, or including too many irrelevant by using addresses from The National Statistics Office, and as the majority of riding schools are members of the National Equestrian Federation, the latter was contacted for addresses. However, difficulties in obtaining the addresses emerged since it was not possible to get addresses to only riding schools, but they included addressees to riding associations with the focus on e.g. arranging competitions, take care of children, educate horses etc. A riding school's core business should instead be to provide their members with riding lessons of dressage and jumping. However, not all riding schools are members of the Federation and a countrywide association (RRO) working for riding schools was contacted and they contributed with some addresses.

Thus, addresses from two sources will be used, the National Equestrian Federation and the country-wide association, resulting in 1020 addresses. However, not all of these actually had a riding school, and it can be assumed that Sweden has about 500 riding schools (interview, Vilken).

4.4 The questionnaire

A questionnaire is in contrast to interview a cheap way of getting information but there might be risks. The respondents might answer without thinking just to get it over with. With e.g. observations it is more difficult to lie. Questionnaires work best with standardised questions which can be interpreted in the same way by all respondents. The two case studies conducted in the project laid the ground for helpful information of how to construct meaningful questions including right definitions within the riding school industry. Three persons with experience from riding schools were "guinea-pigs" and contributed with valuable information since some questions needed to be changed or explained. The respondents received the same set of questions, asked in a predetermined order. A selection within the population could have been done, contributing with fewer riding schools where it could have been possible to make phone interviews if the response rate was too low, but as the survey is part of the project all riding schools were to be included.

Most questionnaires include a combination of open and closed questions (Saunders, 2000), and so will this, the majority being closed. One advantage with closed questions is that they are easier to analyse, which is an advantage when the number of questions already is high. When having closed questions there has always been the alternative “other”, which makes it possibly for the respondents to specify certain things that the questionnaire-maker has not considered. Open questions allow the respondents to answer in their own way and closed questions provide a number of alternatives from which the respondents are to choose one. The closed questions will be that of lists and scale. The list questions offer the respondents a list of alternatives, any of which they can choose. The questionnaire consists of three different scale questions; two using the semantic differential scale and one using a seven-pointed Likert scale. It has been argued that the same scale is to prefer (Saunders et al, 2001), this could however not be achieved within the two first scale-questions as more than four respectively five alternatives would have been difficult for the respondent to separate between. It could be argued that the Likert scale question could have had a five-point scale, corresponding to the commonly used Likert-scale, however, with the aim of getting higher variance on the statements a seven-point scale was chosen.

Sweden has about 500 riding schools, and the questionnaire was sent to 1020 organisations being members of the National Equestrian Federation and/or the country-wide association, the probability to have a riding school was about 50 per cent. At the covering page it was therefore possible for them without the service riding to put a cross and they were asked to send the questionnaire back. They who had a riding school were asked to continue.

The questionnaire was sent to the person responsible for the riding school, as the names of the owners were not listed, and as non-profit associations do not have owners.

The questionnaire was sent in Swedish as the respondents were assumed to know Swedish. Since the questionnaire is attached to the dissertation it was necessary to translate it into correct English. To be sure that the translation was correct and that the interpretation remained the same, translation from Swedish to English was made and thereafter an independent person translated the questionnaire from English to Swedish.

4.5 Response rate

The questionnaire was sent to 1020 addresses and a reminder including the same questionnaire was after two weeks sent to the addresses which had not returned the questionnaire. From the 1020 addresses, 383 questionnaires were returned. Since not all addresses could be assumed to have riding school it was naturally that some respondents would put a cross at the covering page, indicating that they did not have a riding school, and send it back. Unfortunately have the majority of the returned questionnaires been represented by respondents without riding schools. 311 have indicated that they do not have a riding school, and 72 have indicated that they have a riding school. Out of these 72 have 10 answered that they do not have time or the interest to participate in the survey, and usable questionnaires amount to 62. The number of riding schools have been claimed to be 500 (interview, Vilken), which would indicate a response rate of 14 per cent, but as this is but an estimation, the response rate of respondents with a riding school is less relevant, what can be stated is the number of respondents which in this population amount to 62.

	n
Without a riding school	311
With a riding school	72
With riding school but without time or interest to participate	10
Sample	62

4.6 Operationalisation

A theory indicating phenomena that might be determined to exist can not be justified until it has been observed (Hartman, 1998). The theory presented in previous chapter is based on the theory of property rights which entitles participants contracted to organisations certain rights, i.e. the right to be residual claimant, the right to monitor, and/or the right to make decisions. The theory of property rights constitutes the base for a separation of five organisations, including the assumption that organisations' participants have different rights. Governance of organisations therefore ought to differ, as well as development. Theories of CG and CE have been added. Thus, the theory claims that due to different organisational forms, based on property rights, the CG mechanisms and its influence on CE will differ. To make this theory empirically suitable, questions to get relevant answers had to be formulated.

The aim is to make a distinction of different organisational forms, to evaluate the mechanisms of CG, and to understand CG's influence on CE.

To make it possible to understand the way of transferring theory to empirical measurements questions it will be referred to the questionnaire (appendix 1). Questions number 1 – 15 and 17 deal mainly with characteristics of the riding schools and investigate the mechanisms of governance. Question 16 aims at investigating both governance and development, asking the frequency of ideas brought forth of different participants. Question 18 offers a mix of statements where the respondents are to mark their opinion of how different aspects have changed during a period of five years. The scale is five pointed including decreased considerably slightly decreased unchanged slightly increased and increased considerably. The reason for the five-point scale is mainly that five levels were the most appropriate, "three" would have included too much in each definition not really contributing with information, using "seven" would imply difficulties in finding appropriate definitions of the different levels. The statements are mainly thought to cover aspects of CE asking for changes, but also reveal information about mechanisms of CG, i.e. product market, organisation structure/strategy, and non-market resources. The disadvantage with statements is that they can be differently interpreted by respondents, that it is the general opinions that are given and not the specific case of the respondents, or that the statements are not thoroughly read as they are listed close after each other. Another problem is that the five definitions can be assumed to be differently interpreted, as "increased slightly" or "increased considerably" hardly will be interpreted the same by all respondents. One alternative would have been to have an open question asking the respondents to specify what the changes implied, but what is of interest is the overall opinion, and open questions of five hundred riding schools would have been difficult to interpret.

Question number 19 consists of 49 statements and the respondents are to mark whether they disagree or agree on a scale from 1-7. The statements focus on different aspects, i.e. governance, development, aim of the riding school and aims at collecting respondents'

attitudes and beliefs. At first, the statements were thought of investigating but CE as scale-questions tend to be the common way within this field (e.g. Zahra 1991; 1996; Gabrielsson; 2002) However, statements investigating governance were added since by asking the same question in different ways will increase the validity. The statements have been mixed due to human's tendencies for consistency, e.g. not all statements regarding the board would appear together, which could imply that the respondents answer in the same way. The question could also include statements asking the same thing, or asking the opposite, mainly to see if the respondents were consistent in their opinions. Using a scale question including aspects of governance and development also makes it possible to analyse if relations between the aspects existed. A further advantage with the scale questions is that the respondent might lack information or feel that they do not have the time to seek the information asked for, opinions to be marked on a scale consume less time, and give indications of the respondents opinions.

Question number 18 could be reformulated to be included in question number 19, but would have had to be asked in two questions instead of one to catch the same thing, which seemed unrealistic. E.g. Number 18 - Competition (answer ranking from decreased considerably to increased considerably). Reformulation to statement number 19 would have been "the competition has increased" (answer 1-7) and the competition has decreased (answer 1-7). To catch changes, which is of highest importance for investigating CE, with a reasonable amount of question, the scale with the five alternatives was chosen.

Five years (1998-2002) have been the period of time and the reason for not choosing more than five years is that associations most likely do not have easy access of accounts.

The attempt with the questionnaire is to catch answers with relevance to the theory, i.e. property rights, CG and CE and the three fields will separately be described below.

4.6.1 Property rights

The theory of property rights includes five organisational forms and will be investigate in a listed question. One difference between the organisations is that the non-profit association has non-market resources, i.e. volunteers and donors, and this will be investigated with closed and scale questions.

Question number 2 aims at investigating the organisational form of the empirical objects. The theory depicted five organisation, these five organisations are also the alternatives for the respondents, i.e. corporation, single proprietorship, non-profit association, partnership, and co-operative firm. As other forms could not be excluded to exist the alternative "other form" was added, and the respondents were then asked to specify organisational form.

4.6.1.1 Non-market resources

The non-profit association is hypothesised to be the organisational form with pronounced non-market resources, i.e. volunteers and donors, which therefore is of interest to investigate. Question number 11 finds out if the staff are working as volunteers since the respondents are asked to state employment, e.g. fulltime or voluntarily. Question 13 and 14 ask about compensation to managers and instructors and include the alternative "no compensation" indicating that the manager and the instructors work voluntarily. Volunteers are an important resource for the non-profit riding school and with question number 18.11 the respondents are asked to on a five-point scale mark how the number of voluntarily workers has changed.

4.6.2 Corporate Governance

CG has been claimed to include a set of mechanisms, i.e. capital structure, board of directors, managerial labour, organisational strategy/structure, and product market. Questions concerning CG have been open (in the sense that the respondent are free to specify where the headlines has been given), but the majority have been closed questions. Each mechanism has been given at least one bigger specific question, trying to find out specific characteristics of the different mechanisms, except the product market which only is to be investigated with scale questions.

The mechanisms have then also been investigated with statements where the respondents on a scale, ranking from 1 to 7, express their opinions. The addition of the statements was made, as said before, to increase the validity and to see if the respondents were convinced in their opinions.

4.6.2.1 Capital structure

Question number 4 aims at finding out whether the organisation owns the establishment or if they rent it, and when renting, if they pay a subsidised rent. If renting, the organisation does not have to stand the risk for damages or take all costs when repairing, on the other side does the organisation have limited freedom concerning decisions of rebuilding, repairing etc. Organisations paying a subsidised rent have lower expenses and could be concerned with the production of the organisation, but they have to behave as the subvention otherwise could be lost. Organisations owning the establishments have a larger freedom in deciding what to do, on the other side do they have a higher responsibility, making them prone to maintain the establishment and saving money for future reparation etc. It could of course be of interest to see the degree of subsidised rent, but the focus is instead if the organisation owns or rent. The alternative “other form” is the last alternative as one can never suppose to have included everything.

Question number 15 asks about the balance sheet, however only the debts, i.e. long- and short-termed debts, and total assets. Capital is essential when investing in new activities or develop already existing and a large degree of short-termed debts implies a short-termed planning horizon, and restrains the likelihood of engaging in risky projects. Total assets give a hint of the size of the riding school. The reason for not including the assets was mainly because they tend to be constituted with horses. Horses are difficult to value and including them would result in difficulties in getting a correct and reliable measure. Therefore has only the debts been asked for, suggesting an easier variable to evaluate.

4.6.2.2 Board of directors

Question number 9 aims at finding out the characteristics of the board. The single proprietorships and the partnerships are excluded from this question as they operate without a board. For each person, i.e. the chairperson, the cashier, the secretary and the directors, both regular and deputy, excluding the co-opted directors, the respondents were asked to specify specific data, i.e. gender, age, number of years in the board, specific functions, and if the directors represent an external interest, i.e. bank or municipality.

The inductive study of the non-profit riding school (Collin & Smith, 2003a) showed that even if the majority of the riding school’s members were females, female and male directors were equally represented at the board, and only one out of seven chairpersons have been females.

The age of the directors is of interest to see “the age of the board”, a sport for youngster could be thought to be governed by youths. The age is also of interest, indicating age-disparities between the directors.

Researchers argue whether a homogenous group or a heterogeneous group stimulate development, one way to consider homogenisation is to consider board experience, i.e. number of years at the board.

A variety of different committees, delegated to directors, would indicate an interest in satisfying members' different interest. A riding school with for example committees for competitions, sponsors, youth-activities, parents-activities etc suggest the riding school to be engaged in different activities as the sections are represented at the board. If the board has a lot of different committees it could be argued that a lot of time would be dedicated to take care of these different members' interests, and the board would have the function of solving conflicts.

External representatives i.e. the municipality could have less insight in the organisation, and seen as outsiders, they could contribute with new ideas that insiders do not pay attention to. Having a municipal or bank representative would probably influence the monitoring aspect over financial information, and could be an advantage when facing financial crises.

If the riding school had more directors than was possible to list, they were asked to attach a paper with this information.

Question number 19 with its statements mainly deals with finding out the function of the board, claimed to be that of providing service - 19.7, 19.23, setting the strategy - 19.39, 19.42, constituting an arena for conflict resolution – 19.41, 19.44 and having the function of controlling - 19.11, 19.15. These statements are of importance when analysing function of the board, and the board's influence on CE, hypotheses 19 and 20.

4.6.2.3 Managerial labour

The organisational forms without member-governance, i.e. the single proprietorship, the partnership, and the corporation were in question number 3 asked to state whether the owner of the riding school also had the position as manager. The reason for this question is that later questions only focus on the manager, and it could be of interest to know whether the manager was a recruited manager or the owner him/herself.

Question number 13 asks the respondents to mark which of 10 alternatives the manager receives as compensation for work. Riding schools tend to have bad economy and it is of interest to see if other forms than pure financial rewards are offered, e.g. stable place for free or at cost price, or whether the manager is allowed to have lessons on the riding school's horses and at its establishment. As the manager could be assumed to work voluntarily that alternative is included as well. The alternative is mainly based on the case studies and own experience. As more than the 10 alternatives could exist an 11th alternative "other, please specify" was given.

With question number 15 it is possible to investigate wages in relation to total costs of wages, as well as if further education is present and the amount of it, which can be of interest as financial compensations except for wages seldom exist, and another way of rewarding could be through further education. This is actually a part of the previous discussed question, question 13, but will contribute with more specific data.

Statements 19.4, 19.9, 19.18, 19.27 aim at finding out the opinions of general characteristics of the managers, e.g. their tasks, labour market, education and if they are externally recruited, and the importance of well-educated instructors. The opinions of the respondents regarding managerial influence on CE is asked with statements 19.1, 19.26, 19.43, trying to find out if

initiatives and implementations of future activities lies in the hands of the manager. With statement 19.37 the opinion of compensation concerning ingenuity of staff is asked for.

4.6.2.4 Organisational strategy/structure

The intention with question number 17 is to find out the activities of the riding school and see if there exists a delegated responsibility of leading the specified activities. It is a box listing 31 activities from the top of the side to the bottom, and horizontally are the responsible persons listed and the respondents are to put a cross in the box corresponding to the person with the daily responsibility. The reason for asking about the person with daily responsibility is that the formal decision-making already is known, what is unknown is if there exist delegations of rights. A delegation would indicate that the riding school is not afraid of letting some responsibility over to other persons, and that the structure is clearly stated, each person knows his/her specific areas of responsibility. The question also investigates the strategy, as it will be known how many different activities the riding schools have.

31 different activities are listed, based on the case studies, comments from the “guinea-pigs” testing the questionnaire, and from own experience. The respondents have the possibility to list other activities if some have been forgotten. Nine different responsible person/persons are listed horizontally, i.e. owner of the riding school, board of directors, section/committee, manager, person responsible for the stable, single instructor, instructors as a group, other volunteer/s, and the last alternative is to be marked if the activity does not exist. It could be assumed that the owner also is the manager, and therefore question number 3 has to be considered here as well (asking if the owner also is the manager). It could further be assumed that the board of directors within a non-profit riding school primarily includes volunteers, that a single instructor is the manager who is the owner, thus unfortunately do the 9 alternatives not exclude one and another. But, as different organisational forms are the object the question had to include the 9 different alternatives, present in the different organisations.

Question number 18 aims at investigating changes, in and around the riding school the last five years, 1998-2002. Changes are related to CE but are also part of the structure/strategy. The respondents are asked to on a five-point scale mark how different aspects have changed during the years, i.e. decreased considerably – slightly decreased – unchanged – slightly increased – increased considerably. Different aspects that are asked for are:

18.3 - The riding school's supply of riding lessons

18.4 - The riding school's supply of activities, others than riding

18.6 – Pony-utilisation

18.7 – Horse-utilisation

18.8 - Number of pony-lesson's hours

18.9 - Number of horse-lesson's hours

18.10 - The quality of the riding school's riding lessons

Increases or decreases could imply that the riding school had the strategy of growth, but must be considered together with demands from members and the product market. A non-profit association has been assumed to be flexible and growth could here be within different activities, whereas a single proprietorship could instead focus on but growth of the service of riding.

Organisation strategy/structure has also been investigated with statements. Statements 19.24, 19.29, 19.38, 19.49 aim at finding out the goal and tasks of the riding schools, which will be depicted in the strategy. (The aim could of course be the overriding goal, and not at all what the riding schools are actually working with, but it will be assumed that some correspondence exists.)

4.6.2.5 Product market

Questions concerning the product market are present within question number 18 and 19. In contrast to the other mechanisms this mechanism has no specific question, mainly because the statements within the questions 18 and 19 were considered to cover the need for knowledge.

Question number 18 wants to find out how things have changed in the riding school the last five years. The respondents are asked to on a five-point scale mark how the product market has changed, i.e.:

18.1 - The demand of the riding school's activities

18.2 - The demand for new activities

18.13 - Competition

18.14 - The co-operation between riding schools

The scale consists of the alternatives stated before: decreased considerably – slightly decreased – unchanged – slightly increased – increased considerably and aims at finding out the atmosphere within the business of riding schools and the demand of the riding school activities.

19.3, 19.21, 19.33, 19.34, 19.46 are statements dealing with the respondents' opinion of other riding schools, considered to be competitors or colleagues, and opinions if the business offers possibilities for development.

4.6.3 Corporate Entrepreneurship

CE has been defined as risk behaviour and strategic opportunism and is more difficult to investigate than the mechanisms of governance since it is difficult to measure changes, and what one person interpret as changes, might not be changes according to another person. The main part will be investigated with scale questions, possible of catching respondents' perception of development, which can be compared with closed questions dealing with development of e.g. number of members and horses of the five-year-period.

4.6.3.1 Risk behaviour

Risk has been defined as the involved participants' risk-preferences and its influence on the organisation's, leading to risk behaviour of the organisation. Question number 18 includes one statement, 18.12, asking if the financial result of the riding school has changed during a period of five years. Again, it is difficult to realise the meaning of the answer but if the financial results have "increased considerably" it can be assumed that the riding school ought to have more financial means available for development than if indicating "increased". Of course could "unchanged" imply constant very high financial results, but this could be contrasted with question number 15 mapmaking the financial situation.

Question number 19 includes also statements regarding risk behaviour and is important as it otherwise can be difficult to observe respondents' risk preferences. Statements 19.12, 19.14, 19.19, 19.22 asks for opinions regarding the need for economic security when engaging in new business. Risk can be related to the capital structure and statements regarding capital have already been mentioned to be 19.28, 19.35, and 19.36, mainly asking about the relation to the municipality and overall ideas about the importance of financing. As the municipality can be assumed to be a strong financial support for the non-profit association, the association might be less worried and less risk averse than for example a private riding school as the association always has the municipal back-up.

4.6.3.2 Strategic opportunism

Strategic opportunism refers to creation of new business or development of already existing businesses/activities, including definitions such as innovativeness, reactivity, proactiveness, alertness.

Question number 16 aims at clarifying to what extent different participants bring forth ideas of development. The participants are the board of directors, the owner of the riding school, the manager, the staff or the members/customers. The owner could also have the managerial role, the board could be considered to be members, and the owner could be staff, but to cover participants likely within the different organisational forms the five categories were used. Members and customers were put together mainly since the customers of a non-profit riding school tend to be called members, whereas a private riding school has customers instead of members. Development was divided into three different types, i.e. development of the activity riding which is the core business, development of already existing activities, excluding the activity riding, e.g. a riding school arranging jumping competitions and deciding to start with dressage competitions instead, and development of new activities, e.g. youth centre, café, activities that have not been part of the riding school before. The separation of the development was noticed from the case studies, and is of importance since not all development can be summarised in but one aspect.

The respondents were then to mark how often the participants bring forth ideas, the scale is five-pointed, i.e. often, sometimes, rarely, and never. These definitions are rather vague and the answers will depend on the respondents' interpretation and understanding of the frequencies, which presumably vary with each individual. An alternative would have been to ask for a specific number during a year or two, but it is not the number per se that is of interest, but to see if there are differences between the participants, and if different participants bring forth different ideas for development.

Statements within question number 18 have been claimed to investigate changes during a period of five years which can be related to the organisation structure and strategy, but statement 18.3, 18.4, 18.8 and 18.9 could also indicate entrepreneurial activities.

Statements within question number 19 were the first idea of how to investigate CE as opinions tend to be the most common way. Statements 19.2, 19.17, 19.30, and 19.32 aim at finding out if the riding schools put a lot of effort into coming up with new ideas for development, either for new or for existing members, within the same activities or by developing new. 19.16 investigate effort of marketing. Statements concerning the mechanisms of managerial labour and organisation structure and strategy have already been claimed to be related to CE. Managerial influence on CE is asked with statements 19.1, 19.26, 19.43, trying to find out if initiatives and implementations of future activities lie in the hands of the manager. 19.37 asks if the riding school compensate staff for ingenuity, which would stimulate CE. Statement 19.8, 19.45 and 19.48 combines structure and strategy with CE, such as considering free resources that can be used.

The questionnaire includes other questions than what has been described here. They have been included since the dissertation is one part in a project.

4.7 Analysis of the material

A precondition for testing the theory in its entirety was to gain satisfactory response rates, i.e. all five organisational forms had to be represented. Unfortunately have this precondition not been fulfilled. Considering the table below it can be noticed that respondents in majority are

represented by non-profit associations, 74 per cent. Single proprietorships follow with 15 per cent, corporations and partnerships are represented by five and three per cent. One respondent indicated the riding school to be organised as a co-operative firm and one indicated “other form”, represented by a riding school organised as a country council school.

	<u>n</u>	<u>%</u>
Corporation	3	4,84
Single proprietorship	9	14,52
Non-profit association	46	74,19
Partnership	2	3,23
Co-operative firm	1	1,61
Other form	1	1,61

Representation of the organisational forms within the sample

The hypotheses have been formulated with the aim of stating characteristics of CG and CG’s influence on CE separately for the five organisational forms. The organisational forms were also to be compared with each other, aimed at finding out similarities/differences between the forms. Due to a very low representation of e.g. co-operative firms and partnerships all hypotheses could not be analysed, and the model in its entirety cannot be tested.

With a low response rate and an uneven distribution regarding presence of organisational forms one alternative to conduct a meaningful analysis would be to put the single proprietorship and the partnership together, representing one organisational category, which could be compared with the non-profit associations. The reason for joining the single proprietorship and the partnership are their similarities in the setup of property rights, i.e. the single proprietor and the partners have the right to the residual, they have unlimited liability, the allocation of making decisions is mainly vested within the role of the single proprietor and the partners, and the rights are transferable. Another reason is the correspondence of the hypotheses, which all are the same for the two types of organisations. The uniting of the single proprietorship and the partnership could suggest that the theory only would have to take one form into consideration since they do not differ. However, it is the empirical object of riding schools that put limitations on the analysis, and due to a low response rate have the two forms been added into one organisational category. The hypotheses of the corporations, co-operative firm and non-profit association differ and these organisational forms cannot be combined. Since the number of corporations and co-operative firms are low, 3 and 1, they will be excluded from the analysis. Thus, two organisational categories will constitute the focus of the analysis, *the private* (including answers from the single proprietorships and the partnerships) and *the association* (including answers from the non-profit associations), and only hypotheses related to the single proprietorship and the non-profit association can be empirically examined.

Even though the number present in the two organisational forms differs, and the private has a lower representation, tendencies of differences concerning the two organisational forms will be possible to notice and the governing mechanisms and their influence on risk and strategic opportunism will be analysed within these two forms.

	<u>N</u>	<u>%</u>
Private	11	17,19%
Associations	46	74,19%

The two forms represented in the sample

The analysis is based on the five mechanisms of CG. First will characteristics of the mechanism be described, both generally for two organisational forms, and separately for the two organisational forms represented within this sample, the private and the association. Differences between the organisational forms will be investigated with a t-test if the distribution was normal. The distribution tended however to be not normal and Mann-Whitney have then been used for comparing the two organisational forms. Thereafter will focus be on the mechanism's influences on risk behaviour and strategic opportunism. Correlations have been made between measures of the mechanism, and risk behaviour and strategic opportunism, without separating between the two organisational forms. If a normal distribution was present Pearson's test was conducted, with no normal distribution Spearman's test was used. Finally will the mechanism's influence on risk behaviour and strategic opportunism be investigated separately for the organisational forms. Pearson's test will be used when having a normal distribution, otherwise Spearman's test.

It has been hypothesised that the CG mechanisms of organisations differ, both regarding characteristics and influence on CE. Thus, where differences have been observed between the two organisational forms, both characteristics and influence on CE, regressions have been conducted. The reason for using regressions is to further analyse whether organisational forms are of importance, or if indications of differences can be explained by other variables. The variable of size has been considered to be an important variable and has been added when using regressions.

The result of the statistical analysis is presented in chapter 5, and the details of the analysis are presented in appendix 2.

Thus, the analysis can, due to the low response rate, only focus on two organisational forms which put restrictions on the possibility to investigate all hypotheses. Hypotheses regarding the single proprietorship, the partnership and the non-profit associating will be analysed, hypotheses regarding the corporation and the co-operative firm will not be analysed. The table on the next page depicts all hypotheses and those that are not crossed over will be analysed. Hypotheses regarding the non-profit association will be tested, hypotheses regarding the private will be evaluated, and the model in its entirety will be evaluated.

	Corporate entrepreneurship	
	Risk behaviour	Strategic opportunism
Capital structure		
Single proprietorship	Equity high – stimulate, Debts high – restrain	Equity high – stimulate
Partnership	Equity high – stimulate, Debts high – restrain	Equity high – stimulate
Corporation	Equity and Debts high – stimulate	Equity and Debts high – stimulate
Co-operative firm	Worker co-op: no influence Producer co-op: debts high – restrain, equity high – stimulate Consumer co-op: no influence	Equity high – stimulate, Debts high – restrain
Non-profit association	No influence	Restrain
Board of directors		
Single proprietorship	-	-
Partnership	-	-
Corporation	Stimulate	Restrain
Co-operative firm	Worker and producer co-op: restrain Consumer co-op: stimulate	Worker and producer co-op: restrain Consumer co-op: stimulate
Non-profit association	Stimulate	Stimulate
Managerial labour		
Single proprietorship	Restrain	Stimulate
Partnership	Restrain	Stimulate
Corporation	Restrain	Stimulate
Co-operative firm	Restrain	Stimulate
Non-profit association	Stimulate	Stimulate
Organisation strategy/structure		
Single proprietorship	F-form – stimulate	Stimulate
	Single business strategy - stimulate	Stimulate
Partnership	F-form – stimulate	Stimulate
	Single business strategy - stimulate	Stimulate
Corporation	Multidivisional structure – stimulate	Stimulate
	Diversified strategy – stimulate	Stimulate
Co-operative firm	Multidivisional structure – stimulate	Stimulate
	Diversified strategy – stimulate	Stimulate
Non-profit association	Complex structure - restrain	Stimulate
	Strategy – no influence	Stimulate
Hostile product market		
Single proprietorship	Restrain	Stimulate
Partnership	Restrain	Stimulate
Corporation	Restrain	Stimulate
Co-operative firm	Worker co-op: no influence Producer co-op: restrain Consumer co-op: stimulate	Stimulate
Non-profit association	No influence	No influence
Non-market resources		
Non-profit association	Stimulate	Stimulate

Hypotheses that are not crossed over will be analysed

With the aim on investigating differences between the organisational form, both organisational forms need to be present, which was not the case in three of the CG mechanisms, i.e. the board of directors is not present within the private, the private stated no recruited managers and the private has been claimed to have no non-market resources. Thus, three mechanisms can analyse differences between the organisational forms, i.e. the capital structure, the organisational structure/strategy, and the product market. Three mechanisms can only focus on the aspects in one organisational form, i.e. the association's board of directors, the association's labour market and the association's non-market resources.

4.8 Validity and Reliability

To master the problems of transferring theoretical inclinations to empirical observations the concepts of validity and reliability must be considered (Hartman, 1998).

4.8.1 Validity

Validity, referring to that the findings really are about what they appear to be about, implies that the operationalisation must be correct, i.e. the measurement measures the intended measure object.

The aim was to find out the organisational form, characteristics of the mechanisms of CG within these organisational forms, and the mechanisms' influence on CE. The organisational form was found out with a closed question and must be considered to have high validity as it is the commonly legal definition, which must be assumed to be known by the persons engaged in the organisations. Characteristics of the CG mechanisms were found out both with closed questions with alternatives, and scale questions, the latter trying to find the opinions rather than pure fact. Aspects of CE were mainly found out with scale questions, giving an idea about the opinions of the respondents. The questionnaires were sent to the respondents by post. This form is probably not the best way, since observations would have increased the likelihood of receiving corresponding answers. It cannot with certainty be claimed that questions and statements concerning CG and CE are formulated in a correct way.

The questionnaires were sent to the person with responsibility over the riding school, which could threaten the validity as persons answering the questions might not be the responsible, but an instructor, or person responsible for the stable. The responsible person could further be a newly recruited person lacking the information for the last five years. Another threat is the fact that organisations within the riding business, especially non-profit associations, might have restricted control over their accounts, leading to difficulties of finding the data.

The theory within this dissertation will be evaluated within one business, and cannot be a theory that with certainty can be generalise to all other business, mainly since all five organisational forms are not present within the empirical object. To find out if the theory is applicable for organisations within different business it has to be tested within different industries.

4.8.2 Reliability

Reliability has to do with the possibility to repeat. An operationalisation is reliable when, each time, it is used for the same thing, it gives the same result.

Property rights were found out with but one question. Mechanisms of CG was investigated with mainly one larger questions, added with scale-statements, which will increase the reliability as it will be possible to investigate the same thing with different questions. CE was mainly investigated with scale-questions, mainly since researchers within the field used this method, (however, not saying that this is the best way, but it gives some approval). CE statements were asked with different questions aiming at increasing the reliability.

4.9 Summary

The aim is to make a distinction of different organisational forms, to evaluate the mechanisms of CG, and to understand CG's influence on CE.

The empirical object was to contrast from the commonly focus of corporations and is constituted by all Swedish riding schools. A questionnaire including both opened and closed questions was sent to them. The sample did however not include all organisational forms and two empirically evaluated organisational forms were created, i.e. the association (including non-profit associations) and the private (including single proprietorships and partnerships). The model can therefore only be evaluated, hence, neither rejected nor accepted. Hypotheses concerning the association can be tested due to their higher response rate, and hypotheses concerning the private can be evaluated. The focus has been to understand overall characteristics of riding schools, differences between the two organisational forms, and differences regarding CG' influence on CE, both with and without separating the two organisational forms.

5 Analysis

This chapter will present an analysis of the material. The analysis has been accomplished through evaluating and testing characteristics of CG and CG's influence on CE. The low response rate, and the presence of but two organisational forms makes a test of the model not possible, thus no acceptance or rejection can be made, however indications on that organisational forms differ and that CG influence CE, will be presented.

5.1 Variables of Corporate Entrepreneurship

Since all mechanisms will be correlated with the dimension of CE, i.e. risk and strategic opportunism, a definition of measures of CE will follow.

5.1.1 Risk behaviour

Question number 19 involves seven statements related to risk. One way of measuring reliability of these statements is to use Cronbach's alpha, which other researchers have used when analysing CE (Gabrielsson, 2002; Zahra, 1991). It is based on the average correlation of items within a test and ranges from 0 to 1, 1 indicating a high degree of reliability. The generally agreed lower limit for Cronbach's alpha is .70, although it may decrease to .60 in exploratory research (Hair et al., 1995). Testing the seven statements of risk with Cronbach's alpha resulted in an a-value of .1191. The statements can due to this low reliability not be claimed to measure risk as one coherent concept. Interestingly enough, a factor analysis (not reported here) indicated the presence of two factors of risk, and two groups of risk have therefore been created. The first includes statements 19.14, 19.28, 19.35, with an a-value of .553 (appendix 5.1.1a). The second includes statements 19.12 and 19.22, with an a-value of .588 (app. 5.1.1b). The first group is related to financial security, i.e. the financing can always be arranged, e.g. when being in need the riding school can easily receive a bank loan, and the riding schools can engage in new activities even if the outcome is unknown. Thus, it will be claimed to be a financial-related risk variable. The second group focuses on that existing and new project/activities do not threaten the security of the riding school. Thus, it will be claimed to be an activity-related risk variable. The alpha value has been accepted since the empirical object of riding schools is new within the field of CE. The statements CE-researchers have used to investigate CE are mainly focusing on for-profit organisations (e.g. Gabrielsson, 2002; Zahra, 1993). The statements in this dissertation aimed at investigating an unexplored industry, including both for-profit and non-profit organisations, and this exploratory nature could result in a lower, but still acceptable, alpha value. Two variables will be used for analysing risk behaviour, the financial-related risk variable and the activity-related risk variable.

5.1.2 Strategic opportunism

The second dimension of CE is strategic opportunism, which is investigated with statements 19.2, 19.17, 19.30 and 19.32. The alpha value of these four statements was .572 and the mean of these statements will be considered as one variable measuring strategic opportunism (app. 5.1.2a).

Gabrielsson (2002) have constructed a CE-variable as the mean of three different groups claimed to investigate CE. The three groups were; innovation (mean of 5 items, $a = .86$) aggressiveness (mean of 6 items, $a = .86$) and risk taking behaviour (mean of 4 items, $a =$

.76), with a correlation coefficient between .50 and .64. The construction of one CE variable including the dimensions of CE, i.e. risk and strategic opportunism, is less relevant within this sample since the hypotheses ask for CG's influence on risk and strategic opportunism separately. Another reason is that the statements concerning risk have been separated due to a low alpha value, indicating that they investigate different things, and a union of these statements would exclude possible interesting findings. It can be questioned why Gabriëlsson (2002) separates three aspects of CE and thereafter adds them into one variable aimed at investigating CE. Why not keep them separated as the theory indicates them to focus on different CE aspects? A reason could be predecessors within the field, e.g. Zahra (1993) has set the tradition in the field, and he collapsed the different dimensions of CE into one.

When analysing development within the mechanisms of board of directors and managerial labour, the aspect of strategic opportunism will also be investigated with question number 16. This question asks how frequent, i.e. often, sometimes, rarely or never, the board and the manager come with suggestion for development, i.e. development of the activity riding, development of already existing activities, or development of new activities. This measure differs from the variable of strategic opportunism since it divides development into different aspects, i.e. riding activities, new activities, and already existing activities. It has to be remembered that the question only asks for "suggestions", not implying that the organisations actually have carried through the ideas of development. But it will give an idea whether boards and managers do come with suggestions for development or not.

5.1.3 CE and organisational form

CG's influence on CE has been stated to differ with organisational form. Before focusing on the different mechanisms an evaluation of the three variables of CE and the frequency of suggestions for development will be made. The reason is to see, when only focusing on CE and organisational form, if there are significant differences, thus excluding CG mechanisms. A reason why differences might be detected is that the five governing mechanisms are not likely to be the only influences on CE.

To analyse whether the two organisational forms differ in risk preferences, without taking consideration to anything else, the two variables of risk behaviour, i.e. financial-related and activity-related risk variables were tested within the two organisational forms.

The test showed one strong significant difference and one low significant difference, (Mann-Whitney due to no normal distribution for one risk variable). The private was to a significant higher degree, compared to the association, of the opinion that financing can be arranged (sign .008). Associations were to a significant higher degree, compared to the private, of the opinion that existing or new activities may not threaten the security of the riding school (.087). The result is more or less the contrary of the predictions. The private organisations are of the opinion that financing can be arranged and that they easily can receive a bank loan when being in need, and they will support new project to a greater extent than associations, even though the outcome is unknown. Associations are, in relation to the private, more concerned with that existing or new activities not threaten the riding school's security. Thus, the private has higher preferences for assuming both financial-related risk, and activity-related risk. (app. 5.1a)

Strategic opportunism have been claimed to differ between the organisational forms. Making a test (t-test due to normal distribution) shows however, that when only considering the two forms in relation to strategic opportunism no significant difference is present (app. 5.1a).

Correlations of the three CE-variables shows that the financial-related risk variable is significantly correlated with strategic opportunism concerning associations but no other significant correlations are present.

The means of the three suggestions for development in question number 16 have no normal distribution. Testing their correlations with Spearman's resulted in positively significant correlations for all, both concerning the board and the managerial aspect. The alpha value was high (.834 regarding the board and .869 regarding managers) and a fourth measure could be created by adding the three "suggestions-measures" into one. (app. 5.1b). This variable will indicate how frequent boards and managers come with overall suggestions for development.

5.1.4 Summary of results concerning variables of CE

The dimension of CE will be investigated with two variables investigating risk behaviour, i.e. financial-related risk behaviour and activity-related risk behaviour, and strategic opportunism will be investigated with the variable of strategic opportunism. These variables are constituted with statements asking for respondents' opinions and have satisfied alpha values. When discussing board of directors and managerial labour will the aspect of frequency for suggestions be added.

Three variables of CE were tested. The private was to a significant higher degree, compared to the association, of the opinion that financing can be arranged, and associations were to a significant higher degree, compared to the private, of the opinion that existing or new activities may not threaten the security of the riding school. Thus, the private has higher preferences for assuming both financial-related risk, and activity-related risk. No differences were found concerning the variable of strategic opportunism.

The financial related risk variable was, when considering but the association, correlated to the strategic opportunism

The means of the three suggestions for development in question number 16 resulted in correlations and satisfying alpha-value, and a fourth measure, overall development was created.

5.1.5 Interpretation of results concerning variables of CE

Risk behaviour is among others, related to financial uncertainty or insecurity. Organisations' risk behaviour has been claimed to be influenced by participants' risk preferences. Single proprietors have for example been claimed to have lower preferences for assuming risk than associations since the single proprietors make specific investments, have unlimited liability, and transferable rights, suggesting the organisation's risk behaviour to be the same, i.e. low. Members of associations have non-transferable rights and no liability, thus higher preferences for assuming risk, suggesting the association to have higher risk behaviour. The contrary was indicated in the evaluations.

One reason could be that the private owner is the person responsible, and when being in need of money the owner could go to the bank, increase the prices of the riding lessons, or decide to sell a horse/pony. The association is democratic and member-governed. When facing a financial crisis the fact that the members have no liabilities might make them slow in reaction, thus, the voluntarily directors are not risking their own money and it might take longer time

before going to the bank and asking for financial support. The democratic nature further implies slow changes, and that everyone has to agree on changes. When being in need of money the members might be unwilling to increase the prices since they are not only governors, but also buyers of the services.

Thus, the private shows indications on having higher preferences for assuming risk than the association.

5.2 Capital structure

The capital structure, defined as equity and debt, has been claimed to influence risk behaviour and strategic opportunism.

5.2.2 Characteristics of the capital structure

Characteristics of the capital structure will be analysed with the aspects of owning or renting their buildings together with equity and debts.

5.2.2.1 Buildings

Buildings has been analysed through considering whether the two organisational forms own or rent their establishments. The majority of the associations own their establishments, 58 per cent, whereas owning or renting is equal in the private.

	Private		Association	
	<i>n</i>	%	<i>n</i>	%
<i>Own the establishment</i>	5	46	21	58
<i>Rent the establishment</i>	6	54	15	42

Testing for significant differences concerning owning or renting showed no significant differences (app. 5.2.2.1a).

5.2.2.2 Solidity

The debt side of the balance sheet has been claimed to be of interest as a large degree of short term debts restrain the likelihood of investing in risky projects. Whether organisations react on the debt side has further been claimed to depend on organisational forms, e.g. members of associations make no financial investments which might lead to that a high degree of debts have no influence on strategic opportunism, whereas private owners could be more interest in return on equity as they are putting money into the business and have unlimited liabilities. The solidity of the riding schools was investigated with question number 15, but only one respondent within the private stated data including short or long term debts and total assets, which make comparisons between the organisational forms impossible. 12 associations have stated financial data and the solidity is depicted in the table below. Half of the respondents are above 50 per cent and half are below.

%	0	5	9	39	42	51	65	67	79	84	99
<i>n</i>	1	1	2	1	1	1	1	1	1	1	1

It could be assumed that owning or renting was correlated with solidity. According to Mann-Whitney (due to low number of respondents) a very low significant difference was present (sig. .114, app 5.2.2.1b), indicating that associations renting their establishments tend to have higher solidity.

5.2.3 The capital structure's influence on CE

With the aim of analysing capital's influence on risk and strategic opportunism the measure of owning or renting the establishment, and solidity have been used in correlations with the CE-variables.

Testing the aspects of owning or renting the establishment with CE, without making a separation between the organisational forms, showed no significant correlations (app. 5.2.3a).

Making the same test but separating the two organisational forms to investigate if there are significant differences concerning owning or renting in relation to risk behaviour and strategic opportunism resulted in no strong significant differences for the organisational forms, however some indication that the strategic opportunism is related to the organisational forms' owning or renting appeared. Associations who own their establishments tend to be more strategic opportune than associations renting their establishments (sig .107). The opposite is present in the private. Private who rent their establishment have significantly higher levels of strategic opportunism, than private who own the establishment (sig .114). (app. 5.2.3b) Thus, controlling for the two organisational forms, some indications on the capital structure's (in terms of owning or renting the establishment) influence on strategic opportunism was found.

To further investigate if the differences concerning organisational forms' fixed owning or renting influence on strategic opportunism can be explained by the two organisational forms a regression was conducted. The dependent variable, strategic opportunism, was tested with the variables of owning or renting, organisational form and size (size was added as a control variable). The model was not significant (app 5.2.3c), and the low indications of significant correlations between organisational forms' owning or renting and strategic opportunism stated above, was not further confirmed when taking the three variables into considerations, trying to explain influence on strategic opportunism.

The solidity has only been possible to investigate in associations since only one private organisation stated financial data. Solidity has primarily been claimed to influence CE, but correlating solidity with the CE-variables showed no significant correlations neither for risk nor strategic opportunism (app 5.2.3d).

Thus, owning or renting showed significant differences when investigating the organisational forms separately. Associations who own the establishment and private who rent the establishment tend to be more strategic opportune, than their opposite. Solidity, investigated in associations showed no significant correlation with CE.

5.2.4 Summary of results concerning the capital structure

The hypotheses of the private claimed risk behaviour and strategic opportunism to be influenced by the capital, here defined as debt and equity. Since the private stated no sufficient financial data this relation has not been possible to investigate.

Debt and equity within the associations have been claimed to have no influence on risk behaviour and no relation was found. The capital structure, debt and equity, has further been claimed to restrain strategic opportunism but no significant correlation was found.

To further investigate the capital structure the variable of building was introduced. It showed no significant difference between the organisational forms, it was not related to associations' solidity and did not show any correlation with the CE-variables when analysing the two organisational forms together. A separation between the organisational forms showed however some indications on relation for both organisational forms concerning strategic opportunism. Strategic opportunism received higher means when the associations owned their establishments and when the private rented their establishments. A regression was conducted, aimed at further analyse the buildings' influence on strategic opportunism by adding the two organisational forms and size, but the model was not significant.

5.2.5 Interpretations of results concerning the capital structure

The private did not state sufficient data to make an analysis of equity and debt possible, and the hypotheses H.1 and H.2 could not be investigated.

The association stated financial data and the solidity reached from 0 to 99 per cent, indicating a varying degree of equity in relation to total assets. H.11 claimed the capital structure to have no influence on risk behaviour and no significant correlation was found. H.12 claimed the capital structure to restrain strategic opportunism but no significant correlation was found. (It has to be remembered that only 12 associations stated data, i.e. the hypotheses can only be evaluated and only show indications.) Thus, the non-profit association's capital structure, regardless constituted with a large degree of equity or debts, has not been found to have any significant influence on CE.

Another way of investigating the capital structure is by considering if the organisations own or rent their establishment. If renting, the organisation does not have to stand the risk for damages or take all costs when repairing, on the other side does the organisation have limited freedom concerning decisions of rebuilding, repairing etc. Organisations owning their establishments have a larger freedom in deciding what to do, on the other side do they have a higher responsibility, which could make them prone to maintain the establishment and save money for future reparations etc.

The organisational forms showed no significant difference regarding renting or owning, thus both organisational forms are assumed to rent and own their establishments. One explanation for no differences could be the low number present within the private, 10. Another explanation could be that riding schools in the private are situated in the establishments of associations, and the associations are in turn renting the establishments.

The interesting part was that when analysing the organisational forms' renting or owning separately, in relation to the CE-variables, strategic opportunism showed some indications on differences for both organisational forms. Riding schools within the private showed indications on being more strategic opportune when renting than owning, and associations showed indications on being more strategic opportune when owning than renting. Thus, differences in the organisational forms were present.

When riding schools in the private own their establishments the owners will have unlimited liability and be personal responsible. As changes always involve uncertainty the owners in the private could, when owning the establishment, be restricted in willingness for development since a failure would damage the private owner personally. The private owner will instead be more strategic opportune when renting the establishment. Even though renting could imply limited freedom concerning decisions of rebuilding, repairing etc, other forms of development

could interest the private owner, i.e. increasing quality of the activity riding which does not demand rebuilding.

A failure in the association where the association owns the establishment implies no personal liabilities for the members. Instead might owning stimulate development as the members feel more responsibility than when renting, still contrasting to the private since the members have no personal responsibilities when owning. However, associations renting their establishments had significantly higher solidity, indicating more financial means available for development. Thus, the analysis indicate that stimulation of strategic opportunism within the associations tend to be more related to idea of owning the establishment, than to the degree of available capital.

However, a model analysing strategic opportunism with the variable of owning or renting, organisational form and size resulted in no significant model. Thus, the indications stated above cannot deny that owning or renting have influence on strategic opportunism, when analysing the organisational forms separately. However, when considering the variance of the variable owning or renting, size and organisational form, in relation to strategic opportunism, no further correlations were found.

Thus, no significant correlations were found between capital structure, i.e. equity and debt, and risk behaviour. The capital structure's influence on strategic opportunism showed some indications to be related to buildings, i.e. associations' owning the establishment implying more strategic opportunism than renting, and the private's renting implying more strategic opportunism than owning. The differences could be explained by the different rights given participants within the two organisational forms, i.e. owners in the private having unlimited liability and members of the associations having no liabilities.

5.3 The board of directors

The board of directors have been claimed to influence risk behaviour and strategic opportunism. The single proprietorship and the partnership have been claimed to operate without a board, however, four respondents within the private stated information for directors of the board. Since hypotheses about the private's boards are absent, they will not be analysed here, focus will instead be on the associations' boards. From the 46 associations have 45 respondents contributed with information about their characteristics of the board, and although the degree of information vary, data from the 45 can be used.

5.3.1 Characteristics of the board of directors

Characteristics of the board will be analysed with the aspects of external directors, function of the board, and heterogeneity among directors.

5.3.1.1 External directors

The board of the association has been claimed to stimulate risk behaviour since representatives of the risk-taker, i.e. municipality or banks are absent. Only 4 respondents indicated that they have external representatives. One association has both representatives from the municipality and the bank. The other three have representatives from the municipality. The board can be assumed to be represented by members and not external representatives.

5.3.1.2 Function of the board

The board has been claimed to have four functions; service, strategy, conflict resolution and control, and each function was investigated with two scale statements. The alpha value for the different statements claimed to investigate the same thing was however not satisfactorily for all functions. The service functions had the lowest alpha value, .1073, indicating the statements to not investigate the same thing. Statements concerning strategy and control had a more acceptable alpha value (.6452 and .4380). The mean and standard deviation for the different functions will be showed separately, added with the alpha value when correlating two statements said to investigate the same function. Since the number of respondents differs for each statement the number of respondents is defined for each measure.

	a	Mean, 7-p. scale	Stdv.
Service, statement 19.7	.1073, n-42	5.25, n-44	1.51
Service, statement 19.23		4.95, n-43	1.93
Strategy, statement 19.39	.6452, n-44	4.30, n-44	1.82
Strategy, statement 19.42		5.13, n-45	1.49
Conflict resolution, statement 19.41	.3878, n-44	5.49, n-45	1.66
Conflict resolution, statement 19.44		2.59, n-44	1.86
Control, statement 19.11	.4380, n-42	2.70, n-44	1.98
Control, statement 19.15		3.89, n-43	2.14

Alpha-value, mean and standard deviation of four board-functions

The highest mean and a low standard deviation was present within one of the statements concerning the function of conflict resolutions, mean=5.49, stdv=1.66, claiming the board to have directors representing the members' different interests. The other statement "the board is mainly a place where members can debate their different opinions" received a lower mean, 2.59. Thus, the two statements vary in importance. It can be assumed that the board is interested in having directors representing members' interests, but members' opinions are mainly not to be debated. The main task for the board shows little indications on being that of controlling as both statements have low means, however high standard deviations, indicating heterogeneity of the opinions. Statements concerning strategy and service received high means and the deviations were low, suggesting these functions to be important within the board.

One way of investigating whether the members' interests are taken care of is to consider committees or sections within the board. If the respondents state a high degree of specific committees for their directors, it can be that the board has a variety of different interests. Since the number of directors varies with boards, the number of stated committees will be related to the number of directors within each board. The table below shows degree of stated committees in relation to number of directors, e.g., three respondents have stated that 10 per cent of their directors have a specific function, four respondents have stated that 20 per cent of their directors have a specific function, etc. 16 respondents of possible 46, or 35 per cent of the respondents, have not stated any specific committees or sections for their directors. This could either indicate that they do not have any specification or cannot separate the tasks for the different directors, it could also indicate that the respondents had no interest in answering the question and have therefore left it blank.

Committees in relation to directors, %	0	10	20	40	50	60	70	80	90	100
Number of respondents	16	3	4	4	5	4	5	3	-	2

Committees in relation to number of directors

Degree of specific committees in relation to number of board members have been correlated with statements concerning the board function to be that of conflict resolution (Spearman's test due to no normal distribution), but no significance appeared (app. 5.3.1.2a). There are therefore small indications on that number of committees in relation to directors within the board is related to the function of conflict resolution.

Thus, considering the two statements investigating the functions of the board, an important function of the boards tend to be that of strategy. One of the statements investigating conflict resolution showed a high mean. Conflict resolution was to be supported by a high degree of committees, but no significant correlations were present.

5.3.1.3 Heterogeneity

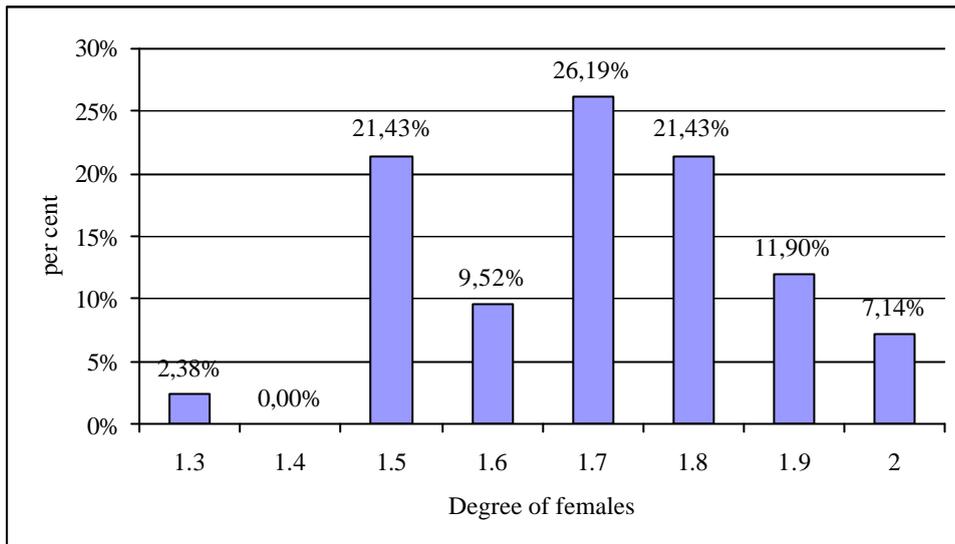
The boards of non-profit association have further been claimed to have a heterogeneous composition. Heterogeneity can be measured in different ways, the focus here will be on gender, age and board experience. Since respondents with boards represent only one organisational form, i.e. non-profit association, means or standard deviations cannot be compared to any other organisational forms but they can be stated for this form, giving some ideas about the board composition. When not being able to compare means and standard deviation with other organisational forms, the information can be compared inside the board, i.e. investigating differences between directors and chairpersons.

Gender

When relating the number of female members to total number of members the majority of riding schools' members turn out to be females. No association have less than 70 per cent females among the members, five associations have between 70 and 80 per cent females, and one association have only female members.

degree of females, %	70	80	90	100	
number of respondents	5	13	15	1	Tot. n: 34

This could imply that the majority of the board members are females as well. The table below shows the gender-composition within the boards. 1 indicate a board with only males, 2 a board with only females and 1.5 equal gender composition, i.e. heterogeneity. 21 per cent of the respondents have complete heterogeneity concerning gender. No board is solely constituted by male, however 7 per cent of the respondents have boards with only females. The majority of the board are above 1.5, implying boards with more females than male, and not complete heterogeneity.



Mean of gender composition of the board. 1.5 indicating the most heterogeneous board

Thus, females are in majority, both concerning members and directors.

The majority of the directors being females, implies the majority of chairpersons to be females, but 57 per cent of the chairpersons are male. A t-test (normal distribution) analysing gender composition of boards when the chairperson was male, resp. female, resulted in significant difference. Thus, male chairpersons tend to be chairperson in boards with a more heterogeneous composition, female chairpersons tend to be chairperson in boards with a more homogenous, i.e. female board composition. (app. 5.3.1.3a)

Age

The oldest director within the boards was 74 and the youngest was 14. The means of the directors' age can be summarised as below, represented in categories of ten years. No board had a mean of age below 30 or above 56, and the majority is between 30 and 49.

Categories of age	30 – 39	40 – 49	50 – 56
n	17	22	1

Considering the standard deviation of directors' age the most frequent deviation among directors is around 8. As there are no other organisational forms to compare with, it is difficult to say if this is a high or low deviation.

Stdv. of age	2	3	4	5	6	7	8	9	10	11	12	13	14	15	18
n	1	1	1	3	2	5	7	2	5	1	3	4	3	1	1

Correlating the directors' age and the standard deviation of the age with the chairpersons' age showed significant correlations (.029 and .007), implying that the higher the mean of the directors age and the more age-heterogeneity among the directors, the older will the chairperson be. (app. 5.3.1.3b)

Board experience

The last factor concerns directors' board experience, i.e. how many years the directors have been directors. The average of years of experience within the board tend to be that of two

years. Two boards have however a higher mean, 24 and 26, indicating very experienced board members.

Mean, year of experience	0-1	1	2	3	4	5	6	7	24	26
n	1	8	16	5	2	3	4	1	1	1

The mean of directors' board experience was two years. Considering the standard deviation, the most frequent standard deviation of the directors is one year.

Stdv., year of experience	0-1	1	2	3	4	5	6	14
n	8	13	4	6	5	3	2	1

Correlating the mean and standard deviation of directors' board experience with the chairperson's board experience resulted in significant correlations (Spearman due to no normal distribution). (app. 5.3.1.3c) The more experienced directors the more experienced chairperson, and the higher experience-heterogeneity among the directors, the more experienced will the chairperson be.

Thus, members of riding schools are in majority females, and the directors of the board are in majority females. The more females among directors, the more likely is it that the chairperson is a female, and the other way around; the more males among directors, the more likely is it that the chairperson is a male.

Directors tend to be between the age of 30 and 56. There is a significant correlation between directors' mean age and deviation of age, and chairpersons' age. A higher age-mean among the directors and a higher age-heterogeneity, the older will the chairperson be.

The majority of directors have been within the board two years. There is a significant correlation between directors' mean of years of board experience and deviation of years of board experience, and directors' board experience. The more experienced directors and the higher experience-heterogeneity among the directors, the more experienced will the chairperson be.

5.3.2 Board of directors influence on CE

Risk behaviour has been claimed to be stimulated by the board due to that directors often are members, with no liability, and that members do not have the right to the residual. Strategic opportunism has been claimed to be stimulated by the board since the board involves heterogeneous directors with a high degree of different interests implying the function of the board to be that of conflict resolution.

5.3.2.1 Risk behaviour

The board of the association has been claimed to stimulate risk behaviour since external representatives, i.e. municipality or banks are absent.

A test divided on the associations with external board-representatives and associations with no external board-representatives, in relation to the statements of risk was made, but showed no significant differences (app. 5.3.2.1a).

5.3.2.2 Strategic opportunism

Strategic opportunism will, as within the other mechanisms be analysed with the variable of strategic opportunism. Strategic opportunism, or development, within the board, will also be analysed with question number 16 asking how frequent, i.e. often, sometimes, rarely or never,

the board comes with suggestion for development, i.e. development of the activity riding, development of already existing activities, or development of new activities. It has to be remembered that the question only asks for “suggestions”, not implying that the association really have carried through the ideas of development. But it will give an idea whether boards do come with suggestions or not.

Considering the mean for the three different developmental activities, boards most frequent come with suggestions for development of new activities (mean 3.04, 4-p. scale) and less frequently with suggestions for development of the activity riding (mean 2.74, 4-p. scale). The standard deviation was low concerning suggestions for development of new activities, indicating low dispersion of the answers.

	Suggestions for development of the activity riding	Suggestions for development of already existing activities	Suggestions for development of new activities
Mean, 4- p. scale	2.74, n-43	3, n-44	3.05, n-46
Stdv	.85	.78	.69

Thus, five measures will be used when analysing the boards’ influence on strategic opportunism. The first is the variable of strategic opportunism. The other four are focusing on how frequent boards come with suggestions for development and has been divided into; 1) suggestions for development of the activity riding, 2) suggestions for development of already existing activities, 3) suggestions for development of new activities and 4) suggestions for overall development, which is the mean of the three measures.

The board of the association has been claimed to stimulate strategic opportunism due to the function being that of conflict resolution and as the directors have a heterogeneous composition.

To analyse the board function’s influence on strategic opportunism or developmental activities, the statements concerning boards’ functions were tested toward the strategic opportunism variable and the four measures of development. (Spearman’s due to no normal distribution)

The board function being that of strategy resulted in significant correlations for the variable of strategic opportunism and the four measures of suggestions for development. Two statements aimed at investigating the function of controlling resulted in significant correlations with development of the activity riding. One statement concerning service showed a low positive significance with suggestions for development of already existing activities. (app. 5.3.2.2a).

Thus, the board function that correlates with strategic opportunism the most, i.e. all measures of strategic opportunism being significantly correlated, is that of strategy. The function of strategy can be claimed to be an important function of the board.

The two statements investigating strategy had a satisfying alpha value, .65, (app. 5.3.2.2b) and one of the statements was significantly correlated to the variable of strategic opportunism and to all measures regarding suggestions for development. To state with more certainty that the board function of strategy is related to strategic opportunism the two statements investigating strategy have been added into one strategy-variable. These variables have then been correlated to the variable of strategic opportunism and the measures of development. The test resulted in significant correlations regarding suggestions for development of already existing activities

(.005), suggestions for development of new activities (.065), and suggestions for development overall (.024). No significance was present for the variable of strategic opportunism, but some indication (.119) could suggest the function to be related to strategic opportunism. (app. 5.3.2.2c)

Thus, the board function of strategy will be claimed to have a positive influence on developmental activities, be it development of already existing activities, development of new activities or development overall. Suggestions for development of the activity riding were positively correlated when the board function was that of controlling. Suggestions for the development of the activity riding showed however a low mean. The two statements regarding conflict resolution which has been claimed to be an important function of the board was significant correlated to neither the variable of strategic opportunism nor to the measures of suggestions for developmental activities.

Conflict resolution would indicate heterogeneity among the directors and will be investigated with three different measures; gender, age and years of board experience. The standard deviation of age and years of board-experience have been used as two separate measures. Gender consists only of two possible outcomes and the mean was used to express heterogeneity. These three aspects created four variables aimed at measuring heterogeneity; 1) standard deviation of age, 2) standard deviation of directors' years within the board, i.e. board experience, 3) the mean of gender, altered so that a higher value corresponds to more heterogeneity, 4) a heterogeneity variable consisting of the three above stated variables. The reason for creating one variable out of the three is that the three have been thought of measuring heterogeneity, if this is true is however not sure. By adding them into one variable, other result might be found. To create one variable the three variables had to be standardised, if not, the outcome of the created variable could be differently affected by the three variables.

All four measures had normal distributions and were correlated with the variable of strategic opportunism by using Pearson test. However, none of the measures of heterogeneity resulted in significant correlations. (app. 5.3.2.2d) An indication on relation existed with standard deviation of board experience (neg corr. sig .107) indicating a more experienced-heterogeneous board to restrain strategic opportunism.

Heterogeneity has also been tested towards the four measures of suggestions for development (app. 5.3.2.2e). Since the developmental activities have no normal distribution Spearman's test was used. The correlations resulted in significance for two of the measures of heterogeneity. Gender was negatively significant correlated with suggestions for development of the activity riding (.030), suggestions for development of already existing activities (.014), and suggestions for development overall (.021). Hence, gender-heterogeneity implies fewer suggestions for development. The variable including the three measures of heterogeneity was negatively significant correlated with the same developmental activities, however the correlations were weaker, i.e. suggestions for development of the activity riding (.098), suggestions for development of already existing activities (.046), and suggestions for development overall (.055).

Thus, heterogeneity, defined as gender, age, and board experience was not significantly correlated to the variable of strategic opportunism, but an indication appeared suggesting there to be a negative relation between board-experience-heterogeneity and strategic opportunism.

Significant correlations were present with the measures of suggestions for developmental activities. The variable of gender-heterogeneity was negatively related to three of the measures of development. The heterogeneity variable was also negatively correlated to the same measures. Thus, the theory claimed heterogeneity within the board to stimulate strategic opportunism, the analysis indicate however the opposite.

5.3.3 Summary of results concerning the board of directors

The hypotheses of the association claimed risk behaviour and strategic opportunism to be influenced by the board. Risk was to be stimulated as the directors did not represent external interests. External representation among the directors was absent, but no significant correlation with risk was found.

The board did most frequently come with suggestions for development of new activities, followed by suggestions for development of already existing activities, and less frequently did the boards come with suggestions for development of the activity riding.

Strategic opportunism was to be stimulated due to committees representing different members' interests which would suggest the function of the board to be that of conflict resolution. There was however no significant correlation between stated committees and the function of conflict resolution. Neither was there a significant correlation between the measures of strategic opportunism and the function of conflict resolution. The function that had significant correlation with all measures of strategic opportunism was strategy.

Strategic opportunism was also to be stimulated by boards' heterogeneity, measured with age, gender and board experience. The measure of board-experience indicated some relation with strategic opportunism, but none of the measures of heterogeneity resulted in significant correlations for the variable of strategic opportunism. Tests with the four measures of suggestions for development showed significant correlations for two of the measures of heterogeneity, i.e. gender and the heterogeneity variable where the three aspects of gender, age and board experience were added into one variable. Thus, gender-heterogeneity tend to restrain suggestions for development, and heterogeneity analysed with the three variables together showed similar negative correlations.

5.3.4 Interpretation of results concerning the board of directors

Characteristics of the board and the board's influence on risk and strategic opportunism have been investigated in the association as the private operates without a board.

H.19 claims directors of the board to stimulate risk behaviour since associations tend to have internal directors. The boards are in majority constituted with internal directors but no correlation regarding internal or external directors and risk behaviour were found. One reason could be the very low number of associations with external board representatives, i.e. four.

H.20 claims the board to stimulate strategic opportunism. The stimulation is related to boards' function and heterogeneity.

The function of the board has been claimed to be that of conflict resolution as members' interests must be taken care of in a democratic organisation. But the statements of conflict resolution were neither related to strategic opportunism nor to suggestions for developmental activities. Thus, the function of conflict resolution indicates little stimulation of strategic opportunism.

Variables of heterogeneity, i.e. directors' gender, age and years within the board, and all three variables added into one, resulted in one negative indication, suggesting board-experience-heterogeneity to restrain strategic opportunism. The measures of "suggestions for developmental activities" showed negative significant correlations with the gender variable and the heterogeneity variable, implying heterogeneity to have a restraining influence on development. Thus, heterogeneity showed restraining indications on strategic opportunism.

Hence, the board's heterogeneity cannot with these measures be claimed to be related to strategic opportunism, and they are negatively related to suggestions for development. However, the importance of having directors representing members' interests received the highest mean of all functions, indicating member-awareness and that members' interests are of importance for the board. However, these interests indicated neither stimulation nor restriction of strategic opportunism. The board function being that of taking care of members' interests is not related to developmental activities. It has to be remembered that the function of the board has been investigated with eight statements, and that other ways of investigating board functions might be to prefer. The statements show however indications of opinions about the board function.

The board function that stimulated strategic opportunism was instead the function of strategy, which also was found to stimulate suggestions for developmental activities. Thus, the main function of the board could be either that of having directors representing members' interests at the board which indicated no relation with strategic opportunism or developmental activities, or it could be that of strategy, stimulating strategic opportunism and developmental activities.

The next part will however show that it is common that managers more frequently come with suggestions for development; hence, the task for the board might not be that of strategic opportunism but instead to take care of members.

5.4 The managerial labour

The managerial labour has been claimed to influence risk behaviour and strategic opportunism. The interesting part of managerial influence is when there is a separation between the principal and the manager. The sample presented separations only in one organisational form, i.e. the association. Both within the single proprietorship and the partnership had the owners the role of managers, i.e. no separation between owners and managers. Thus, the focus will be on but one of the organisational forms, the association.

5.4.1 Characteristics of the managerial labour

Characteristics of the managerial labour will be analysed with the aspects of supply of managers on the managerial labour market, internal/external recruitment and managerial compensations.

5.4.1.1 Supply on the managerial labour market

The managerial market has been claimed to have a shortage of managers. Statement 19.18 could be claimed to confirm this statement, since even though the mean is 3.43 (7-p. scale) the median is 2 and 50 per cent of the answers are present within in the two lowest rankings, suggesting the supply of managers to be small.

Respondents indicating a low supply of managers could be related to the fact that associations do not recruit their managers externally but internally. Mean for recruiting externally is 3.8, (7-p. scale) and standard deviation is 2.3, thus, it is slightly more common to recruit externally than internally. The two statements have been correlated to see whether opinions about managerial supply are related to internal or external recruitment, with the reason that riding schools recruiting externally could be believed to be more concerned with a larger supply. The statement concerning the supply has, due to many indications on the extreme values been recoded, and differences regarding internal or external recruitment was tested with a t-test (app. 5.4.1.1a), but no significant difference was found.

Thus, the supply on the managerial labour market showed indications on being small. There is no correlation between the supply on the managerial labour market and external/internal recruitment.

5.4.1.2 Compensation

Compensation has been claimed to be an important way of stimulating managers. The most frequent way of rewarding the managers is with wages and all managers have been stated to receive wages. Further education is also frequently occurring, 21 respondents have indicated this form of compensation. 16 respondents have stated that the managers are offered the possibility to participate at conferences. Only one respondent stated compensation in form of bonuses when lesson-groups are filled.

Compensation	n
Stable place for free	8
Stable place at cost price	8
Wage	39
Further education	21
Participation at conferences	16
Bonuses, e.g. when lessons groups are filled	1
Possibility to borrow the riding school's horses/ponies for private lessons	6
Possibility to give private lessons at the riding school's establishment without paying rent	6
Possibility to give private lessons at the riding school's establishment if paying rent	13
Others	3

Managerial compensations

Further education and participation at conferences is frequently occurring. The relation costs of further education and costs of wages is depicted in the table below. 27 respondents stated information and degree of costs for further education reaches from 0 per cent to 41 per cent of costs of wages. The figures have been rounded off and 0 per cent indicates that the costs for further education in relation to costs of wages are below 0.43 per cent. The degree of costs for further education in relation to costs of wages amount to one per cent in 12 associations.

Costs of further education in relation to total costs, %	0	1	3	4	7	13	41	
Number of respondents	3	12	4	4	1	1	2	? 27

One statement asks the respondents to indicate whether they disagree or agree with the statement that they compensate their employees for coming up with new ideas, i.e. ingenuity. The mean is 3.5, (7-pointed scale) standard deviation 1.7, indicating that some riding schools compensate, others do not.

With the aim of correlating the statement for compensating employees for ingenuity, with variety of compensations, the number of compensations has been added into one variable. This variable has then been correlated with the statement regarding compensating ingenuity, but no significance appeared. (app. 5.4.1.2a). Compensating employees for ingenuity showed no correlation with the variety of compensations.

Thus, the supply on the managerial labour market shows indications on being small, and riding schools recruit both external and internal, but there is no correlation between opinions about the supply on the labour market and external/internal recruitment. All managers receive financial compensation in form of wages, further education is also common, and stated costs for further education in relation to costs for wages vary. It is not possible to say that riding schools compensate employees for coming up with new ideas, some do, others do not. Variety of compensations is not correlated with compensating for ingenuity.

5.4.2 Managerial labour's influence on CE

5.4.2.1 Risk behaviour

The managerial labour of associations has been claimed to stimulate risk behaviour since the supply of managers on the managerial labour market has been hypothesised to be restricted. A restricted supply result in higher managerial preferences for assuming risk, since if failing with a risky project, a new position can easily be found.

Correlating the statement that managerial recruitment is facilitated as there are many to choose from, with the two risk variables, resulted in one low positive significant correlation with the activity-related risk variable (.089, app. 5.4.2.1a). Thus, the larger managerial supply on the managerial labour market, the more important is it that existing and new activities do not threaten the security of the riding school. A larger supply would indicate difficulties for the manager to find a new position when being in need of that, which would decrease the managers' preferences for assuming risk. Hence, a large managerial supply indicates restrictions of the organisation's risk behaviour, when risk is related to new or existing activities.

5.4.2.2 Strategic opportunism

5.4.2.2.1 Measures of strategic opportunism and managerial labour

Strategic opportunism will, as within the other mechanisms, be analysed with the variable of strategic opportunism. In the section concerning the board three different developmental activities were discussed and how frequent directors came with suggestions for development. This measurement will be used here as well, but instead focus on how frequent, i.e. often, sometimes, rarely or never, the managers come with suggestion for development, i.e. development of the activity riding, development of already existing activities, or development of new activities. Finally will three statements be used to investigate managerial tasks.

Managerial labour will be investigated with two measures. The first adds the number of compensations to one variable and correlate it with the measures of strategic opportunism. The second concerns statement 19.37, asking if the riding schools compensate their employees for coming up with new ideas.

The analysis concerning suggestions for developmental activities shows that managers most frequently come with suggestions for development of the activity riding (mean 3.49, 4-p. scale), this activity is followed by development of already existing activities (mean 3.24), and

less frequently do managers come with suggestions for development of new activities (3.16). Comparing these figures with how often the boards came with suggestions for development shows that managers come with suggestions for development to a higher extent concerning all activities. Another difference is that boards most frequently came with suggestions for development of new activities, whereas managers most frequently come with suggestions for development of existing activities.

	Development of the activity riding, n-39	Development of already existing activities, n-38	Development of new activities, n-38
Mean, 4 p. scale	3.49	3.24	3.16
Stdv.	.68	.79	.75
The board of directors, mean	2.74	3	3.05

The three statements; 19.1, planning for future activities, 19.26, initiating future activities, and 19.43, develop the activity riding, aimed at finding out entrepreneurial tasks for the managers. The statement concerning development of the activity riding, received a high mean, 5.03 (7-pointed scale) where 50 per cent of the respondent have agreed completely, or almost, that the managers mainly develop the activity riding, (they have marked 6 and 7). The other two statements had means of 4.88 and 4.85, indicating managers to plan for the future and initiate future activities.

	Responsibility for planning future activities, n-40	Responsibility for initiating future activities, n-40	Develop the service riding, n-39
Mean,7-p.s	4.88	4.85	5.03
Stdv.	1.91	1.94	1.81

What further is of interest was that the two aspects of development, i.e. planning future activities and initiating future activities were positively significant correlated, (.000) i.e. the more planning the more initiating. Both aspects were then negatively significant correlated to development of the activity riding, (.017 and .008). (app. 5.4.2.2.1a) Thus, the more managers develop riding activities, the less will they plan and initiate future activities.

Thus, the mean of the developmental activities showed that the managers most frequently came with suggestions for development of the activity riding. The statement claiming the managers to develop riding also received a high mean. Thus, the analysis indicates that managers primarily develop the activity riding. More development of the activity riding could indicate less planning and initiating of future activities.

5.4.2.2.2 Managerial labours' influence on strategic opportunism

The variety of compensations had no normal distribution and Spearman's correlation was used when analysing relation with the variable of strategic opportunism. Variety of compensation was not significantly correlated to the variable of strategic opportunism, thus, regardless compensating managers with wages, or compensating with wages, further education and bonuses, no relation with the variable of strategic opportunism was found.

No significant correlations appeared with the four measures "suggestions for developmental activities". Thus, developmental activities will not depend on variety of compensations.

Significant correlation existed however for the three statements investigating managerial tasks. Significant positive correlations appeared for the manager to plan (.000) and initiate future activities (.034). But, the more variety of compensations, the less indications on that managers develop the activity riding, this statement received a negative significant correlation (.032).

Thus, variety of managerial compensations was correlated to the statements investigating managerial tasks. The higher variety of managerial compensations, the more planning and initiating of future activities, but the less development of the activity riding. (app. 5.4.2.2.2a)

Making the same correlations as above but instead with focus on the statement “compensating employees for ingenuity” showed that compensating for coming up with new ideas is related to the variable of strategic opportunism. The statement was positively significantly correlated with the variable of strategic opportunism (.012).

One significant correlation appeared with the four measures of suggestions for developmental activities. Compensating employees for ingenuity was significant related to suggestions for development of already existing activities (.017).

No significant correlations appeared with the three statements investigating managerial entrepreneurial activities.

Thus, compensating for ingenuity was significant correlated with strategic opportunism and with suggestions for development of already existing activities, but no significant correlations with the three statements aimed at investigating entrepreneurial tasks were found. (app. 5.4.2.2.2b)

5.4.3 Summary of the results concerning the managerial labour

It has been claimed that non-profit associations suffer from a restricted supply on the managerial labour market, implying managerial labour to stimulate organisations’ risk behaviour, mainly since if failing, managers can find a new position. Respondents did not unanimously claim the supply to be restricted, but it can be assumed to be small. The analysis showed that the opinion of large supply is correlated with the financial-related risk variable, implying that competition among the managers will restrain the activity-related risk behaviour. Thus, it is more important that new or existing activities do not threaten the riding schools’ security when the managerial supply is larger.

Managers were found to most frequently come with suggestions for development of the activity riding, followed with suggestions for development of already existing activities, and new activities. Managers were also found to have responsibility for developing the activity riding. Developing the activity riding was negatively correlated with planning and initiating future activities, whereas planning and initiating future activities were significantly correlated with each other. Thus, one important task of the managers could be to develop the activity riding, including coming with suggestions for development of riding. When planning new activities it can also be assumed that the managers initiated the activities.

Managers have been claimed to stimulate strategic opportunism due to compensations, if not financial, other forms could exist. All managers received financial compensations, i.e. wages, participation at conferences was also common way of compensating. Variety of compensation

showed neither significant correlations with the variable of strategic opportunism, nor with the four measures of suggestions for developmental activities. Positive significant correlations existed however for managers to plan and initiate future activities and variety of compensations. Variety of compensation was however negatively significant correlated with the managerial task being that of develop the activity riding.

Stimulation of strategic opportunism has further been investigated if compensating employees for ingenuity. Compensating for ingenuity was significantly related to the variable of strategic opportunism, and with one of the measures concerning suggestions for developmental activities. No relation was found between compensating for ingenuity and managerial entrepreneurial tasks.

5.4.4 Interpretation of the results concerning the managerial labour

Characteristics of the managerial labour and managerial labour's influence on risk and strategic opportunism have been investigated in the association as the private stated no recruited managers.

The supply of managers on the managerial market shows indications on being relatively small, which according to H.30 would stimulate risk behaviour. The correlations showed significance for supply on managerial labour market and the activity-related risk variable. It could be that if managers are present on a managerial labour market where the managerial supply is restricted, the managers are coveted, which make managers more willing to engage in risky projects, thus, stimulate the organisation's risk behaviour.

The interesting part is that the activity-related risk variable, and not the financial-related risk variable showed relation with managerial labour. One explanation of the relation with the activity-related risk variable could be that managers have been found to have responsibility of riding activities, and tend to develop riding activities to a high degree. Managers, in contrast to boards, also more frequently come with suggestions for development of both existing and new activities. Thus, managers could be deeply involved in both existing and new activities of the riding school, and this involvement results in activities being an important issue for managers. Whether managers are engaged and devoted to financial activities has not been investigated.

H31 claims the managerial labour to stimulate strategic opportunism, especially short-term strategies. Managers were found to most frequently come with suggestions for development of the activity riding. Managers were also found to have responsibility for developing the activity riding. However, whether the activity riding can be claimed to be short-termed can be discussed. Members of riding schools tend to be members primarily due to the riding activities, which is the core business. Of course can development of riding activities be short-termed, but may not include to many changes as this could threaten members' experience of the core business, leading to decreasing number of members. Short-termed strategies could instead be assumed to be part of development of existing activities, other than riding, and new activities. However, this does not imply that all new activities are short-termed, but if having short-termed strategies, these would be outside the core business. Thus, the short-termed strategies will not be part of what the managers primarily develop.

Two managerial labour variables, i.e. variety of compensation and compensating for ingenuity, were used to investigate influence on the variable of strategic opportunism, suggestions for developmental activities and managerial tasks.

Variety of compensation was related to managerial tasks, indicating stimulation between increasing variety of compensations and managers to plan and initiate future activities. The opposite relation existed when the managerial task was that of developing the riding activities, i.e. a decreasing variety of compensations indicated stimulation of development of riding.

The task of developing the riding activity received the highest mean regarding managerial tasks. The position as manager primarily involve developing the riding, as well as coming with suggestions for riding.

A difference between the statements is that planning and initiating includes the word “future”, whereas developing the riding activity does not. Developing riding is what the managers are hired for, and it is an existing activity. It could be that initiating future activities demands more efforts as the activities do not exist, and what to develop is not specifically described, which demands extra managerial stimulation, i.e. higher variety of compensations.

Especially short-termed strategies were claimed to be stimulated by the managerial labour. It was above argued that riding activities might not be short-termed since it is the core business and cannot include fast and frequently changes. Thus, the managers do not primarily focus on short-termed strategies, but a higher variety of compensations could indicate stimulation of short-term strategies. Stimulation of the core business, which is the main managerial task, showed indications on being restricted with a higher variety of compensations.

Stimulation of strategic opportunism has further been investigated if compensating employees for ingenuity and does not only focus on managerial compensation, and form of compensation is unknown.

However, if compensating for ingenuity, strategic opportunism could be stimulated, as well as suggestions for development of already existing activities. Thus, compensating employees could indicate stimulation of strategic opportunism and development of activities that are not the prime managerial task.

5.5 The organisational strategy/structure

The organisational strategy/structure has been claimed to influence risk behaviour and strategic opportunism and will here be analysed with diversification as the strategy variable, and delegation as the structure variable. Since the mechanism focuses on both the strategy and structure, these aspects will be analysed separately within the two organisational forms of riding schools.

5.5.1 Characteristics of the organisational strategy

The goal and the main task of the riding schools could have influence on strategy and these aspects will first be discussed. Thereafter follows descriptions of the organisational forms' activities and diversification, and finally will changes of the strategy be analysed.

5.5.1.1 Goal and task of the organisational forms

It could be believed that the goal of the two organisational forms differ and statements 19.20 and 19.38 asks if the main goal is satisfied members (statement 19.20), or qualitative riding education (statement 19.38). Both forms of goals receive high means, 6.24 and 6.09, implying satisfied members and qualitative riding education to be important.

The main task of the riding schools have been investigated with two statements, suggesting it to be that of offering riding to anyone who wants to take lessons (statement 19.24), or offering

activities for people who want to spend time at the riding school (statement 19.29). The tasks do not differ a lot between the riding schools, 5.53 and 5.13 and both tasks are important for riding schools.

	Goal of satisfied members, n-55	Goal of qualitative riding education, n-53	Task of offering riding to anyone wanting to take riding lessons, n-55	Task of offering activities to anyone wanting to spend time at riding schools, n-55
Mean, 7-p. s	6.24	6.09	5.53	5.13
Stdv.	1.23	1.13	1.64	1.9

Testing for differences between the organisational forms concerning goal and task resulted in one significant difference (Mann-Whitney due to no normal distribution), i.e. the goal of the riding schools being that of qualitative riding education, quality tends to be more important for the private than for the associations (sign .066). (app. 5.5.1.1a) Thus, the private emphasise the importance of quality more than associations. No significant differences were present within the goal of satisfied members, and as it had a high mean it must be claimed to be of high importance for both organisational forms. No significant differences were present between the tasks of the organisational forms.

The only significant difference between the private and the associations concerning goal and tasks is that the private tends to focus more on qualitative riding education than associations.

5.5.1.2 Diversification

The theory claims private organisations to a greater extent focus on a simple strategy in a functional form, mainly since the owner wants to be able to monitor the activities performed within the organisation. A simple strategy of the private would be to offer riding lessons, i.e. dressage and jumping. A non-profit riding school must satisfy a diverse set of members and therefore ought to have a variety of activities. However, when analysing the activities offered by the riding schools, the private offers more than pure riding lessons.

Activities for the two organisational forms

	<u>Private</u>	<u>Association</u>
	Per cent of riding schools with this activity	Per cent of riding schools with this activity
n	11	45
Dressage lesson	100%	98%
Jumping lesson	100%	98%
Hunting lesson	55%	16%
Voltige lesson	36%	20%
Carriage lesson	55%	20%
Western	9%	11%
Trekking	36%	11%
Riding for disabled	36%	73%
Leasing of horses/ponies	36%	58%
Stable, horse-welfare	100%	96%
Lessons of theory	91%	98%
Competitions	91%	91%
Day-care centre	0%	4%
Private stable, board and lodging	82%	80%
Youth centre	9%	16%
Further education of the horses/ponies	91%	91%
Cafeteria/restaurant	64%	78%
See to that the lessons are filled	100%	96%
Divide horses/ponies for the lessons	91%	98%
Shop	18%	9%
Education/practical experience for the instructors	73%	87%
Purchase/sale of horses/ponies	91%	98%
Establishment	100%	100%
Administration	100%	98%
Recruitment of new staff	91%	91%
Responsibility over staff	100%	96%
Marketing	100%	93%
Sponsors	55%	89%
Other forms of activities contributing with financing	45%	80%
Leasing of the establishment to contractors	64%	58%
Youth activities	91%	96%

The traditional riding lessons of jumping and dressage is equal performed, but the private tend to have more other riding activities, i.e. hunting, wagon driving, and trekking. More associations have riding for disabled, 73 per cent, which only a third of the private offer their customers, 36 per cent.

The respondents of association have however a higher presence of activities besides riding, such as; youth centre (16% - ass., 9% - priv.), but youth activities are highly present in both forms of organisational forms (96% - ass., 91% - priv.). The associations have to a higher extent stated further education and practical experience for the staff. The associations tend to be more concerned with activities contributing with financial means, i.e. getting sponsors and having other forms of activities contributing with financing. Activities less common for both the private and the association is that of western riding and day care centre.

Thus, the private offers not only riding of dressage and jumping but take care of their members/customers by offering e.g. trekking, voltige lessons, other forms of youth activities, and competitions. The associations have, compared to the private, more often riding for disabled and tend to have activities focusing on receiving financing.

To be able to test differences of diversification between the organisational forms a variable including the added number of activities was created. The degree of diversification showed a normal distribution-curve, and a t-test could be conducted. The ttest showed however no significant difference between the organisational forms, and the mean of activities amounted to 21 for both forms of riding schools, (app. 5.5.1.2a) thus, indicating no differences in strategy between the private and the association.

5.5.1.3 Changes of strategy

Question number 18 investigates changes during a period of five years, i.e. supply of riding lessons, supply of activities other than riding, pony utilisation, horse utilisation, number of pony-lessons' hours, and number of horse-lessons' hours, and the quality of the riding lessons. Changes could indicate a change of the strategy which would influence CE. Considering the mean for changes (3 indicates unchanged) the aspect receiving the highest mean is quality of riding lessons, 3.74.

	Supply of riding lessons, n-54	Supply of act., other than riding, n-53	Pony-utilisation, n-50	Horse-utilisation, n-49	N of pony-lessons, n-50	N of horse-lessons, n-47	Quality of riding lessons, n-54
Mean, 4-p. s	3.81	3.51	3.52	3.41	3.68	3.45	3.74
Stdv.	.99	.75	.81	.76	.87	.88	.85

The aim was to analyse whether the two organisational forms differed regarding changes of strategy. Only one statement showed a significant difference, i.e. the private's supply of activities, other than riding, which has increased more than the associations (.015, app. 5.5.1.3a). The mean does however not imply a high degree of increases, but, being 4.00 (5-pointed scale), suggests a low increase of other activities. There are no significant differences concerning the activity riding, the mean is between 3.8 and 4. Neither is there a significant difference concerning increase or decrease of quality, even though this was the goal of the private. It could of course be that the quality already has a satisfactorily level and that no increases are necessary.

To create one variable testing for changes of strategy these seven statements have been added into one variable, claimed to investigate changes during a period of five years. They have

been added into one variable since they presented a high alpha value, (mean of 7 items $\alpha = .8774$), and can be claimed to investigate changes of strategy. (app. 5.5.1.3b)

Testing the variable with a t-test for differences in changed strategies between the two organisational forms showed however no significant differences (app. 5.5.1.3c).

Quality was important for the private. One way of maintaining quality would be to exchange horses/ponies on a regular basis, implying healthy and good horses, leading to increased/stable quality. The mean of the statements indicate that riding schools do exchange their horses and ponies with the aim of longer durability (mean 4.44, 7-p. scale). Whether this actually is a measure of better quality can of course be argued. It could be suggested that the private changes horses, but not with the aim of longer durability, but with the aim of happy horses.

	Horses and ponies are exchanged on a regular basis, n-50
Mean, 7-p. s	4.44
Stdv.	1.99

Testing this statement for differences between the organisational forms showed a low significant difference. Associations, compared to the private, tend to more often change horses/ponies (sign .094, app. 5.5.1.3d)

Thus, the only significant differences between the organisational forms is that the private stronger emphasise qualitative riding education, the private has during a period of five years increased the supply of other activities than riding, and associations exchange their horses more frequently. An interesting similarity is that riding schools, private or associations, offer the same degree of activities.

To deepen the analysis whether there actually are differences between the organisational forms concerning the three aspects of qualitative riding education, changed supply of other activities than riding, and exchange of horses, regressions have been conducted. (app 5.5.1.3e) The independent variables were size and organisational form. Changes of supply resulted in a significant model (.084) and the variable of organisational form was significant, but not size (.027). The other models were not significant.

5.5.2 Organisational strategy's influence on CE

Two variables were used to investigate the strategy's influence on risk behaviour and strategic opportunism. The first variable was degree of diversification and the second variable was the variable including the seven statements concerning changes of strategy during a period of five years.

Analysing influence on risk behaviour and strategic opportunism without separating between the organisational forms resulted in no significant correlations concerning degree of diversification and influence on risk or strategic opportunism. Changes of strategy showed a positive significant correlation with strategic opportunism (.037) indicating strategic opportunism to be correlated to strategic changes. (app. 5.5.2a)

Correlating diversification and changes of strategy separating the two organisational forms resulted in one significant correlation. The associations' changes of strategy was related to strategic opportunism (.080, app. 5.5.2b)

To further analyse if there are differences between the organisational forms concerning changes of strategy's influence on CE a regression was made, including the variables of changes of strategy, organisational form and size, and the dependent variable was the variable of strategic opportunism. (app. 5.2.2c). The model was however not significant, and when considering the variance of the variables they cannot be assumed to explain influence on CE.

Thus, when not separating between the two forms of riding schools, changes of strategy showed a low positive significance with strategic opportunism. The same analysis separating between the organisational forms resulted in a significant correlation between the associations' changes of strategy and strategic opportunism. Further investigating the difference between the organisational forms in a regression showed no significant model. No relation was found with the variables of risk behaviour.

5.5.3 Characteristics of the organisational structure

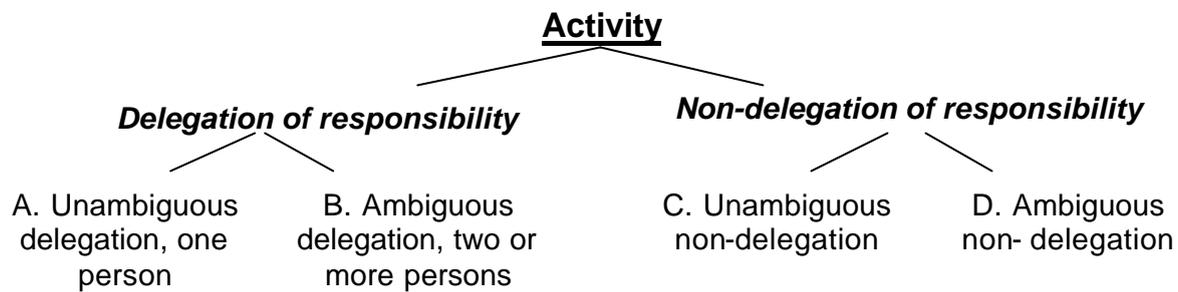
Structures of organisations differ and e.g. a private riding school constructed in a functional form has been claimed to stimulate risk behaviour, whereas a non-profit riding school organised in a multidivisionalised structure would stimulate strategic opportunism. The structure will here be analysed through delegation of responsibility of different activities, where delegations indicate a more divisionalised structure.

5.5.3.1 Delegation

The private will be assumed to have a delegated responsibility when other persons than the owner have been stated as responsible. The reason is that the owner/owners have unlimited liability and stand the entire risk. The associations will be assumed to have a delegated responsibility when other persons than the board and the manager have been stated as responsible. The board and the manager have no liabilities and the right to make decisions, and as long as one of these parts has the responsibility no delegation is believed to exist.

The respondents were asked to state the person responsible for their activities. It was then possible to count the number of delegated and non-delegated activities, which could be related to the total number of activities listed in each riding school. However, the respondents stated often more than one person responsible for the different activities, for example a riding school in the private with the activity dressage could state the manager and a single instructor to be responsible. The two variables; delegation of responsibility and non-delegation of responsibility had therefore to, separately, be divided into two sub-groups, resulting in four variables, i.e. a) "Unambiguous delegation" implies that the private's owners, and the associations' managers and/or boards, do not have the responsibility and that they have indicated one other alternative of responsible persons. (it does not have to be just one person since the alternative "riding instructors" includes more than one persons, but it constitute one alternative), b) "Ambiguous delegation" implies that the private's owners, and the associations' managers and/or boards, do not have the responsibility, but that they have indicated two or more alternatives of responsible persons, c) "Unambiguous non-delegation" implies that the private's owners, and the associations' managers and/or boards have the responsibility and that they have indicated no other alternative/s of responsible persons, d) "Ambiguous non-delegation" implies that the private's owners, and the associations'

managers and/or boards have the responsibility but that they also have indicated one or more other alternative/s of responsible persons.



Model depicting four measures of delegation

These four variables have been used to create five measures aimed at investigating the structure within the two organisational forms of riding schools. The four measures are:

1. Unambiguous delegation

The first measure investigates the strongest form of delegation, consisting of the number of unambiguous delegations, *a*, in relation to activities.

2. Ambiguous non-delegation

The second measure investigates the weakest form of delegation where the alternatives owners/managers/board have been stated together with other alternatives of responsibility. It can be claimed to exist delegation but the delegation is restricted since the owner/manager/board have responsibility as well. The number of ambiguous non-delegations, *d*, is related to the number of activities.

3. Ambiguous delegation

The third measure investigates the ambiguous delegation and relates the number of ambiguous delegations, *b*, with activities.

4. Diffuse delegation

The fourth measure investigate delegated responsibility overall and the sum of the three variables of delegation, i.e. *a*, *b* and *d*, is related to the number of activities.

5. Indistinct structure

The fifth measure investigates if the organisations have indistinct structures and adds the ambiguous variables *b* and *d*, and relate them to the number of activities.

Considering the mean of the five measures for the two organisational forms it must be claimed that both forms of organisations to a great extent have delegated responsibility, regardless it being ambiguous or unambiguous (private mean, .88, ass mean, .81, maximum being 1).

	Unambiguous delegation		Ambiguous non-delegation		Ambiguous delegation		Diffuse delegation.		Indistinct structure	
	Priv.	Ass.	Priv.	Ass.	Priv.	Ass.	Priv.	Ass.	Priv.	Ass.
mean, scale 0-1	.3185	.3756	.5562	.3741	.0125	.0585	.8871	.8082	.5686	.4326
N	11	46	11	46	11	46	11	46	11	46

Four of the measures had no normal distribution and to compare the two organisational forms' delegations the Mann-Whitney test was used. The Mann-Whitney test showed two significant differences concerning measures of delegation (app. 5.5.3.1a). The first concerns ambiguous non-delegation where the private has more diffuse forms of delegation (sign .007). The second significant difference concerns the indistinct structure where the private tends to have a more indistinct structure (sign .027). These two measures are related to each other, and claims the private to have more ambiguous delegations and that many persons have responsibility of the activities, leading to a less clear structure. The fact that strict delegations do not differ between the forms is interesting since a strict and strong owner with no delegation had been thought of existing in the private organisations. Instead have the owners stated themselves and other employees as responsible, which might indicate the opposite of an indistinct structure, since the owners are the one with responsibility and feel responsible for every activity.

Two aspects of delegation showed significant differences between the organisational forms. To further test if there are differences regarding the organisational forms, regressions were conducted where ambiguous non-delegation and indistinct structure constituted the dependent variables, and size and organisational form constituted the independent variables (app 5.5.3.1b). Both models were significant, the unstandardised residuals were normally distributed and the two variables of size and organisational form were significant. Thus, the indication of differences between the organisational forms is present in regressions where consideration is taken to size as well. The variable of size has however a stronger significance than the variable of organisational form, indicating size to be of importance when trying to explain organisational structure, but so is the variable of organisational form.

5.5.4 Organisational structure's influence on CE

The variable of delegation, including the five measures, has been used to investigate the structure's influence on risk behaviour and strategic opportunism. The measures have within the two organisational forms been correlated to variables of risk and strategic opportunism, but first will the correlation without the organisational separation be presented (app. 5.5.4a). Financial-related risk showed a low significant correlation with diffuse delegation, (sign .073), suggesting delegations, be it ambiguous or unambiguous, to stimulate organisations risk behaviour. Thus, more delegation is related to opinions that for example financing can be arranged. The other CE-variables showed no significant correlations with delegations.

Making the same correlation but separating between the two organisational forms (app. 5.5.4b) showed that the private have a positive significant correlation between the financial-related risk variable and ambiguous delegation, (sign .037), thus an increase of delegations where more than one responsible persons have been stated to stimulate attitudes such as "financing can be arranged". There is a low negative significant correlation between the activity-related risk variable and diffuse delegation, (sign .105), suggesting delegations, be it ambiguous or unambiguous, to imply that it is less important that new and current activities threaten the security of the riding school. Thus, delegations can be claimed to stimulate risk

behaviour in the sense that financing can be arranged, and that threatening of current and new activities is less important.

The analysis for the association resulted in no significant correlations at five per cent-level, but a low negative significance was present between the activity-related risk variable and ambiguous delegations (sign .076). This implies that an increase of delegations where more than one responsible person have been stated, decrease the importance that new and current activities threaten the security. There is a low positive significant correlation between the variable of financial-related risk behaviour and diffuse delegation (sign .072), indicating delegations overall to stimulate the idea that financing can be arranged.

None of the riding schools showed significant correlations with strategic opportunism.

To further investigate differences concerning structure influence on CE within the two organisational forms, regressions have been conducted. (5.5.4c) The dependent variables in the regressions were the financial-related and the activity-related risk variable, and the independent have been size, organisational form, and measures of delegations. Since significant differences and correlations differed in the previous analyses, different forms of delegations have been analysed, i.e. unambiguous delegation, ambiguous non-delegation, ambiguous delegations and diffuse delegation.

All four models aimed at explaining the financial-related risk variable were significant, and in all models were the variable “organisational form” significant. The significance was negative, implying the private to, when controlling for size and forms of delegation, be more of the opinion that financing can be arranged. The variable “size” showed no significance. The form of diffuse delegation showed indications on significance (.106). Thus, unambiguous delegation, ambiguous non-delegation and ambiguous delegations was not significant, but when considering the overall delegations, regardless strict delegations or unambiguous there is a relation with the financial-related risk. Hence, with increasing delegations, the stronger is the opinion that financing can be arranged.

When instead focusing on the activity-related risk variable only one model was significant. This model includes the ambiguous delegations which is negatively significant (.018), thus, when controlling for size and organisational form fewer ambiguous delegations will be related to stronger opinions that new and existing activities may not threaten the security of the riding school. Size and organisational form showed no significance.

Thus, the organisational form was significant in the financial-related risk variable, but not in the activity-related risk variable. Overall delegations were significant concerning the financial-related risk variable, and ambiguous delegations were significant concerning the activity-related risk variable. Even though the variable of strategic opportunism did show no differences when testing the organisational forms for differences have the same regressions been conducted to seek for relation between delegation and strategic opportunism but no significant models were found.

5.5.5 Summary of results concerning the organisational strategy/structure

The theory claimed the private to focus more on the core business and activities related to the core business. A significant difference appeared concerning the goal of the two forms of riding schools, claiming the private to emphasise qualitative riding education more than associations, a regression showed however no further indications of this. The number of activities did not differ significantly. The private offered to a slightly higher degree riding

activities, i.e. dressage, jumping, trekking, whereas it within associations were more common with riding for disabled.

The supply of the private's activities, other than riding, has significantly increased more than the association the last five years, which could explain that no significant differences appeared when analysing degree of diversification, i.e. today they have the same supply. A regression considering size and organisational form resulted in a significant model for increased number of activities, other than riding.

A changed strategy in the association showed some indications on stimulation of strategic opportunism, but the private will not be more or less stimulated due to changed strategy. A regression did however not further support that strategic changes' influence on CE differed between the organisational forms.

The theory suggested the private owners to be prone to monitor the activities, implying little delegation of decision-making, whereas the association which has to take care of their members' interests, would delegate responsibility. A high degree of delegated responsibility in the association has been stated to lead to a complex structure. The analysis showed however that the private significantly differed from the association concerning ambiguous delegations. Thus, the private delegated more, even if the delegations were not clearly stated to one person, i.e. the owners stated themselves as responsible, but also others. This led to significant more indistinct structures in the private compared to the associations. Thus, the opposite to what has been claimed.

To further investigate differences in delegation between the organisational forms, regressions were conducted and resulted in significant models. Thus, the private could be claimed to delegate more than the associations. The variable "size" was also significant, indicating that delegation increase with size.

Five measures were used to analyse structure's influence on CE. The two variables of risk showed significant results, but no correlation with strategic opportunism was found. The correlations with risk variables indicated in both organisational forms that delegation is positively related to preferences for assuming risk. The two organisational forms correlated however differently to the variables of risk. The association indicated relation with the activity-related risk variable when having ambiguous delegation, whereas the private indicated relation when having diffuse delegations. The contrary was found concerning the financial-related variable.

Regressions of the risk variables, delegation, size and organisational form, indicated significant differences concerning the financial-related risk and organisational form, controlling for forms of delegation and size. Thus, even though the size could be expected to have influence on delegation, large organisations would maybe have to delegate, no significance was found. The only form of delegation that showed significance was diffuse delegation, i.e. delegation overall. However, when focus instead was on the activity-related variable no significances for the organisational forms appeared, and one form of delegation was significant, i.e. ambiguous delegations.

Further analyses concerning structure's influence on CE were conducted with regressions (dependent variables were the financial-related and the activity-related risk variable, independent were size, organisational form, measures of delegations, i.e. unambiguous delegation, ambiguous non-delegation, ambiguous delegations and diffuse delegation). All four models aimed at explaining the financial-related risk variable were significant, and in all

models was the variable “organisational form” negatively significant, indicating the private to, when controlling for size and forms of delegation, be more of the opinion that financing can be arranged. The variable “size” showed no significance. Diffuse delegation showed indications on significance, thus with increasing delegations, the stronger is the opinion that financing can be arranged.

Only one model was significant when focusing on the activity-related risk variable, i.e. the ambiguous delegations was negatively significant, thus, controlling for size and organisational form fewer ambiguous delegations will be related to stronger opinions that new and existing activities may not threaten the security of the riding school.

Thus, the variable “organisational form” was significant in the financial-related risk variable, but not in the activity-related risk variable. Overall delegations were significant concerning the financial-related risk variable, and ambiguous delegations were significant concerning the activity-related risk variable. Strategic opportunism was not related to the forms of delegation.

5.5.6 Interpretation concerning organisational strategy/structure

H33 and H34 claimed a single business strategy in the private riding school to stimulate risk behaviour and strategic opportunism, whereas H45 and H46 claimed the strategy in a non-profit association to have no influence on risk behaviour and stimulate strategic opportunism. However, differences in strategies were not found. Both riding schools offer riding and other activities related to horses and riding for their members. One difference was that associations more frequently offered riding for disabled. One reason could be that the municipality subsidising the association and its members have demands on that riding is for everyone, i.e. part of the popular movement, whereas private riding schools do not receive the same subsidies.

A difference was found concerning the goal of qualitative riding education, which the private focused more on. One reason could be that the private do not offer other activities to the same extent, and that they therefore have to offer higher quality of riding. This was however not supported by the analysis. The reason for that private have the possibility of offering other activities than pure riding could be that the private riding schools are located in the establishments of associations, and that they therefore also have these activities. Still, quality should indicate on being of higher importance for the private than associations. However, a regression showed no significant model.

No indications were found that strategy would stimulate or restrain risk behaviour in any of the organisational forms.

A changed strategy in the association showed some indications on stimulation of strategic opportunism, but the private riding school will not be more or less stimulated due to strategy. Hence, regardless organisational form, the strategy will not have any influence on CE.

The theory suggested private owners to be prone to monitor the activities, implying little delegation of decision-making, whereas the association which has to take care of their members' interests, would delegate responsibility. H32 and H34 claimed a functional form in the private riding school to stimulate risk behaviour and strategic opportunism, whereas H44 and H46 claimed a complex structure in the association to restrain risk behaviour and a flexible structure to stimulate strategic opportunism. It was however shown that the private delegated more, leading to indistinct structure in the private and not in the association. It could however be interpreted the other way around; a private owner who delegates to other persons, but still state her/himself as responsible, could be suggested to have a clear structure, it is clearly expressed that the owners have the ultimate responsibility, and therefore state

themselves as responsible. One reason that associations do not delegate as much might be their democratic form, too much of delegation would not make it possible to govern an association, instead will the board and the manager be responsible governors and decision-makers.

The strategy showed no influence on CE, the structure indicated relation with the risk variables. It must here be suggested that the two measures of risk do investigate different phenomena since the financial-related risk variable resulted in four significant regression models, whereas the activity-related only resulted in one.

The organisational forms were significant in all financial-related risk models, thus the private is more of the opinion that financing can be arranged. It was above stated that the private delegated more. An increasing degree of overall delegations was related to the opinion that financing can be arranged, which has not been thought of being the case in the private since the owner is the person liable. However, a reason for the delegations might, as said above, be that owners know that they still have the final right to make decisions, but to make the daily operations easier, some activities have been delegated. The opinion that financing can be arranged might be that the owner of a private riding school, regardless delegations or not, is the person who has responsibility, and is the person asking for a loan in the bank. The association on the contrary delegate less, and delegation can restrain the idea that financing can be arranged. A reason could be that if ten persons have a delegated responsibility in the association, its democratic form could imply that all members wanting to be responsible would need financial support, and the association could not demand that much financial support from the municipality. Thus, a restricted delegated responsibility in the association could be claimed to be of importance due to the democratic form.

The activity-related risk was only significant in one model, and not regarding organisational form, but instead regarding ambiguous delegation. Thus, no indications was found that existing or new activities that riding schools have, are influenced by form of riding school.

In the regression with the variables with risk was the variable “size” added with the assumption that organisational size has influence on delegations. Mainly since it in larger organisations might be more difficult for one part to have responsibility over everything and for efficiency could it be that delegations took place. However, instead of size did organisational form show more frequent significances.

The statistic tests have unfortunately not showed any indications on correlation with strategic opportunism, even though strategic opportunism have been hypothesised to be affected by both structure and strategy.

5.6 The product market

A hostile product market has been claimed to influence risk behaviour and strategic opportunism in private organisations, but not in associations, and will here be analysed with statements asking for respondents opinions concerning competitors and the industry’s potential for development.

5.6.1 Characteristics of the product market

The product market has been investigated with nine statements focusing on two aspects, i.e. opinions about competitors, and opinions about the industry’s potential for development. The idea would be that the statements in the two cluster would be correlated to each other, but no

significant correlations were found, a factor analysis has also been conducted but neither this resulted in clusters that could be claimed to investigate the same thing. When further testing the statements for differences between the organisational forms, no significant differences were found. (app. 5.6.1a) Thus, the reliability of the statements can be questioned and the correctness of the questions. Riding schools can apparently consider other riding schools as both colleagues and competitors. Thus, the product market shows importance, but the statements have not managed to understand the relations.

The statements, divided in the two clusters, i.e. competition and potential for development will be discussed below.

5.6.1.1 Competition

Statements about competitors are; 18.13 asking for how competition has changed during the last five years, 18.14 asking for changes of co-operation between riding schools, 19.3 stating the riding school to have little insight in nearby riding schools and their supply, 19.33 claiming the word “competitor” to be a good definition of other riding schools, and 19.46 which is the opposite of 19.33 claiming the word “colleague” to be a good definition of other riding schools.

Changes of competition and co-operation between riding schools have been rather low the last five years, (mean 3.38 and 3.2, 3 indicating no changes). Insight in nearby riding schools (statement 19.3) has increased slightly, mean 3.95. Statements 19.33 and 19.46 are each others opposite, 19.33 asking if other riding schools are best described as competitors, and statement 19.46 asking if other riding schools are best described as colleagues. A negative correlation would have increased the validity, but no correlation existed. Considering the means suggests that riding schools rather refer to other riding schools as “colleagues” than “competitors” (mean 2.44 and 5.31). Thus, riding schools refer to other riding schools both as colleagues and as competitors. It could be that riding schools have some activities together, e.g. competitions and courses for instructors, but they would e.g. never exchange horses if a riding school was one horse short for a lesson. This relation has not been investigated and it can only be assumed that riding schools’ opinions about competitors are rather ambiguous.

	Changes of competition	Changes of co-operation	Insight in nearby riding schools	"Competitor"	"Colleague"
	5-p scale, n-52	5-p scale, n-50	7-p scale, n-55	7-p scale, n-50	7-p scale, n-51
Mean	3.38	3.2	3.95	2.44	5.31
Stdv.	.72	.66	2.03	1.51	1.49

5.6.1.2 Potential for development

The potential for development has been investigated with four statements, i.e.; 18.1 asking for changes of demand of the riding school’s riding lessons, 18.2 asking for changes of demand of the riding school’s activities, others than riding, 19.21 claiming the industry offers many exiting possibilities for development, and 19.34 claiming there to be small possibilities for development.

Changes of demand of riding lessons and activities, other than riding, tend to be low and slightly higher (mean 3.82 and 3.53, 5-p. scale). The respondents do to some extent agree on the statement that the industry offers possibilities for growth, (mean 4.92, 7-p. scale). This statement is in accordance with the next, claiming there to be small possibilities for riding school to growth, (mean 3.6, 7-p scale) where 1 indicate there to be possibilities for growth.

	Changes of demand of riding lessons	Changes of demand of act. others than riding	The industry offers many exiting possibilities for development	There are small possibilities for growth
	5-p scale, n -55	5-p scale, n -51	7-p scale, n -52	7-p scale, n -47
Mean	3.82	3.53	4.92	3.6
Stdv.	1.07	.78	1.72	2.08

Thus, the tests showed no significant differences between the two organisational forms' opinions regarding competitors or the product markets potential for development. The product market must further be claimed to be rather unchanged the last five years concerning both competitors and demand. The respondents are of the opinions that the industry offers possibilities for growth, and they see each other rather as colleagues than as competitors.

5.6.2 The product market's influence on CE

Since the statements were not correlated and showed no relation in factor analyses, they could not be added into one variable aimed at investigating the product market. Instead have the statements in question 19 that above were claimed to investigate competition been correlated to CE-variables to investigate if any relations could be found (app. 5.6.2a). The reason for excluding statements in question 18 is that these statements ask for changes, which do not to express characteristics of the product market.

A correlation without the separation between the organisational forms showed correlations with the statement concerning seeing other riding schools as colleagues. The financial-related risk variable was positively significant (.026) as well as the variable of strategic opportunism (.040). Some indication on positive correlation was present with the activity-related risk variable (.142). Thus, considering other riding schools as colleague indicate some relation with CE. However, whether this statement actually measures the hostility in the product market can be questioned. Colleagues would rather refer to an un-hostile product market, with relation to CE. The other statements showed no significant correlations.

Making the same analysis but separating between the two organisational forms resulted in that the statement "seeing other riding schools as colleagues", was significant for the association regarding financial-related risk variable (positive, .020) and strategic opportunism (positive .057). No significant correlations were found in the private.

A regression with the CE-variables as dependent variables and organisational form and statement 19.46 as independent resulted in one significant model, i.e. the financial-related variable could be explained with the variables of both organisational form and seeing other riding schools as colleagues. (app. 5.6.2b) Thus, the private showed indications on being more of the opinion that financing can be arranged. Being of the opinion that other riding schools can be described as colleagues, shows a relation with the opinion that financing can be arranged.

5.6.3 Summary of results concerning the product market

The theory suggests the owners of private organisations to be alert on environmental changes since if being unable to produce what the market demands the organisations will not survive. Associations have been claimed to be less proactive, taking care of already existing members instead of staying alert on changes in the environment.

The two organisational forms showed no significant differences regarding referring to other riding schools as competitors or as colleagues. Neither was the private of the opinion that competition has changed, and they had the same insight in nearby riding schools' supply. Thus, the product market cannot be claimed to be hostile, neither that the two organisational forms differ in opinions about the product market, i.e. competitors, possibilities for development etc. The relevance of the statements could be debated. Analysing the statements thought of investigating the same thing resulted in no significant correlations.

Correlations with CE-variables were conducted with the variables expected to investigate competition in the market, and positive correlations were found regarding the CE-variables and un-hostility when analysing the association.

Regressions indicated a relation between the financial-related variable, organisational form and the statement of un-hostility. Thus, the private has, as showed in the other mechanisms, showed indications on being more of the opinion that financing can be arranged. The more the opinion of seeing other riding schools as colleagues, the more of the opinion that financing can be arranged.

5.6.4 Interpretation of results concerning the product market

It has been claimed to exist differences between the private and the association regarding the product market. A riding school in the private have customers instead of members and ought to see other riding schools as competitors, they have been claimed to stay alert on environmental changes, to faster react on changes, and to seek possibly ways of development. Associations have members and take care of members through looking after them and might be less concerned with environmental changes. However, no significant differences regarding opinions about the product market was found between the organisational forms. Thus, it could be that riding schools consider other riding schools as both colleagues and competitors.

H47 and H48 claimed a hostile product market to restrain risk behaviour and to stimulate strategic opportunism in the private, whereas H57 and H58 claimed there to be no influence on CE in non-profit associations.

The statements aimed at investigating the same thing showed no significant correlations, and one statement showed correlations with CE-variables. But the statement was not actually related to a hostile product market, the indications would instead imply an un-hostile product market to stimulate the idea that financing can be arranged. One regression was significant, i.e. the one aimed at explaining the financial-related variable (independent variables were the statement and organisational form). Whether this regression actually aims at explaining the aspect of no-hostility, i.e. being more of the opinion that other riding schools are seen as colleagues, indicates stimulation of the opinion that financing can be arranged, could be just coincidence since no other variables managed to catch the same phenomena.

The "no-correlation" of the statements could depend on bad formulated statements. But the fact that respondents see other riding schools as both colleagues and competitors, and that they have insight in other riding school and that the competition has increased could indicate phenomena in the industry that the questionnaire did not include.

5.7 Non-market resources

The non-profit association is the only organisational form which has been hypothesised to have a significant degree of non-market resources. Volunteers have been claimed to stimulate risk behaviour, and no predictable influence have been stated for strategic opportunism. The members of association have been claimed to work voluntarily, and they probably do, but the respondents' opinions of whether the degree of voluntarily workers has increased or decreased indicates that the number of volunteers have decreased, (mean 2.07 on a 5-p. scale). Only two respondents have indicated that the number of volunteers has increased considerably.

Correlating the statement of volunteers with the variables of CE resulted in one positive significant correlation, i.e. increases of volunteers will stimulate strategic opportunism (app. 5.7a).

5.7.2 Summary and interpretation of results concerning the non-market resources

The degree of volunteers in non-profit association was investigated with one statement, indicating that the degree of volunteers in non-profit associations has decreased. A reason to the decreasing number could be that society offers more and more possibilities and that people do not have the same time as before to engage in voluntarily projects. The prediction that volunteers would stimulate risk behaviour was not supported, but instead the evaluation show indications on that increasing number of volunteers would stimulate strategic opportunism.

5.8 Summary of the analysis

The aim with this dissertation has been to make a distinction of five organisational forms, to analyse the mechanisms of CG, and to understand CG's influence on CE.

Due to a low response rate were not all five organisational forms covered. To accomplish an analysis two organisational categories were created, *the private* including the single proprietorship and the partnership, *the association* including the non-profit association. Thus, the model in its entirety could due to the low response rate not be tested, but relations between the private and the association could be evaluated. Hypotheses regarding the private have, due to a low response rate been evaluated, hypotheses concerning the association have been tested.

The analysis has been based on the five mechanisms of CG, i.e. capital structure, board of directors, managerial labour, organisational structure/strategy, and hostile product market. First was focus on the characteristics of the mechanism, both generally for the two organisational forms, and to investigate differences between the two organisational forms. Thereafter was focus on the mechanism's influences on risk behaviour and strategic opportunism, without separating between the organisational forms. Finally was the mechanism's influence on risk behaviour and strategic opportunism investigated separately for the organisational forms.

The model aimed at analysing differences between organisational forms but also to investigate the organisational forms separately. Two summaries follow, i.e. the distinction of

different organisational forms, and the evaluation of the mechanisms of CG and CG's influence on CE. The significant correlations are depicted in the table below regarding organisational forms' CG character, CG's influence on CE without a separation on organisational form, and CG's influence on CE when separating the two organisational forms. Each CG mechanism has a number between 1-4 (1-Capital, 2-Strategy, 3-Structure, 4-Product market) and number 5 represents organisations' CE-relation without considering any CG mechanisms. The lines indicate the significant correlations, the sign of plus or minus indicate whether the correlation was positively or negatively significant. The following summaries will refer to this table.

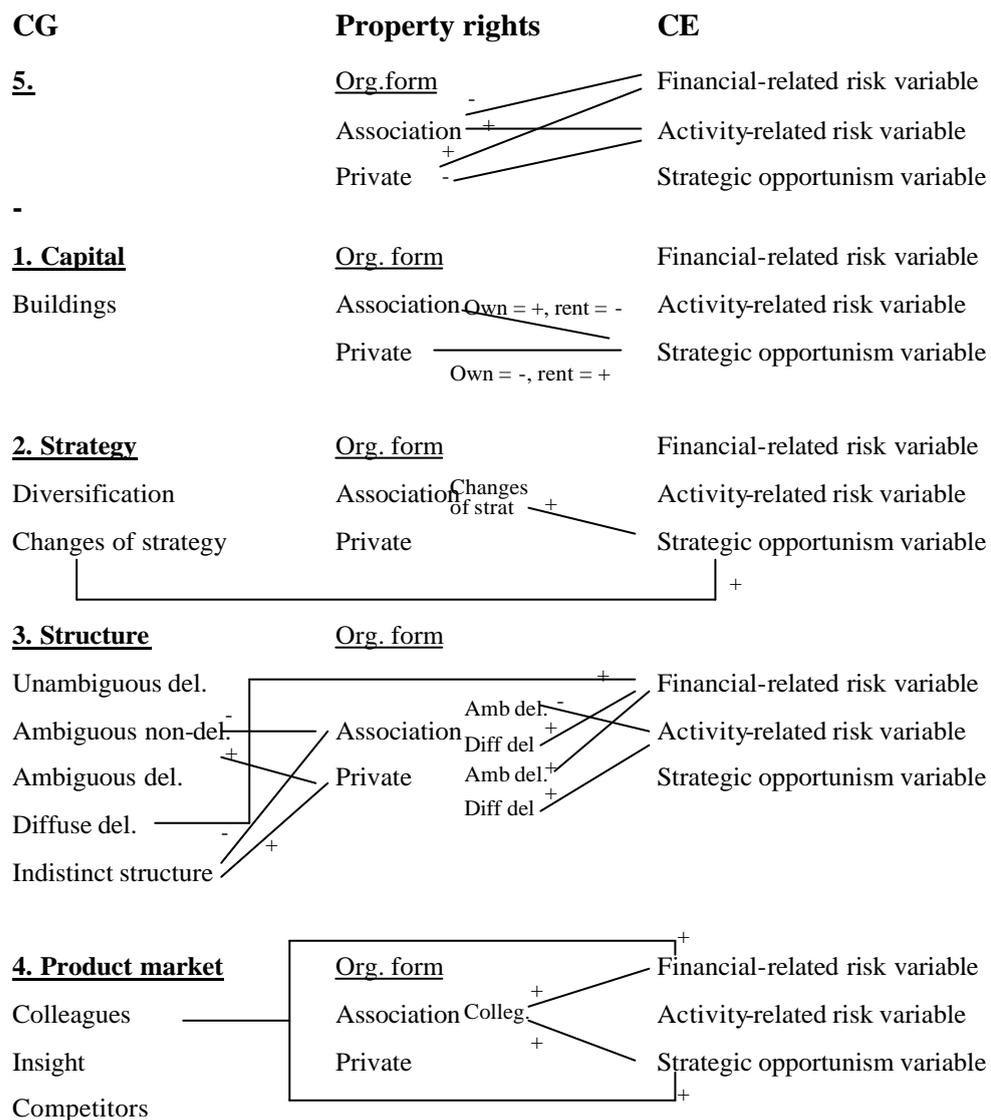


Figure depicting significant correlations regarding: a) organisational forms' CG character, b) CG's influence on CE without a separation on organisational form, c) CG's influence on CE when separating the two organisational forms. The lines indicate the significant correlations, the sign of plus or minus indicate whether the correlation was positively or negatively significant.

5.8.1 Summary of distinction of organisational forms

Differences between the organisational forms have been stated to emerge in the characteristics of the mechanisms of governance. Three of the CG mechanisms could be compared between

the organisational forms, i.e. the capital structure, the organisational structure/strategy, and the product market. The other mechanisms could not be compared since the private has no board, stated no recruited managers, and is without non-market resources.

When analysing capital, structure/strategy and product market three aspects have been in focus. The first aspect focuses on differences between the two organisational forms when only considering the mechanisms, i.e. if there are significant correlations between organisational forms and buildings, diversification, changes of strategy, the five measures of delegation and the three measures of the product market. The second aspect focuses on significant correlations between CG and CE, regardless organisational form. The reason for having made an analysis without the separation is that there might be a relation between CG and CE, but it does not have to be the organisational forms that explain it. The third aspect focuses on CG's influence on CE when having separated the organisational forms. CG's influence on CE has been investigated without a separation between the organisational forms (the second focus mentioned here). It might also be the case that organisations' influence on CE differ but it does not have to be explained by mechanisms of CG. CE has therefore been analysed in the two organisations, excluding CG mechanisms.

The capital structure (number 1 in the table above) was compared with whether the riding schools owned or rented their buildings (since data of equity and debts was lacking in the private) and showed no significant differences regarding the organisational forms, thus both forms showed indications on renting and owning their establishments. No significant correlations were found when analysing the buildings' influence on CE without making a separation between the organisations. When relating the building to CE and having made a separation between the organisational forms significant correlations were found concerning the variable of strategic opportunism (depicted with lines in the table above, from the association and private to the variable of strategic opportunism). The private showed indications on being more strategic opportune when renting than owning, whereas the association showed indication on being more strategic opportune when owning than renting. These relations were only apparent when considering the organisational forms separately, and not when adding more variables in a regression.

The organisational strategy/structure was compared with diversification and changes of strategy as the strategy variable, and delegation as the structure variable.

Diversification and changes of strategy (number 2 in the table above) showed no significant differences between the organisational forms. Thus, when only considering these measures for evaluating characteristics of the CG mechanisms no differences between the private and the association was found. When relating the variables of strategy with CE without making a separation of the organisational forms there was a significant correlation with the variable of "changes of strategy" and strategic opportunism, thus, regardless organisational form, will changes of strategy stimulate strategic opportunism (depicted with a line from changes of strategy to strategic opportunism, the plus indicates that the correlation was positive). Making the same analysis but separating the organisational forms resulted in significant correlations for the association concerning the variables of strategy and strategic opportunism, but no correlation with the private emerged (depicted in the table above with a line between the association's changes of strategy and strategic opportunism, positive correlation).

Evaluating the characteristics of the structure variable, i.e. delegation, (number 3 in the table above) resulted in significant differences between the organisational forms. When focusing on differences between the characteristics of the CG mechanisms, the private tended to delegate

more and have indistinct structures, i.e. the variables of ambiguous non-delegation and indistinct structure showed significant positive correlations regarding the private, thus the private delegate more and have more indistinct structure than the association (depicted in the table above with lines between ambiguous non-del. and indistinct structure and the organisational forms. When analysing the mechanism's influence on CE without separating the organisational forms a positive significant correlation was present concerning diffuse delegation and the financial-related risk variable, thus regardless organisational form diffuse delegations indicated stimulation on the financial-related risk variable (depicted in the table). The same analysis divided on the two organisational forms showed differences between the forms and the variables of risk, but not with the variable of strategic opportunism. The private indicated positively significant correlations with ambiguous delegation and financial-risk variable, as well as diffuse delegation and activity-related risk variable. The association indicated a positive significant correlation between diffuse delegation and financial-related risk variable, and a negative significant correlation between ambiguous delegation and activity-related risk variable (the correlations are depicted in the table above). The differences were further strengthened with regressions including delegation, size and organisational form, aimed at explaining the two forms of risk variables.

The product market was compared with statements regarding opinions about colleagues, competitors and if the respondents were of the opinion that they had insight in nearby riding schools (number 4 in the table above). When only analysing the opinions, aimed at finding differences between the organisations, no significant differences were found.

The statement "seeing other riding schools as colleagues" was significant related to both the financial-related risk variable and strategic opportunism when making the analysis without an organisational separation (see the table above). Making the same analysis with a separation indicated significant correlations concerning the association but not with the private (depicted in the table above).

When considering organisations' influence on CE without considering CG (number 5 in the table above) significant differences appeared concerning the risk variables but not concerning the variable of strategic opportunism (org forms' in relation to CE, depicted in the table above). The private was to a significant higher degree, compared to the association, of the opinion that financing can be arranged. Associations were to a significant higher degree, compared to the private, of the opinion that existing or new activities may not threaten the security of the riding school. Thus, the private has higher preferences for assuming both financial-related risk, and activity-related risk.

The theory stated differences between the organisations that the empirical evaluation did not show indications on. However, differences between the organisations must be claimed to exist, e.g. the delegation indicated differences. However, the strongest reason for claiming organisational differences is due to the variable of financial-related risk behaviour. It has been showed that when only focusing on this risk variable and organisational form, there are differences. When adding mechanisms of governance, e.g. the structure, both the organisational form and the CG mechanism was significant. Hence, it cannot be denied to exist differences between the organisational forms.

5.8.2 Summary of evaluation of the mechanisms of CG and their influence on CE

5.8.2.1 The private

The private's CG mechanisms and CG's influence on CE was investigated with the capital structure, the organisational structure/strategy, and the product market. The number of respondents amounted to 11 and the hypotheses have been evaluated and will only show indications on relations.

The capital structure defined as debt and equity could not be investigated in the private, instead was focus on buildings, i.e. whether they owned or rented their establishments. Renting or owning amounted to the same number. Private who rented their establishment showed indications on being more strategic opportune than private who own. No significant correlation with CE was found.

The strategy was investigated with diversification. The theory hypothesised that a single business strategy would stimulate risk and strategic opportunism, the analysis showed however that the private had a large variety of activities. Strategy was related neither to risk nor to strategic opportunism.

The structure was investigated with delegations. The theory hypothesised that a functional form, with restricted delegations, would stimulate strategic opportunism. The analysis showed that the private delegated, however, the owners tended to state themselves as responsible as well, suggesting an indistinct structure, or a very well organised structure, always with the owner as ultimate responsible. Delegations were related to the variables of risk but not to strategic opportunism.

The product market was investigated with statements aimed at investigating competitiveness and potential for development. The theory stated a hostile product market to restrain risk behaviour and to stimulate strategic opportunism. The statements did however not manage to catch the characteristics of the product market since it was both hostile and un-hostile. No correlation with CE was found.

The private showed mainly different outcomes than what has been hypothesised. Interesting findings is that the private had high preferences for assuming risk and that they frequently delegate responsibility, however still stating the owner as ultimate responsible.

5.8.2.2 The association

The associations could be investigated concerning all mechanisms and had a higher response rate than the private. The association's CG mechanisms have been investigated with the capital structure, the board of directors, the managerial labour, the organisational structure/strategy, the product market, and non-market resources.

The association's capital structure was investigated with solidity and building. The solidity varied and association both owned and rented the establishments. Regardless capital structure, i.e. a high degree of debts or a high degree of equity, no correlation with CE was found. Associations owning their establishments showed indication on being more strategic opportune than associations renting.

The association's board of directors was investigated with external representatives, board function and heterogeneity. External representatives were absent, which was hypothesised to stimulate risk behaviour, but no correlation was found. The function of strategy and conflict

resolution was important for stimulation of strategic opportunism. The function of strategy could imply stimulation of strategic opportunism, but board heterogeneity, such as board-experience, showed a negative correlation.

The association's managerial labour would stimulate risk behaviour with a restricted managerial supply on the labour market. The analysis showed indication on a relation. The managerial labour was hypothesised to, through variety of compensation and through compensating employees for coming up with new ideas, stimulate strategic opportunism. Variety of compensation was found to stimulate the managerial task of planning and initiating future activities, and to restrain the managerial task of develop the service riding. Compensating employees for ingenuity showed stimulation of strategic opportunism.

The association's strategy was investigated with diversification. The theory hypothesised that strategy would have no influence on risk and strategic opportunism. No correlation with risk was found, some indications suggested changes of strategy to stimulate strategic opportunism. As in the private was structure investigated with delegations. The theory hypothesised that a complex structure, with delegations, would stimulate strategic opportunism and restrain risk behaviour. The analysis showed that the association did not delegate that frequently, and had an indistinct structure. Delegations were related to the variables of risk but not to strategic opportunism. The more delegations, the more stimulation of risk.

The association showed some indication on relation between one statement regarding un-hostile product market and CE-variables. The theory stated a hostile product market to have influence neither on strategic opportunism nor on risk behaviour. As in the case of the private, must the relevance of the statements be questioned since statements aimed at investigating the same thing were not related.

Non-market resources were only claimed to exist in the associations and were hypothesised to stimulate CE. The degree of volunteers showed indications on having decreased. An increasing number of volunteers indicated stimulation of strategic opportunism.

Interesting findings was that managers appeared to have a high influence on development of the activity riding and that managers can be stimulated with either a variety of compensation or with compensations for ingenuity. Managerial tasks were also that of planning and initiating future activities, which was stimulated with compensations. A board-function that tended to be of importance was conflict resolution, which however not was related to CE-variables. However, if the managers mainly are to develop, the board could be less strategic opportune. The association can further not be claimed to have an unclear structure since the delegated responsibility showed indications on being lower than in the private. The association also had lower preferences for assuming risk, regardless related to the financial related or the activity related risk variable.

Thus, the analysis indicated that there are differences between the organisational forms, and that mechanisms of CG influence CE. However, the correspondence between the theory and the empirical evaluation turned out to be rather modest.

Organisational differences were not as common as had been predicted. One explanation could be that characteristics of the industry have been neglected. This will be further discussed in the next part.

5.9 An institutional factor

It has in previous parts been stated that there are differences between the organisational forms concerning the risk variables, building' influence on strategic opportunism, delegations, however, diversification and opinions regarding the product market resulted in no significant differences. Hence, aspects superior the mechanisms could be assumed to exist. One aspect would be to consider the industry from which the sample is collected, that of riding schools. It has been stated that a private riding school is more customer-oriented than a non-profit association, mainly since the owners of the private have personal liabilities and has the interest of not facing a bankruptcy. The association could, when facing a crisis, be supported by the municipality. The private's customer-oriented point of view would suggest the owner to take care of the members' interests, and differences ought to be present between the association and the private.

Statement 19.6 asked "when the riding school needs to choose, the well being of horses will always take precedence of members'/customers' wishes". This statement showed a very high mean, 6.45 (7-p. scale), standard deviation of 1.03, and indicated no differences between the organisational forms, (app. 5.9a). Thus, regardless organisational forms could it be hypothesised that horsemanship, i.e. the horses' well being, will be of higher importance than members' or customers' wishes.

5.9.1 Summary and interpretation of results concerning the institutional factor

The analysis of the industry's characteristics, such as riding and horsemanship, indicated that horses' well being is of high importance for riding schools, regardless organisational forms. This could indicate that the institutional factor of horsemanship is superior the CG mechanisms. Hence, regardless being a private riding school or an association, the organisation will be the most concerned with the well being of the horses.

Horsemanship has been investigated with one statement and it cannot be claimed that this statement managed to catch the phenomena of institutional limitations in the riding industry, i.e. horsemanship, but it did indicate that regardless organisational form, are the horses very important for the riding schools. It could then be hypothesised that CG's influence on CE, to some extent, would be influenced by this factor. E.g. a manager with influence on the risk behaviour of the organisation could be stimulated or restrained in influence due to considerations of the well being of the horses.

5.10 Summary of the analysis, added with the institutional factor

The theory has depicted five different organisational forms, which have different characteristics regarding CG. CG's influence on CE has further been claimed to differ. Due to a low response rate could the model in its entirety not be tested. Instead have the hypotheses concerning two organisational forms i.e. the private and the association, been tested and evaluated,. The analysis indicates that there are differences between the organisational forms, and that CG has influence on CE. An aspect restricting CG's influence on CE has been stated to be institutional factors, in this case the industry of riding schools.

Hence, there are slight differences between the organisational forms, and CG do partly influence CE, but institutional factors might be superior the mechanisms, putting restrictions on CG's influence on CE.

6. Conclusion

This part will present the conclusion as a summary of the analysis. The analysis implies that differences between the organisational forms cannot be neglected. The analysis indicates further that characteristics of CG differ with organisation, and that organisation's CG mechanisms have influence on CE.

6.1 Summary of the dissertation

The aim with this dissertation has been to make a distinction of different organisational forms, to evaluate the mechanisms of CG, and to understand CG's influence on CE. To accomplish this aim a theory has been deduced that separates between five different sets of property rights. Further have these five organisations' been claimed to differ regarding characteristics of CG mechanisms. The diverse characteristics have then been claimed to either stimulate or restrain influence on CE. A set of hypotheses have been created and evaluated through a survey, aimed at including the different organisational forms. The survey did however not cover all organisational forms, and due to a low response rate in two of the organisational forms, were two organisational forms created; one including the single proprietorship and the partnership, the other including the non-profit association. Thus, the theory could due to the low response rate not be tested, and can therefore neither be accepted nor rejected. Instead have relations where the number of responses was satisfying, been evaluated. The empirical analysis indicates that all hypotheses are not in line with the theory but it cannot be denied to exist differences between organisations, organisations' characteristics of CG and CG's influence on CE. It has further been suggested that institutional factors may be superior CG's influence on CE.

6.2 Conclusion of the model depicting five organisational forms, organisations' characteristics of CG and CG's influence on CE

The theory stated, with the base in property rights, that organisations differ regarding bundles of property rights. These differences will affect the mechanisms of governance, which in turn will influence CE. The empirical analysis evaluated three of the organisational forms, depicted in two organisational forms, i.e. the association and the private. The five mechanisms have been evaluated where it has been possible. Three forms of conclusion can be stated, i.e. the distinction of different organisational forms, the evaluation of the association's mechanisms of CG and CG's influence on CE and the private's mechanisms of CG and CG's influence on CE.

6.2.1 Distinction of different organisational forms

Differences between the organisational forms have been stated to emerge in the characteristics of the mechanisms of governance. Three of the CG mechanisms could be compared between the organisational forms, i.e. the capital structure, the organisational structure/strategy, and the product market. The other mechanisms could not be compared since the private has no board, stated no recruited managers, and is without non-market resources. Capital structure indicated differences concerning strategic opportunism. One difference appeared when

comparing the organisational forms' mechanisms, i.e. organisational structure, the private tended to delegate more. The difference was however not in accordance with the hypotheses. Correlations between delegation and CE were found with the variables of risk behaviour, but not with strategic opportunism. The product market showed no significant differences between the organisational forms.

These differences concern mechanisms of CG and their influence on CE. When considering organisational forms and the three variables of CE, differences appeared. The private tended to, controlling for influence of mechanisms of CG, have higher preferences for assuming both financial and activity-related risks. The variable of strategic opportunism did not manage to catch differences. A regression of organisational structure's relation to financial related risk showed further a significant model concerning both the variables of organisational form and structure. Hence, the mechanisms could explain some of the variance, thus indicating differences between the organisational forms.

6.2.2 The private

CG in the private was evaluated with three mechanisms, i.e. the capital structure, the organisational structure/strategy, and the product market. The capital structure could not be evaluated in accordance with the hypotheses due to a low response rate. The organisational strategy was not in accordance with the hypothesis, i.e. the private had the same diversification as the association. The evaluation of the strategy indicated that the private delegated more than association, which was not in accordance with the preconceived idea. The product market indicated no accordance with the hypotheses.

The evaluation showed that the private tend to have high preferences for assuming risk, the owners state themselves as responsible but still delegate the daily responsibility to other employees, renting the establishment will stimulate strategic opportunism, and finally, private emphasise qualitative riding education.

Hence, it was possible to evaluate some characteristics of CG's mechanisms in the private, and indications on relation with CE was found, mainly regarding the financial related risk variable.

6.2.3 The association

CG in the association was tested with five mechanisms, i.e. the capital structure, the board of directors, the managerial labour, the organisational structure/strategy, the product market, and non-market resources. Relations concerning capital structure, i.e. debt and equity, and CE were hypothesised, but no correlations were found. The board-function being that of conflict resolution has been claimed to be an important function for stimulation of strategic opportunism. Some indication showed the interest in conflict resolution, but no correlation with strategic opportunism appeared. The mechanism of managerial labour was claimed to stimulate risk behaviour with a restricted managerial supply, which was supported with the evaluation. Variety of compensation and compensating employees for coming up with new ideas was hypothesised to stimulate strategic opportunism, compensating employees for ingenuity showed correlation with strategic opportunism. The strategy indicated a variety of activities, which however not were related to CE. Structure and delegations turned out to be more restricted than in the private, which was not hypothesised. Correlations between risk behaviour and delegations were found. The product market was hypothesised to be hostile, but showed indications on being un-hostile.

Thus, the characteristics of CG showed very limited correlations with what was believed to be characteristics of CG mechanisms. As the mechanisms were not characterised in the most

conceivable of ways, it was difficult to test/evaluate the relation with CE since CG characteristics differed.

However, the analysis showed that the associations tend to have low preferences for assuming risk, owning the establishment will stimulate strategic opportunism, the board function of strategy will stimulate strategic opportunism, boards come less frequently with ideas for development than the managers, the board and the manager will mainly be the responsible persons, and the associations change horses frequently.

Hence, it was possible to evaluate some of the CG characteristics and some correlations with CE emerged.

6.2.4 Overall conclusion

The model, including a separation of five organisational forms, characteristics of mechanisms of CG and CG's influence on CE could not be tested in its entirety due to a low response rate. The hypotheses with at satisfying degree of answer have been tested and evaluated. The overall conclusion is that differences between the organisational forms have been noticed and, and that CG have influence on CE. Thus, indications on organisational differences concerning CG, and that CG influence CE have been found.

6.3 Methodological critique

Many of the hypotheses were not supported when making the analysis. Chapter three, part 3.6 includes critique and limitations of the theory, e.g. that the model is very general in offering a wide framework. Other reasons for the few correlations will be presented in this methodological critique.

The aim was to investigate all riding schools in Sweden, and a questionnaire was sent to addresses received from the National Equestrian Federation and a country-wide association (if this includes all Swedish riding schools in however unknown). A reminder was sent after two weeks. However, the response rate was low, which always decrease the reliability of the correctness of the outcomes. Another industry might have been more prone to participate. More than one reminder might have increased the response rate.

The low response rate resulted in that not all five organisational forms received sufficient responses to analyse. Therefore were two organisational forms created, including three organisations, but left two organisations unevaluated. Another industry might have offered a sample covering the five organisational forms.

The two organisational forms representing the sample, i.e. the private and the association, differed in number of respondents. These differences might have affected the evaluation, especially in the private where the response rate was the lowest. The private could have been excluded completely from the analyses, but then would only one organisational form have been present in the analyses, resulting in no comparisons between organisational forms. The separation of the private and the association indicate some differences.

The questionnaire involved questions aimed at investigating organisational forms, characteristics of CG and CG' influence on CE. CG mechanisms were investigated with both opened and closed questions and statements. The questions demanded respondents' time and efforts, and it could be that some left questions unanswered, not because they did not have for

example function in the board, but because they did not have the time or interest that the questionnaire demanded. The statements asked for opinions and cannot be claimed to with certainty express the truth. The statements regarding the product market showed contradicting opinions, whether this depends on less intelligent asked questions, or that the product market is ambiguous, is still not understood, but the operationalisation could be conducted in a better way.

The questionnaire was sent to the person responsible for the riding school. The position of the responsible person might differ with organisation, e.g. a non-profit association might have the chairperson or the manager as responsible, whereas the responsible in the private riding schools could be assumed to be the owner. This could result in different results, since a manager that have been working at the riding school for 2 years have less information than the owner and founder of a 20 year-old private riding school.

The questionnaire asked for changes during a period of five years. Not all riding school had been in the business for five years.

Riding schools constitute an unexplored field, both concerning CG and CE. The measurements of CE have been based on previous researchers' way of measuring, but due to the unexplored nature lower alpha values were accepted. It cannot with certainty be claimed that they have managed to catch the phenomena of CE.

6.4 Modifications

The theory hypothesised that due to organisational form would the mechanisms of CG vary, leading to differences in influence on CE. The model showed some indications on differences between organisations and that CG do influence CE. However, some modifications concerning the model have been noticed, i.e. the institutional aspect and two dimensions of risk

6.4.1 The institutional aspect

The developed theory hypothesised that organisations' characteristics of CG would influence CE. Five characteristics were stated to have influence on the governing and disciplining aspects of the organisations. The evaluation showed however that characteristics of the industry, i.e. riding schools, could be superior the mechanisms stated to have influence. The variable of horsemanship was investigated and showed no significant differences between the riding schools, hence regardless organisational form will the horses have high priority. The influence of institutional factors put limits on CG's influence on CE. This has not been taken into account when analysing the mechanisms, but could explain some of the modest differences between organisational forms. The theoretical conclusion is that property rights are indeed institutionally determined, where social norms and not only legal regulations influence the property rights and their distribution.

6.4.2 Two dimensions of risk

The theory predicted two dimensions of CE, i.e. risk behaviour and strategic opportunism. When constructing the variables aimed at analysing CE, two variables of risk behaviour emerged. It was at the beginning of the analysis not certain that the two variables of risk actually focused on two dimensions of risk, but they were kept separately and showed

continued differences. E.g. the two organisations' different preferences for assuming risk when only focusing on the relation "organisation and risk variable" (part 5.1.3), and the differences focusing on the relation "delegation and risk" (part 5.5.4). However, having two variables of risk resulted in difficulties when analysing, mainly since the theoretical definition of risk behaviour has included but one dimension. Thus, this analysis indicates that risk takes different dimensions, the financial-related and the activity-related risk behaviour.

6.5 Contributions

This dissertation has not only satisfied the author's interest in learning more about Swedish riding schools but also contributed with knowledge concerning the problems stated in the very beginning of the dissertation.

The first stated problem was:

- *CG and CE are commonly held separately even though it can be claimed that CG influence CE and that the concepts therefore could gain in understanding with an intertwinement.*

The intertwinement of CG and CE has been made before, e.g. Hill & Snell (1988) and Zahra (1996). What is new is the base of the intertwinement of organisational development on the disciplining mechanisms of CG. This has been introduced by Collin & Smith (2003b) and represents a different way of organising the aspects claimed to influence CE. The addition made in this dissertation is to base the intertwinement on the theory of property rights which makes a separation of five organisations possible. The analysis showed some significant correlations regarding CG's influence on CE. The correlations were present both when separating between the two organisational forms, and when making a correlation without an organisational separation. Most correlations were found concerning the association and CE which might be explained by their higher response rate.

The second stated problem was:

- *The empirical object of CG is mainly listed corporations, the empirical objects of CE are mainly listed corporations and SMEs. An empirical object covering more than one or two organisational forms could further the development of the theories.*

The low response rate put limitations on the possibility to analyse five different organisations. However, the empirical object still differed from CG's and CE's commonly empirical field (listed corporations and SMEs) and instead has focus been on privately held firms and non-profit associations. Both the private and the association are seldom present in the research of CG or CE and have therefore contributed with information both concerning characteristics of CG and relation to CE.

The third stated problem was:

- *Theories of CG and CE are more or less neglecting other forms than corporations and SMEs. A comprehensive theory, capable of including different organisational forms, is needed as a framework for explaining CG and CE.*

This aspect constitutes the largest addition when comparing this dissertation with the theory presented by Collin & Smith (2003b). This dissertation is based on the theory of property rights, stating five rights entitled to organisations' participants, which made a separation on organisations possible. The rights were also the base when stating CG characteristics and CG's influence on CE. The analysis showed some

indications on differences between organisational forms, i.e. private and association. It can therefore not be neglected that organisations differ and that entitlements given participants is one way of describing organisational differences.

Even though the response rate was low, resulting in an empirical analysis of two instead of five organisational forms, the analysis showed indications on differences, both concerning CG characteristics and CG's influence on CE. The dissertation will be claimed to have contributed with knowledge for the three stated problems, however, future research is needed.

Other contributions:

- The theory stated one dimension of risk but the analysis showed several times indications on catching two dimensions, i.e. the financial-related and the activity-related risk variable.
- The empirical object has an unexplored nature and the results could attract and be of interest for practitioners. Another contribution concerning the empirical object is that the difficulties in asking the rights questions, this dissertation could contribute with some knowledge in the field having laid the ground. It must however be said that focusing on riding schools was thought of being a good idea as it was supposed to include different organisational forms, but the low response rate indicates the difficulties in using this industry in an empirical analysis.

6.6 Implications for research about property rights, characteristics of CG and CG's influence on CE

This dissertation presented a set of hypotheses aimed at explaining five organisational forms' characteristics of CG and CG' influence on CE, with the base in property rights. The model could however not be tested, but only some of the hypothesised relations could be evaluated, and much more can be done. The theory has laid the ground for a separation between organisational forms based on the theory of property rights, depicted characteristics of the mechanisms of CG in these different organisational forms, and related CG to CE. Implications for research could be:

- Testing the model

The empirical object in this dissertation was riding schools. It was not known if the industry included all five organisational forms, but the object was mainly chosen due to the author's employment. Four of the five organisational forms were present among the responses, but the low response rate made it not possible to analyse all. Thus, the model is still untested. A suggestion is therefore to test the model in an industry where all five organisational forms are present.

- The riding industry

The riding industry is an unexplored field and could be claimed to be more challenging to investigate than the commonly studied corporation. It is further an increasing sport activity for youngsters, which would stimulate analyses of the industry. Two future focuses could be:

This dissertation stated one characteristic of each CG mechanism, which was to influence CE. Another way would be to start with focusing on but the mechanisms, and to

separately investigate the characteristics of them, without the involvement of CE. Since, if the characteristic of the mechanisms of CG is not known, they are of less importance when relating them to CE.

Another focus could be to focus on but one mechanism and its influence on CE. The managerial labour showed for example relations with CE, this mechanism could then further be of interest to analyse.

This dissertation hypothesised that influence on CE is performed through influence of CG. CG on the contrary has been claimed to be characterised by the bundles of property rights. It could however be argued that CE influence CG. A developed activity resulting in happy members of an association might result in that the board subsidises this activity and an increasing number of members might result in changed managerial tasks.

- The field of CE

A common focus in the field of CE is the board of directors, e.g. external/internal directors and function. When analysing suggestions for development in this dissertation it was shown that the manager more often came with suggestions for development than the board, and that the manager could be stimulated with variety of compensations and compensations for ingenuity. Hence, the manager could be suggested to be an important mechanism to consider when being interested in stimulation of CE.

Researchers in the field of CE focus on different aspects when testing CE, i.e. risk, aggressiveness, proactiveness, innovativeness, and risk commonly takes but one dimensions. This analysis showed indications on two forms of risk behaviour. Whether this was pure coincidence, due to low response rate and industry, cannot be stated, and therefore ought to be of interest for researchers within the field.

- Institutional factors

This dissertation has considered CG's influence on CE. It has been shown that institutional factors may be superior the mechanisms, thus a developed model might benefit from taking consideration to institutional factors and the restrictions they might put on CG's influence on CE.

- Performance

This dissertation has left out the commonly investigated "performance", mainly since it would be difficult to grasp the relevant measure in the different organisations. Performance in the association could for example be happy horses, whereas it in the corporation could be increased earnings. However, a measure of performance would be interesting, indicating if CE results in better organisational performance. First is it however necessary to state a measure of performance.

6.7 Practical implications

The focus of this dissertation has been on theoretical development. Practical aspects and implications have therefore been excluded. However, some practical implications can be presented.

- The industry of riding is an unexplored field, still it is of high importance in society as it constitute an important sport for youngsters.

There is one equestrian university in Sweden, teaching riding instructors and people responsible for stables. Investigations and evaluations of riding schools ought to be of relevance for the university, leading to better understanding and insight in the industry, thus making the education more attractive.

- Legitimise governance and developmental activities

A board of directors discussing developmental activities might feel unrelated to risk behaviour and strategic opportunism, and a decision of development might be seen as non-rational. By introducing the concept of governance and development to the industry, riding schools might be aware of the different mechanisms of CG and dimensions of CE. Thus, the model has made mechanisms of CG and its influence on CE to legitimate factors that could be considered when changing for example strategy.

6.8 Final conclusions

The model, including a separation of five organisational forms, characteristics of mechanisms of CG and CG's influence on CE needs to be tested on a sample including all five organisations. The evaluation in this dissertation showed indications on differences between organisational forms, and that CG do influence CE. It contributes with knowledge in an unexplored field, suggesting mechanisms of governance to stimulate or restrain development.

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Ulf Vilken, Consultant of the National Equestrian Federation, Interview, 12. March, 2002.

1. What year was the riding school founded?

Year: _____

2. What is the organisational form of the riding school?

Put a cross for the alternative corresponding the best

Corporation	<input type="checkbox"/>
Single proprietorship	<input type="checkbox"/>
Non-profit association	<input type="checkbox"/>
Partnership	<input type="checkbox"/>
Co-operative firm	<input type="checkbox"/>
Other form (please specify)	<input type="checkbox"/>

3. Is the owner of the riding school also the manager (manager or similar position)?

(The question is not to be answered by riding schools organised as a non-profit association or as a co-operative firm)

The owner, alt one of the owners, is the riding manager Yes No

4. Does the riding school own or rent the establishment?

Put a cross for the alternative that best correspond

The riding school rents	<input type="checkbox"/>
The riding school pays a subsidised rent	<input type="checkbox"/>
The riding school owns the establishment	<input type="checkbox"/>
Other form (please, specify)	<input type="checkbox"/>

5. How many members does the riding school have?

Please, specify the number of members, both the total number, and the number of members divided on gender and age for the two years 1998 and 2002. The numbers should represent the number present at the end of the two years. If you do not remember the exact number, we are grateful for an estimation.

	... at the end of 1998	... at the end of 2002
Total number of members	<input type="text"/>	<input type="text"/>
Female	<input type="text"/>	<input type="text"/>
Men	<input type="text"/>	<input type="text"/>
Below the age of 12	<input type="text"/>	<input type="text"/>
Between the age of 12 and 25	<input type="text"/>	<input type="text"/>
Above the age of 25	<input type="text"/>	<input type="text"/>

6. How many horses and ponies participated in the lessons of the riding school at the end of the 1998 and 2002?

Please, specify the number of horses and ponies at the end of the years 1998 and 2002.

	... at the end of 1998	... at the end of 2002
Number of horses participating	<input type="text"/>	<input type="text"/>
Number of ponies participating	<input type="text"/>	<input type="text"/>

7. How many horses and ponies has the riding school bought/sold the last five years?

Please, specify the number of horses and ponies that have been bought resp. sold from 1998 until 2002. If you do not remember the exact number, we are grateful for an estimation.

	... at the end of 1998	... at the end of 1999	... at the end of 2000	... at the end of 2001	... at the end of 2002
Number of bought horses					
Number of sold horses					
Number of bought ponies					
Number of sold ponies					

8. Within the riding lessons, how many clock hours on average per week is a horse/pony normally working?

Number of clock-hours per horse on average a week

Number of clock-hours per pony on average a week

9. Characteristics of the board of directors

Please, specify gender, age, number of years within the board, function, and if the director is an external representative. Please, specify both regular and deputy directors, however not co-opted directors. (The question is not to be answered by riding schools organised as single proprietorships.)

	Gender	Age	Number of years in the board	Please, specify if the member has a specific function. e.g. being the manager, representing committees for ponies, competitions, marketing, private stable, etc.	Please, specify if the member primarily represent an external interest, e.g. municipality, bank, sponsor.
<i>Directors</i>	<i>M/F</i>	<i>Year</i>	<i>Year</i>	<i>Specific function</i>	<i>External representative</i>
Chairperson					
Cashier					
Secretary					
Director 1					
Director 2					
Director 3					
Director 4					
Director 5					
Director 6					
Director 7					
Director 8					
Director 9					
Director 10					
Director 11					
Director 12					
Director 13					
Director 14					
Director 15					

If your board of directors has more members, please attach a paper with their data!

10. All in all, how many years has the current chairperson been chairperson?

Please, specify year, gender, education, number of years employed, if the person has a full time employment, part time or is hired per hour, and if the person has former experience from riding schools.

	Age	Gender	Education with relevance for the work	Number of years employed	Full-time employment	Part-time employment	Hired per hour, please, specify number of hours	Volunteer	Former experience from riding schools, e.g. former pupil.
	<i>Age</i>	<i>M/F</i>	<i>Specify the education</i>	<i>year</i>	<i>Mark suitable alternative</i>			<i>Specify former experience</i>	
Manager									
Responsible for the stable									
Porter									
Administrator									
Stable-workers									
Instructor 1									
Instructor 2									
Instructor 3									
Instructor 4									
Instructor 5									
Instructor 6									
Instructor 7									
Instructor 8									
Instructor 9									
Instructor 10									
Other staff Title									
Other staff Title									
Other staff Title									
Other staff Title									
Other staff Title									
Other staff Title									
Other staff Title									

12. How many persons have had the position as manager the last five years, 1998-2002? _____

13. What forms of compensation does the manager receive?

Put a cross for the alternative/alternatives corresponding

Stable-place for free	<input type="checkbox"/>
Stable-place at cost price	<input type="checkbox"/>
Wage	<input type="checkbox"/>
No compensation	<input type="checkbox"/>
Further education	<input type="checkbox"/>
Participation at conferences	<input type="checkbox"/>
Bonuses, e.g. when lessons groups are filled	<input type="checkbox"/>
Possibility to borrow the riding school's horses/ponies for giving private lessons	<input type="checkbox"/>
Possibility to give private lessons at the riding school's establishment by paying rent	<input type="checkbox"/>
Possibility to give private lessons at the riding school's establishment without paying rent	<input type="checkbox"/>
Other (please, specify)	<input type="checkbox"/>

14. What forms of compensation do the instructors receive?

Put a cross for the alternative/alternatives corresponding

Stable-place for free	<input type="checkbox"/>
Stable-place at cost price	<input type="checkbox"/>
Wage	<input type="checkbox"/>
No compensation	<input type="checkbox"/>
Further education	<input type="checkbox"/>
Participation at conferences	<input type="checkbox"/>
Bonuses, e.g. when lessons groups are filled	<input type="checkbox"/>
Possibility to borrow the riding school's horses/ponies for giving private lessons	<input type="checkbox"/>
Possibility to give private lessons at the riding school's establishment by paying rent	<input type="checkbox"/>
Possibility to give private lessons at the riding school's establishment without paying rent	<input type="checkbox"/>
Other (please, specify)	<input type="checkbox"/>

15. The economy of the riding school, year 2002

Please, try to indicate the figures as exactly as possible.
Please, specify the revenues for year 2002, divided on the 11 entries.

Yearly revenues, year 2002, crowns

1 Activities of riding, e.g., lessons, riding camps	<input type="text"/>
2 Board and lodging of private owned horses/ponies	<input type="text"/>
3 Leasing of the establishment, e.g. competitions, other actors	<input type="text"/>
4 Competitions	<input type="text"/>
5 Sponsors	<input type="text"/>
6 Membership fees	<input type="text"/>
7 Subsidiaries, (from government and/or municipality)	<input type="text"/>
8 Cafeteria/restaurant	<input type="text"/>
9 Lottery, t ex bingo	<input type="text"/>
10 Other revenues	<input type="text"/>
11 Total revenues	<input type="text"/>

Yearly costs, year 2002, cr

1	Wages, not costs for further education	
2	Further education of staff	
3	Establishment and land, e.g. rent, maintenance, electricity, fuel, cleaning	
4	Administration e.g. phone, office supplies	
5	Marketing	
6	Horses/ponies, e.g. feed, blacksmith, veterinary	
7	Associational fees	
8	Interest	
9	Other costs	
10	Total costs	

Please, specify the financing of the riding school for year 2002, divided on short and long term debts and total capital.

Sum, year 2002, cr

1	Short-termed debts	
2	Long-termed debts	
3	Total assets	

16. Which persons think of new ideas in the riding school, and what are the ideas about?

Please, mark for the five different categories; board of directors, owner, manager, instructors, members/customers, whether they often, sometimes, rarely or never comes with suggestions for **development of the activity riding**.

<i>Gives suggestions for development of the activity riding, e.g. larger groups, different levels</i>				
	Often	Sometimes	Rarely	Never
The board of directors				
Owner of the riding school				
Manager				
Staff				
Members/customers				

Please, mark for the five different categories; board of directors, owner, manager, instructors, members/customers, whether they often, sometimes, rarely or never comes with suggestions for **development of already existing activities, excluding riding**.

<i>Gives suggestions for development of already existing activities, e.g. development of competitions</i>				
	Often	Sometimes	Rarely	Never
The board of directors				
Owner of the riding school				
Manager				
Staff				
Members/customers				

Please, mark for the five different categories; board of directors, owner, manager, instructors, members/customers, whether they often, sometimes, rarely or never comes with suggestions for **development of new activities**.

<i>Gives suggestions for development of new activities, e.g. youth centre, café, trekking</i>				
	Often	Sometimes	Rarely	Never
The board of directors				
Owner of the riding school				
Manager				
Staff				
Members/customers				

17. Which person/persons have the daily responsibility for leading the below listed activities?

Below are 31 activities listed. Please, put a cross for that person, alt. the persons that have the responsibility that the daily different activities are managed and carried out in a good way. Thus, we are interested in the person leading the daily activities, not the one with total responsibility or the one carrying out the activity.

	Owner of the riding school	Board of directors	Section/committee	Manager	Responsible for the stable	Single instructors	Instructors as a group	Other employees	Other volunteer/s	The activity does not exist
1	Dressage lesson									
2	Jumping lesson									
3	Hunting lesson									
4	Voltige lesson									
5	Carriage lesson									
6	Western									
7	Trekking									
8	Riding for disabled									
9	Leasing of horses/ponies									
10	Stable, horse-welfare									
11	Lessons of theory									
12	Competitions									
13	Day-care centre									
14	Private stable, board and lodging									
15	Youth centre									
16	Further education of the horses/ponies									
17	Cafeteria/restaurant									
18	See to that the lessons are filled									
19	Divide horses/ponies for the lessons									
20	Shop									
21	Education/practical experience for the instructors									
22	Purchase/sale of horses/ponies									
23	Establishment									
24	Administration									
25	Recruitment of new staff									
26	Responsibility over staff									
27	Marketing									
28	Sponsors									
29	Other forms of activities contributing with financing, e.g. sell lotteries, shampoo, etc.									
30	Leasing of the establishment to contractors									
31	Youth activities									
32	Other forms of activities									

Please, mark with a cross your opinion of the below stated aspects.
The scale ranges from increased considerably to decreased considerably.

	Decreased considerably	Slightly decreased	Unchanged	Slightly increased	Increased considerably	Do not know
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						

19. What is your opinion of the following statements?

Below follows a list with different statements. We would like you, on a scale ranking from 1-7, indicate to whether you disagree or agree. It is not general opinions we are looking for, but what you consider to be the case in your riding school.

1 = disagree, 7 = agree.

disagree agree Don't know

	1	2	3	4	5	6	7	
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								

Appendix 5

Includes details of the analysis presented in chapter 5.

Different statistic tests have been used. i.e.:

Reliability analysis for stating the alpha-value

Testing for normal distribution has been conducted with one-sample Kolomogrov-Smirnov test. Sig. 2-tailed above 5 % is considered as normal distribution

Testing for differences between the two organisational forms has been conducted with two forms of tests. Mann-Whitney when the distribution was not normal, and t-test when the distribution was normal. >5 % = significant differences, >10 % = low significant differences
Chi-Square was used when having sufficient numbers.

Testing for correlations has been conducted with to forms of tests. Spearman's when the distribution was not normal, and Pearson's when the distribution was normal. >5 % = significant correlations, >10 % = low significant correlations

Linear regressions have been conducted when that was considered as relevant. The regressions have been controlled for having normal distribution concerning the unstandardised residuals, which however not is reported here.

The organisational forms are here referred to as categories.

5.1.1a

Reliability analysis – scale (alpha)

Statements 19.14, 19.28 and 19.35

Reliability Coefficients

N of Cases = 37,0 N of Items = 3

Alpha = ,5553

5.1.1b

Reliability analysis – scale (alpha)

Statements 19.12 and 19.22

Reliability Coefficients

N of Cases = 49,0 N of Items = 2

Alpha = ,5879

5.1.2a

Reliability analysis – scale (alpha)

Statements 19.2, 19.17, 19.30 and 19.32

Reliability Coefficients

N of Cases = 52,0 N of Items = 4

Alpha = ,5721

Testing for normal distribution, financial-related risk variable, activity-related risk variable, and variable of strategic opportunism.

One-Sample Kolmogorov-Smirnov Test

		fin-rel risk	act-rel risk	strat opp
N		55	55	55
Normal Parameters ^{a,b}	Mean	4,2697	6,1545	4,2955
	Std. Deviation	1,62462	1,03581	1,05346
Most Extreme Differences	Absolute	,070	,284	,079
	Positive	,066	,207	,079
	Negative	-,070	-,284	-,068
Kolmogorov-Smirnov Z		,522	2,104	,582
Asymp. Sig. (2-tailed)		,948	,000	,887

a. Test distribution is Normal.

b. Calculated from data.

Testing for correlations concerning the three variables of CE, Spearman's test

Spearman's rho			fin-rel risk	act-rel risk
	act-rel risk	correlation coeff.	-.131	
		sig. (2-tailed)	.341	
		n	55	
	strat opp	correlation coeff.	.337*	.052
		sig. (2-tailed)	.012	.707
		n	55	55

Testing for correlations concerning the three variables of CE, separating between the two categories, Spearman's test.

Spearman's rho			fin-rel risk	act-rel risk
priv.	act-rel risk	correlation coeff.	-.401	
		sig. (2-tailed)	.250	
		n	10	
	strat opp	correlation coeff.	.263	.152
		sig. (2-tailed)	.463	.675
		n	10	10
ass.	act-rel risk	correlation coeff.	-.014	
		sig. (2-tailed)	.930	
		n	45	
	strat opp	correlation coeff.	.369*	.020
		sig. (2-tailed)	.013	.897
		n	45	45

Testing for sig. differences concerning category and risk behaviour, Mann-Whitney.

Ranks

	category, 1-pr, 2-ass	N	Mean Rank	Sum of Ranks
fin-rel. risk	1,00	10	40,20	402,00
	2,00	45	25,29	1138,00
	Total	55		
act-rel risk	1,00	10	20,65	206,50
	2,00	45	29,63	1333,50
	Total	55		

Test Statistics^a

	fin-rel. risk	act-rel. risk
Mann-Whitney U	103,000	151,500
Wilcoxon W	1138,000	206,500
Z	-2,669	-1,712
Asymp. Sig. (2-tailed)	,008	,087

a. Grouping Variable: ASS_PRIV

Testing for sig. differences concerning category and strategic opportunism, T-test

Group Statistics

category,	N	Mean	Std. Deviation	Std. Error Mean
1-pr, 2-ass				
strat opp. 1,00	10	4,2000	1,23491	,39051
2,00	45	4,3167	1,02349	,15257

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
strat opp.	Equal variances assumed	,451	,505	-,314	53	,755	-,1167	,37141	-,86161	,62828
	Equal variances not assumed			-,278	11,901	,786	-,1167	,41926	-1,03100	,79767

5.1b

Testing for normal distribution concerning board and managerial suggestions for development.

B/M-act riding – Boards'/Managers' suggestions for development of the activity riding

B/M-existing act - Boards'/Managers' suggestions for development of already existing activities

B/M-new act - Boards'/Managers' suggestions for development of new activities

One-Sample Kolmogorov-Smirnov Test

		B-act riding	B-existing act	B-new act	M-act riding	M-existing act	M-new act
N		43	44	46	39	38	38
Normal Parameters ^{a,b}	Mean	2,7442	3,0000	3,0435	3,4872	3,2368	3,1579
	Std. Deviation	,84777	,77759	,69782	,68333	,78617	,75431
Most Extreme Differences	Absolute	,229	,250	,264	,338	,255	,259
	Positive	,229	,227	,264	,226	,197	,241
	Negative	-,200	-,250	-,258	-,338	-,255	-,259
Kolmogorov-Smirnov Z		1,499	1,658	1,790	2,108	1,573	1,598
Asymp. Sig. (2-tailed)		,022	,008	,003	,000	,014	,012

a. Test distribution is Normal.

b. Calculated from data.

Spearman's correlations concerning board of directors' suggestions for development:
 B-act riding – Boards' suggestions for development of the activity riding
 B-existing act - Boards' suggestions for development of already existing activities
 B-new act - Boards' suggestions for development of new activities

Spearman's rho		B-act riding	B-existing act
B-existing act	correlation	.573**	
	Sig. (2-tailed)	.000	
	N	43	
B-new act	correlation	.667**	.663**
	Sig. (2-tailed)	.000	.000
	N	43	44

Spearman's correlations concerning managers' suggestions for development.
 M-act riding –Managers' suggestions for development of the activity riding
 M-existing act - Managers' suggestions for development of already existing activities
 M-new act - Managers' suggestions for development of new activities

Spearman's rho		M-act riding	M-existing act
M-existing act	correlation	.688**	
	Sig. (2-tailed)	.000	
	N	37	
M-new act	correlation	.567**	.553**
	Sig. (2-tailed)	.000	.000
	N	38	37

Reliability analysis – scale (alpha)

Board of directors' suggestions for development of the activity riding, already existing activities, and new activities.

Reliability Coefficients

N of Cases = 43,0 N of Items = 3

Alpha = ,8336

Reliability analysis – scale (alpha)

Managers' suggestions for development of the activity riding, already existing activities, and new activities.

Reliability Coefficients

N of Cases = 37,0 N of Items = 3

Alpha = ,8692

5.2.2.1a

Crosstab concerning owning or renting the establishment, divided on associations and private riding schools. Chi-square tests for sig. differences.

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
category/owning or renting the establishment	47	82,5%	10	17,5%	57	100,0%

Crosstabulation, own or rent the establishment

Count

		establishment		Total
		rent	own	
category	priv	6	5	11
	ass	15	21	36
Total		21	26	47

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	,565 ^b	1	,452		
Continuity Correction ^a	,164	1	,685		
Likelihood Ratio	,563	1	,453		
Fisher's Exact Test				,505	,341
Linear-by-Linear Association	,553	1	,457		
N of Valid Cases	47				

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 4,91.

5.2.2.1b

Correlation of fixed assets and solidity regarding associations.

Ranks

		own or rent	N	Mean Rank	Sum of Ranks
solidity	rent		4	7,50	30,00
	own		6	4,17	25,00
Total			10		

Test Statistics^b

	SOLIDITY
Mann-Whitney U	4,000
Wilcoxon W	25,000
Z	-1,706
Asymp. Sig. (2-tailed)	,088
Exact Sig. [2*(1-tailed Sig.)]	,114 ^a

a. Not corrected for ties.

b. Grouping Variable: OWNREDUM

5.2.3a

Fixed asset in relation to CE.

Ranks

		own or rent	N	Mean Rank	Sum of Ranks
fin-rel risk	rent		21	23,33	490,00
	own		24	22,71	545,00
	Total		45		
act-rel risk	rent		21	24,05	505,00
	own		24	22,08	530,00
	Total		45		
strat opp	rent		21	21,86	459,00
	own		24	24,00	576,00
	Total		45		

Test Statistics^a

	fin-rel risk	act-rel risk	strat opp
Mann-Whitney U	245,000	230,000	228,000
Wilcoxon W	545,000	530,000	459,000
Z	-,160	-,529	-,548
Asymp. Sig. (2-tailed)	,873	,597	,584

a. Grouping Variable: own or rent

5.2.3b

Owning or renting in relation to CE, separating between the two categories

Ranks

		own or rent	N	Mean Rank	Sum of Ranks
private	fin-rel risk	rent	6	5,58	33,50
		own	4	5,38	21,50
		Total	10		
	act-rel risk	rent	6	5,67	34,00
		own	4	5,25	21,00
		Total	10		
	strat opp	rent	6	6,75	40,50
		own	4	3,63	14,50
		Total	10		
association	fin-rel risk	rent	15	17,43	261,50
		own	20	18,42	368,50
		Total	35		
	act-rel risk	rent	15	19,27	289,00
		own	20	17,05	341,00
		Total	35		
	strat opp	rent	15	14,77	221,50
		own	20	20,42	408,50
		Total	35		

Test Statistics^b

category		fin-rel risk	act-rel risk	strat opp
private	Mann-Whitney U	11,500	11,000	4,500
	Wilcoxon W	21,500	21,000	14,500
	Z	-,108	-,217	-1,609
	Asymp. Sig. (2-tailed)	,914	,828	,108
	Exact Sig. [2*(1-tailed Sig.)]	,914 ^a	,914 ^a	,114 ^a
ass	Mann-Whitney U	141,500	131,000	101,500
	Wilcoxon W	261,500	341,000	221,500
	Z	-,285	-,683	-1,622
	Asymp. Sig. (2-tailed)	,776	,494	,105
	Exact Sig. [2*(1-tailed Sig.)]	,780 ^a	,542 ^a	,107 ^a

a. Not corrected for ties.

b. Grouping Variable: own or rent

Regression, dependent variable is strategic opportunism, independent variables are fixed assets category and size.

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	fixed assets, category, size		Enter

- a. All requested variables entered.
 b. Dependent Variable: strat opp

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,240 ^a	,058	-.019	1,09106

- a. Predictors: (Constant), fixed assets, size, category
 b. Dependent Variable: strat opp

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2,698	3	,899	,755	,526 ^a
	Residual	44,045	37	1,190		
	Total	46,743	40			

- a. Predictors: (Constant), fixed assets, size, category
 b. Dependent Variable: strat opp

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5,318	,952		5,587	,000
	category	-,627	,490	-,207	-1,279	,209
	size	1,977E-04	,001	,037	,229	,820
	fixed assets	,350	,349	,164	1,002	,323

- a. Dependent Variable: strat opp

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	4,0860	5,1012	4,4146	,25971	41
Residual	-2,1506	2,6198	,0000	1,04934	41
Std. Predicted Value	-1,266	2,643	,000	1,000	41
Std. Residual	-1,971	2,401	,000	,962	41

- a. Dependent Variable: strat opp

5.2.3d

Correlating solidity with the CE-variables, only associations

Spearman's rho		Fin-rel risk	act-rel risk	strat opp
	solidity correlation	.320	-.468	.106
	Sig. (2-tailed)	.311	.125	.744
	N	12	12	12

No normal distribution concerning the function of the board to be that of conflict resolution.

One-Sample Kolmogorov-Smirnov Test

		conflict1	conflict2	functions/ directors
N		45	44	42
Normal Parameters a,b	Mean	5,4889	2,5909	,3895
	Std. Deviation	1,65999	1,85921	,32573
Most Extreme Differences	Absolute	,243	,261	,170
	Positive	,181	,261	,170
	Negative	-,243	-,196	-,116
Kolmogorov-Smirnov Z		1,631	1,732	1,101
Asymp. Sig. (2-tailed)		,010	,005	,177

a. Test distribution is Normal.

b. Calculated from data.

Degree of specific committees in relation to number of board members have been correlated with statements concerning the board function to be that of conflict resolution.

Conflict 1- Within the board there are directors representing different members' interests

Conflict 2- The board is mainly a place where members can debate their different opinions

Functions/directors – number of functions in relation to number of directors within the board

Spearman's rho		Conflict 1	Conflict 2
Functions/directors	correlation	.006	-.120
	Sig. (2-tailed)	.970	.462
	N	41	40

5.3.1.3a

Normal distribution concerning directors' gender

One-Sample Kolmogorov-Smirnov Test

		gender of directors
N		42
Normal Parameter ^{a,b}	Mean	1,7157
	Std. Deviation	,14620
Most Extreme Differences	Absolute	,098
	Positive	,095
	Negative	-,098
Kolmogorov-Smirnov Z		,637
Asymp. Sig. (2-tailed)		,812

a. Test distribution is Normal.

b. Calculated from data.

Gender composition of boards in relation to gender of chairperson

Group Statistics

chairgen der	N	Mean	Std. Deviation	Std. Error Mean
directors male	24	1,6340	,10418	,02127
female	18	1,8248	,12184	,02872

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
gender	Equal variances assumed	,400	,531	-5,461	40	,000	-,1908	,03493	-,26136	-,12017
	Equal variances not assumed			-5,338	33,344	,000	-,1908	,03573	-,26344	-,11809

5.3.1.3b

Correlating the age and standard deviation of directors with the age of chairpersons

Spearman's rho	Chairpersons' age	Directors' mean age	stdv of directors' age
Correlation coeff.		.350*	.424**
Sig. (2-tailed)		.029	.007
N		39	39

5.3.1.3c

Correlating the year of directors' board experience and directors' standard deviation of board experience with the chairpersons' board experience.

Spearman's rho	Experience of chairperson	mean experience of directors	stdv of directors' experience
correlation		.673**	.546**
Sig. (2-tailed)		.000	.000
N		41	41

5.3.2.1a

Ranks

	Ext board rep	N	Mean Rank	Sum of Ranks
Fin-rel risk	No ext repr.	41	23,54	965,00
	Ext repr.	4	17,50	70,00
	Total	45		
Act-rel risk	,00	41	23,10	947,00
	1,00	4	22,00	88,00
	Total	45		

Test Statistics^b

	Fin-rel risk	Act-rel risk
Mann-Whitney U	60,000	78,000
Wilcoxon W	70,000	88,000
Z	-,880	-,174
Asymp. Sig. (2-tailed)	,379	,862
Exact Sig. [2*(1-tailed Sig.)]	,406 ^a	,893 ^a

a. Not corrected for ties.

b. Grouping Variable: external board rep.

Testing statements regarding board functions for normal distributions

One-Sample Kolmogorov-Smirnov Test

		service	control	control	service	strategy	conflict	strategy	conflict
N		43	44	43	44	44	45	45	44
Normal Parameters ^{a,b}	Mean	4,9535	2,7045	3,8837	5,2500	4,2955	5,4889	5,1333	2,5909
	Std. Deviation	1,92667	1,98341	2,14042	1,51158	1,82463	1,65999	1,48630	1,85921
Most Extreme Differences	Absolute	,182	,230	,141	,172	,173	,243	,209	,261
	Positive	,144	,230	,136	,134	,125	,181	,105	,261
	Negative	-,182	-,195	-,141	-,172	-,173	-,243	-,209	-,196
Kolmogorov-Smirnov Z		1,190	1,524	,924	1,141	1,148	1,631	1,402	1,732
Asymp. Sig. (2-tailed)		,118	,019	,360	,148	,143	,010	,039	,005

a. Test distribution is Normal.

b. Calculated from data.

Correlating function of the board with strategic opportunism and suggestions for development.

B-act riding – Boards' suggestions for development of the activity riding

B-existing act - Boards' suggestions for development of already existing activities

B-new act - Boards' suggestions for development of new activities

B-overall dev – Boards' suggestions for overall development

Strat opp – variable of strategic opportunism

Function of the board		B-act riding	B-existing act	B-new act	B-overall dev	strat opp	
Spearman's rho	service	correlation	-.135	.057	.030	-.053	.133
		Sig. (2-tailed)	.407	.722	.851	.735	.394
		N	40	43	43	43	43
service		correlation	.184	.192	.127	.180	.220
		Sig. (2-tailed)	.250	.224	.411	.243	.152
		N	41	42	44	44	44
strategy		correlation	.273	.536**	.329*	.416**	.337*
		Sig. (2-tailed)	.085	.000	.029	.005	.025
		N	41	42	44	44	44
strategy		correlation	.046	.203	.156	.147	.001
		Sig. (2-tailed)	.771	.192	.306	.337	.992
		N	42	43	45	45	45
control		correlation	.307	.042	.105	.175	.014
		Sig. (2-tailed)	.051	.791	.497	.256	.930
		N	41	42	44	44	44
control		correlation	.275	.059	.117	.123	.168
		Sig. (2-tailed)	.085	.713	.456	.432	.281
		N	40	41	43	43	43
conflict resolution		correlation	-.078	.093	-.096	-.052	.053
		Sig. (2-tailed)	.623	.553	.530	.736	.727
		N	42	43	45	45	45
conflict resolution		correlation	.120	-.031	.064	-.035	-.060
		Sig. (2-tailed)	.456	.844	.682	.819	.701
		N	41	42	44	44	44

5.3.2.2b

Reliability analysis – scale (alpha)

Statements regarding the board function to be that of strategy 19.39 and 19.42

N of Cases = 44,0

N of Items = 2

Alpha = ,6452

5.3.2.2c

The two statements investigating strategy added into one strategy-variable, correlated to the variable of strategic opportunism and the measures of development.

B-act riding – Boards’ suggestions for development of the activity riding

B-existing act - Boards’ suggestions for development of already existing activities

B-new act - Boards’ suggestions for development of new activities

B-overall dev – Boards’ suggestions for overall development

Strat opp – variable of strategic opportunism

Spearman's rho		B-act riding	B-existing act	B-new act	overall dev	strat opp
	Function of strategy correlation	.210	.417**	.278	.335*	.236
	Sig. (2-tailed)	.182	.005	.065	.024	.119
	N	42	43	45	45	45

5.3.2.2d

Testing the four measures of heterogeneity for normal distributions

Stdv age - standard deviation of age

Stdv board exp - standard deviation of directors’ years within the board, i.e. board experience

Gender - mean of gender

Heterog. Variable - a heterogeneity variable consisting of the three above stated variables.

One-Sample Kolmogorov-Smirnov Test

		stdv age	stdv board exp	gender	heterog. variable
N		40	42	42	40
Normal Parameters ^{a,b}	Mean	9,6794	2,8762	-.2222	,0119
	Std. Deviation	3,57010	2,54541	,13587	1,64364
Most Extreme Differences	Absolute	,086	,163	,113	,128
	Positive	,086	,163	,097	,128
	Negative	-.061	-.144	-.113	-.078
Kolmogorov-Smirnov Z		,544	1,059	,730	,807
Asymp. Sig. (2-tailed)		,929	,212	,661	,533

a. Test distribution is Normal.

b. Calculated from data.

Correlating the four measures of heterogeneity with the variable of strategic opportunism, Pearson test.

Stdv age - standard deviation of age

Stdv board exp - standard deviation of directors’ years within the board, i.e. board experience

Gender - mean of gender

Heterog. Variable - a heterogeneity variable consisting of the three above stated variables.

Pearson		stdv age	stdv board exp	gender	heterog. variable
	strat opp correlation	-.001	-.256	-.119	-.171
	Sig. (2-tailed)	.994	.107	.458	.298
	N	39	41	41	39

The four variables of heterogeneity correlated with the four measures of suggestions for development, Spearman's.

Stdv age - standard deviation of age

Stdv board exp - standard deviation of directors' years within the board, i.e. board experience

Gender - mean of gender

Heterog. Variable - a heterogeneity variable consisting of the three above stated variables.

B-act riding – Boards' suggestions for development of the activity riding

B-existing act - Boards' suggestions for development of already existing activities

B-new act - Boards' suggestions for development of new activities

B-overall dev – Boards' suggestions for overall development

			stdv age	stdv board exp	gender	heterog. variable
Spearman's rho	B-act riding	correlation	-.154	-.142	-.348*	-.276
		Sig. (2-tailed)	.364	.389	.030	.098
		N	37	39	39	37
	B-existing act	correlation	-.153	-.236	-.385*	-.326
		Sig. (2-tailed)	.358	.143	.014	.046
		N	38	40	40	38
	B-new act	correlation	-.070	-.123	-.135	-.232
		Sig. (2-tailed)	.668	.437	.393	.151
		N	40	42	42	40
overall dev	correlation	-.160	-.150	-.356*	-.305	
	Sig. (2-tailed)	.324	.342	.021	.055	
	N	40	42	42	40	

5.4.1.1a

Statement 19.18, supply on managerial labour market, with extreme values

Statistics

Supply on managerial labour market

N	Valid	35
	Missing	11
Mean		3,4286
Median		2,0000
Std. Deviation		2,35504
Minimum		1,00
Maximum		7,00

Supply on managerial labour market

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1,00	10	21,7	28,6	28,6
	2,00	8	17,4	22,9	51,4
	3,00	1	2,2	2,9	54,3
	4,00	6	13,0	17,1	71,4
	5,00	1	2,2	2,9	74,3
	6,00	1	2,2	2,9	77,1
	7,00	8	17,4	22,9	100,0
	Total	35	76,1	100,0	
Missing	System	11	23,9		
Total		46	100,0		

Testing for normal distribution regarding statement 19.7, internal or external recruitment of managers

One-Sample Kolmogorov-Smirnov Test

		int/ext rec
N		34
Normal Parameters ^{a,b}	Mean	3,7941
	Std. Deviation	2,30650
Most Extreme Differences	Absolute	,164
	Positive	,164
	Negative	-,154
Kolmogorov-Smirnov Z		,956
Asymp. Sig. (2-tailed)		,320

a. Test distribution is Normal.

b. Calculated from data.

Testing for sig. differences regarding supply on managerial labour market, recoded, and internal or external recruitment, t-test.

Group Statistics

	supply on man.	N	Mean	Std. Deviation	Std. Error Mean
int/ext	,00	16	3,6250	2,18708	,54677
rec.	1,00	9	4,8889	2,52212	,84071

5.4.1.2a

Testing for normal distribution regarding variety of compensations, and statement 19.37 - compensating employees for ingenuity

One-Sample Kolmogorov-Smirnov Test

		comp empl	variety of comp
N		39	46
Normal Parameters ^{a,b}	Mean	3,5128	2,6304
	Std. Deviation	1,69941	1,76835
Most Extreme Differences	Absolute	,151	,213
	Positive	,121	,213
	Negative	-,151	-,150
Kolmogorov-Smirnov Z		,945	1,445
Asymp. Sig. (2-tailed)		,334	,031

a. Test distribution is Normal.

b. Calculated from data.

Correlation of the variety of compensation with statement 19.37 - compensating employees for ingenuity, Spearman's.

Spearman's rho	comp empl
variety of comp correlation	-.184
Sig. (2-tailed)	.262
N	39

5.4.2.1a

Correlating the statement that managerial recruitment is facilitated as there are many to choose from, statement 19.18 with the two risk variables.

Spearman's rho	fin-rel risk	act-rel risk
supply on managerial market correlation	.086	.291
Sig. (2-tailed)	.624	.089
N	35	35

Testing statement 19.1, planning for future activities, 19.26, initiating future activities, and 19.43, develop the activity riding for normal distributions.

One-Sample Kolmogorov-Smirnov Test

		planning future act	initiating fut act	develop riding
N		40	40	39
Normal Parameters ^{a,b}	Mean	4,8750	4,8500	5,0256
	Std. Deviation	1,91067	1,94211	1,81350
Most Extreme Differences	Absolute	,201	,173	,192
	Positive	,133	,134	,138
	Negative	-,201	-,173	-,192
Kolmogorov-Smirnov Z		1,272	1,095	1,197
Asymp. Sig. (2-tailed)		,079	,182	,114

a. Test distribution is Normal.

b. Calculated from data.

Correlating the aspects of statements; 19.1, planning for future activities, 19.26, initiating future activities, and 19.43, develop the activity riding, Pearson's.

Pearson		planning future act	initiating future act
develop riding	correlation	-.397*	-.447**
	Sig. (2-tailed)	.014	.005
	N	38	38
initiating future act	correlation	-.797**	
	Sig. (2-tailed)	.000	
	N	38	

5.4.2.2.2a

Variety of compensations correlated with four measures of suggestions for development, the variable of strategic opportunism and three statements investigating managerial tasks, Spearman's.

M-act riding – Managers' suggestions for development of the activity riding

M-existing act - Managers' suggestions for development of already existing activities

M-new act - Managers' suggestions for development of new activities

M-overall dev – Managers' suggestions for overall development

Strat opp – variable of strategic opportunism

Planning for future activities - statement 19.1

Initiating future activities - statement 19.26

Develop the activity riding - statement 19.43

Spearman's rho		M-act riding	M-existing act	M-new act	M-overall dev	strat opp	planning future act	initiating future act	develop riding
Variety of compensations	correlation	.219	.077	.007	.087	-.199	.528**	.336*	-.346*
	Sig. (2-tailed)	.181	.645	.967	.680	.190	.000	.034	.032
	N	39	38	38	40	45	40	40	39

Statement 19.37 “compensating employees for ingenuity” correlated with four measures of suggestions for development, the variable of strategic opportunism and three statements investigating managerial tasks, Spearman’s.

- M-act riding – Managers’ suggestions for development of the activity riding
- M-existing act - Managers’ suggestions for development of already existing activities
- M-new act - Managers’ suggestions for development of new activities
- M-overall dev – Managers’ suggestions for overall development
- Strat opp – variable of strategic opportunism
- Planning for future activities - statement 19.1
- Initiating future activities - statement 19.26
- Develop the activity riding - statement 19.43

Spearman's rho	M-act riding	M-existing act	M-new act	M-overall dev	strat opp	planning future act	initiating future act	develop riding
Compensating employees correlation	.092	.400*	.141	.247	.399*	-.016	.006	.259
Sig. (2-tailed)	.600	.017	.421	.146	.012	.927	.971	.133
N	35	35	35	36	39	36	37	35

5.5.1.1a

Testing for normal distribution concerning
 statement 19.20 - the main goal is satisfied members
 statement 19.38- the main goal is qualitative riding education
 statement 19.24 – the main task is to offer riding to anyone who wants to take lessons
 statement 19.29 - the main task is to offer activities for people who want to spend time at the riding school.

One-Sample Kolmogorov-Smirnov Test

		statement 19.20	statement 19.38	statement 19.24	statement 19.29
N		55	53	55	55
Normal Parameters ^{a,b}	Mean	6,2364	6,0943	5,5273	5,1273
	Std. Deviation	1,23174	1,13110	1,64266	1,89595
Most Extreme Differences	Absolute	,296	,279	,213	,205
	Positive	,268	,212	,185	,162
	Negative	-,296	-,279	-,213	-,205
Kolmogorov-Smirnov Z		2,195	2,030	1,581	1,518
Asymp. Sig. (2-tailed)		,000	,001	,013	,020

a. Test distribution is Normal.

b. Calculated from data.

Testing for differences between the categories concerning goal and task, Mann-Whitney.
 st 19.20 - the main goal is satisfied members
 st 19.38- the main goal is qualitative riding education
 st 19.24 – the main task is to offer riding to anyone who wants to take lessons
 st 19.29 - the main task is to offer activities for people who want to spend time at the riding school.

Ranks

category	N	Mean Rank	Sum of Ranks
St 19.20 priv	10	26,50	265,00
St 19.20 ass	45	28,33	1275,00
Total	55		
St 19.38 priv	10	34,50	345,00
St 19.38 ass	43	25,26	1086,00
Total	53		
St 19.24 priv	10	27,00	270,00
St 19.24 ass	45	28,22	1270,00
Total	55		
St 19.29 priv	10	27,90	279,00
St 19.29 ass	45	28,02	1261,00
Total	55		

Test Statistics^a

	St 19.20	St 19.38	St 19.24	St 19.29
Mann-Whitney U	210,000	140,000	215,000	224,000
Wilcoxon W	265,000	1086,000	270,000	279,000
Z	-,366	-1,837	-,227	-,022
Asymp. Sig. (2-tailed)	,714	,066	,821	,982

a. Grouping Variable: category

5.5.1.2a

Testing for normal distribution regarding the variable of diversification

One-Sample Kolmogorov-Smirnov Test

			Diversification
N			56
Normal Parameters	a,b	Mean	21,4286
		Std. Deviation	3,11511
Most Extreme Differences		Absolute	,145
		Positive	,097
		Negative	-,145
Kolmogorov-Smirnov Z			1,083
Asymp. Sig. (2-tailed)			,192

a. Test distribution is Normal.

b. Calculated from data.

Testing for differences of strategy between the categories, t-test.

Group Statistics

Category	N	Mean	Std. Deviation	Std. Error Mean
Diversification priv	11	21,3636	3,07482	,92709
ass	45	21,4444	3,15908	,47093

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Divers	Equal variances assumed	,009	,924	-,076	54	,939	-,0808	1,05737	-2,20070	2,039
	Equal variances not assumed			-,078	15,590	,939	-,0808	1,03984	-2,28990	2,128

- Testing for normal distribution.
- Statement 18.3 - supply of riding lessons
- Statement 18.4 - supply of activities other than riding
- Statement 18.6 - pony utilisation
- Statement 18.7 - horse utilisation
- Statement 18.8 - number of pony-lessons' hours
- Statement 18.9 - number of horse-lessons' hours
- Statement 18.10 - the quality of the riding lessons

One-Sample Kolmogorov-Smirnov Test

		statement 18.3	statement 18.4	statement 18.6	statement 18.7	statement 18.8	statement 18.9	statement 18.10
N		54	53	50	49	50	47	54
Normal Parameters ^{a,b}	Mean	3,8148	3,5094	3,5200	3,4082	3,6800	3,4468	3,7407
	Std. Deviation	,99193	,74994	,81416	,76153	,86756	,87993	,85086
Most Extreme Differences	Absolute	,185	,261	,238	,275	,244	,226	,215
	Positive	,183	,261	,238	,275	,196	,226	,215
	Negative	-,185	-,234	-,222	-,235	-,244	-,203	-,212
Kolmogorov-Smirnov Z		1,361	1,900	1,686	1,928	1,724	1,550	1,583
Asymp. Sig. (2-tailed)		,049	,001	,007	,001	,005	,016	,013

a. Test distribution is Normal.

b. Calculated from data.

Testing for differences of changes of strategy between the categories, Mann-Whitney.

- St 18.3 - supply of riding lessons
- St 18.4 - supply of activities other than riding
- St 18.6 - pony utilisation
- St 18.7 - horse utilisation
- St 18.8 - number of pony-lessons' hours
- St 18.9 - number of horse-lessons' hours
- St 18.10 - the quality of the riding lessons
- Priv – private category
- Ass - association

Ranks

Category	N	Mean Rank	Sum of Ranks
St 18.3	priv	29,85	298,50
	ass	26,97	1186,50
	Total	54	
St 18.4	priv	37,33	336,00
	ass	24,89	1095,00
	Total	53	
St 18.6	priv	19,95	199,50
	ass	26,89	1075,50
	Total	50	
St 18.7	priv	21,94	197,50
	ass	25,69	1027,50
	Total	49	
St 18.8	priv	22,80	228,00
	ass	26,17	1047,00
	Total	50	
St 18.9	priv	21,38	171,00
	ass	24,54	957,00
	Total	47	
St 18.10	priv	30,45	335,00
	ass	26,74	1150,00
	Total	54	

Test Statistics^a

	St 18.3	St 18.4	St 18.6	St 18.7	St.18.8	St 18.9	St 18.10
Mann-Whitney U	196,500	105,000	144,500	152,500	173,000	135,000	204,000
Wilcoxon W	1186,500	1095,000	199,500	197,500	228,000	171,000	1150,000
Z	-,548	-2,428	-1,460	-,785	-,701	-,636	-,740
Asymp. Sig. (2-tailed)	,584	,015	,144	,432	,483	,525	,459
Exact Sig. [2*(1-tailed Sig.)]		,027 ^a	,181 ^a	,484 ^a	,526 ^a	,569 ^a	

a. Not corrected for ties.

b. Grouping Variable: category

5.5.1.3b

Reliability analysis – scale (alpha)

Statements 18.3, 18.4, 18.6, 18.7, 18.8, 18.9, and 18.10

N of Cases = 45,0 N of Items = 7

Alpha = ,8774

5.5.1.3c

Testing the variable of changes of strategy for normal distribution

One-Sample Kolmogorov-Smirnov Test

		changes of strategy
N		45
Normal Parameters ^{a,b}	Mean	25,1556
	Std. Deviation	4,55749
Most Extreme Differences	Absolute	,096
	Positive	,088
	Negative	-,096
Kolmogorov-Smirnov Z		,643
Asymp. Sig. (2-tailed)		,802

a. Test distribution is Normal.

b. Calculated from data.

Testing the variable “changes of strategy for differences between the two categories, t-test.

One-Sample Kolmogorov-Smirnov Test

		Changed strat
N		45
Normal Parameters ^{a,b}	Mean	25,1556
	Std. Deviation	4,55749
Most Extreme Differences	Absolute	,096
	Positive	,088
	Negative	-,096
Kolmogorov-Smirnov Z		,643
Asymp. Sig. (2-tailed)		,802

a. Test distribution is Normal.

b. Calculated from data.

Independent Samples Test

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Chan strat Equal variances assumed	,133	,717	,619	43	,539	1,1692	1,88779	-2,63793	4,97627
Equal variances not assumed			,658	8,843	,527	1,1692	1,77727	-2,86220	5,20055

5.5.1.3d

Testing statement 19.31 – horses and ponies are exchanged on a regular basis, leading to longer durability for normal distribution.

One-Sample Kolmogorov-Smirnov Test

		statement 19.31
N		50
Normal Parameters ^{a,b}	Mean	4,4400
	Std. Deviation	1,99141
Most Extreme Differences	Absolute	,123
	Positive	,110
	Negative	-,123
Kolmogorov-Smirnov Z		,872
Asymp. Sig. (2-tailed)		,433

- a. Test distribution is Normal.
- b. Calculated from data.

Testing statement 19.31 for differences between the categories, t-test.

Group Statistics

Category	N	Mean	Std. Deviation	Std. Error Mean
statement 19.31 priv	10	3,4000	2,06559	,65320
ass	40	4,7000	1,91083	,30213

Independent Samples Test

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
statement 19.31 Equal variance assumed	,073	,788	-1,895	48	,064	-1,3000	,68617	-2,67964	,07964
Equal variance not assumed			-1,806	13,124	,094	-1,3000	,71969	-2,85329	,25329

5.5.1.3e

Regression, dependent qualitative riding education, independent variables: size and category.

5.5.1.1b

Variables Entered/Removed^d

Model	Variables Entered	Variables Removed	Method
1	size, ^a category		Enter

- a. All requested variables entered.
- b. Dependent Variable: st 19.38

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,253 ^a	,064	,023	1,14046

a. Predictors: (Constant), size, category

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4,088	2	2,044	1,572	,219 ^a
	Residual	59,830	46	1,301		
	Total	63,918	48			

a. Predictors: (Constant), size, category

b. Dependent Variable: st 19.38

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7,148	,973		7,346	,000
	category	-,766	,500	-,220	-1,533	,132
	size	8,429E-04	,001	,149	1,041	,303

a. Dependent Variable: st 19.38

Regression, dependent changed supply of other activities than riding, independent: size and category.

Variables Entered/Removed^d

Model	Variables Entered	Variables Removed	Method
1	size, category ^a		Enter

a. All requested variables entered.

b. Dependent Variable: changes of supply

Model Summary^d

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,320 ^a	,102	,063	,74251

a. Predictors: (Constant), Msize, category

b. Dependent Variable: changes of supply

ANOVA^d

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2,884	2	1,442	2,616	,084 ^a
	Residual	25,361	46	,551		
	Total	28,245	48			

a. Predictors: (Constant),size, category

b. Dependent Variable: changes of supply

Coefficients^d

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4,942	,686		7,202	,000
	category	-,803	,352	-,320	-2,282	,027
	size	1,884E-04	,001	,052	,370	,713

a. Dependent Variable: changes of supply

Residuals Statistics^c

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	3,3394	4,2895	3,4898	,24513	49
Residual	-2,4079	1,6305	,0000	,72688	49
Std. Predicted Value	-,614	3,263	,000	1,000	49
Std. Residual	-3,243	2,196	,000	,979	49

a. Dependent Variable: changes of supply

Regression, dependent exchange of horses qualitative, independent: size and category.

Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	size, ^a category	,	Enter

a. All requested variables entered.

b. Dependent Variable: changes of horses/ponies

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,222 ^a	,049	,005	1,92403

a. Predictors: (Constant), size, category

b. Dependent Variable: changes of horses/ponies

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8,231	2	4,116	1,112	,338 ^a
	Residual	159,182	43	3,702		
	Total	167,413	45			

a. Predictors: (Constant), size, category

b. Dependent Variable: changes of horses/ponies

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,131	1,645		1,295	,202
	category	1,164	,846	,205	1,375	,176
	size	6,085E-04	,001	,066	,440	,662

a. Dependent Variable: changes of horses/ponies

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	3,3131	4,9916	4,5435	,42768	46
Residual	-3,7780	2,4611	,0000	1,88079	46
Std. Predicted Value	-2,877	1,048	,000	1,000	46
Std. Residual	-1,964	1,279	,000	,978	46

a. Dependent Variable: changes of horses/ponies

5.5.2a

Correlating variables of diversification and changes of strategy with CE-variables, Spearman's since the act-rel risk has no normal distribution.

Spearman's rho		fin-rel risk	act-rel risk	strat opp
diversification	correlation	-.149	-.168	.016
	Sig. (2-tailed)	.277	.221	.908
	N	55	55	55
changes of strategy	correlation	.040	.198	.312*
	Sig. (2-tailed)	.794	.192	.037
	N	45	45	45

5.5.2b

Correlating variables of diversification and changes of strategy with CE-variables, separately for the two categories, Spearman's since the act-rel risk has no normal distribution.

Spearman's rho				fin-rel risk	act-rel risk	strat opp
priv. cat.	diversification	correlation		-.3336	.051	.288
		Sig. (2-tailed)		.343	.888	.420
		N		10	10	10
	changes of strategy	correlation		-.092	.642	.556
		Sig. (2-tailed)		.845	.120	.195
		N		7	7	7
ass.	diversification	correlation		-.130	-.280	-.044
		Sig. (2-tailed)		.396	.169	.774
		N		45	45	45
	changes of strategy	correlation		.033	.117	.288
		Sig. (2-tailed)		.842	.485	.080
		N		38	38	38

5.2.2c

Regression, dependent variable of strategic opportunism, independent: changes of strategy, category and size.

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	changes of strat., size, category		Enter

a. All requested variables entered.

b. Dependent Variable: strat opp

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.323 ^a	.104	.035	1.05572

a. Predictors: (Constant), changes of strat., size, categor

b. Dependent Variable: strat opp

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5,052	3	1,684	1,511	.227 ^a
	Residual	43,467	39	1,115		
	Total	48,519	42			

a. Predictors: (Constant), changes of strat., size, categor

b. Dependent Variable: strat opp

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,607	1,376		2,621	.012
	category	-.373	.509	-.112	-.733	.468
	size	-3,95E-04	.001	-.081	-.528	.601
	changes of str	6,606E-02	.036	.285	1,857	.071

a. Dependent Variable: strat opp

Residuals Statistics

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	3,5803	5,4180	4,4109	,34683	43
Residual	-2,2759	2,0864	,0000	1,01732	43
Std. Predicted Value	-2,395	2,904	,000	1,000	43
Std. Residual	-2,156	1,976	,000	,964	43

a. Dependent Variable: strat opp

5.5.3.1a

Testing for normal distribution regarding the five measures of delegation

Unamb del. - Unambiguous delegation

Amb non-d - Ambiguous non-delegation

Amb del. - Ambiguous delegation

Diff del - Diffuse delegation

Ind struct - Indistinct structure

Test Statistics^a

		Unamb del.	Amb non-d	Amb del.	Diff del	Ind struct
Most Extreme Differences	Absolute	,208	,518	,217	,336	,427
	Positive	,081	,518	,000	,336	,427
	Negative	-,208	,000	-,217	-,028	,000
Kolmogorov-Smirnov Z		,618	1,543	,648	1,001	1,272
Asymp. Sig. (2-tailed)		,839	,017	,796	,269	,079

a. Grouping Variable: ASS_PRIV

Testing for differences between the two categories and measures of delegation, Mann-Whitney's.

Ranks

	Category	N	Mean Rank	Sum of Ranks
Unamb del.	priv	11	26,45	291,00
	ass	46	29,61	1362,00
	Total	57		
Amb non-d	priv	11	41,05	451,50
	ass	46	26,12	1201,50
	Total	57		
Amb del.	priv	11	25,09	276,00
	ass	46	29,93	1377,00
	Total	57		
Diff del.	priv	11	33,36	367,00
	ass	46	27,96	1286,00
	Total	57		
Ind struct	priv	11	38,91	428,00
	ass	46	26,63	1225,00
	Total	57		

Test Statistics^a

	Unamb del.	Amb non-d	Amb del.	Diff del.	Ind struct
Mann-Whitney U	225,000	120,500	210,000	205,000	144,000
Wilcoxon W	291,000	1201,500	276,000	1286,000	1225,000
Z	-,566	-2,680	-1,006	-,980	-2,205
Asymp. Sig. (2-tailed)	,571	,007	,315	,327	,027

a. Grouping Variable: Category

Regression, ambiguous non-delegation, size and category as independent variables

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	category, size	,	Enter

- a. All requested variables entered.
- b. Dependent Variable: Amb non-delegation

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,446 ^a	,199	,166	,20512

- a. Predictors: (Constant), size, category
- b. Dependent Variable: Amb non-delegation

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	,513	2	,256	6,093	,004 ^a
	Residual	2,062	49	,042		
	Total	2,574	51			

- a. Predictors: (Constant), size, category
- b. Dependent Variable: Amb non-delegation

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,905	,175		5,178	,000
	category	-,198	,089	-,285	-2,222	,031
	size	-3,49E-04	,000	-,323	-2,519	,015

- a. Dependent Variable: Amb non-delegation

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	,2031	,6964	,3990	,10027	52
Residual	-,4317	,4866	,0000	,20106	52
Std. Predicted Value	-1,954	2,966	,000	1,000	52
Std. Residual	-2,105	2,372	,000	,980	52

- a. Dependent Variable: Amb non-delegation

Regression, indistinct structure, size and category as independent variables

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	size, category	,	Enter

- a. All requested variables entered.
- b. Dependent Variable: ind structure

Model Summary^a

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,425 ^a	,181	,148	,18446

a. Predictors: (Constant), size, category

b. Dependent Variable: ind structure

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	,368	2	,184	5,412	,008 ^a
	Residual	1,667	49	,034		
	Total	2,036	51			

a. Predictors: (Constant), size, category

b. Dependent Variable: ind structure

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,867	,157		5,512	,000
	category	-,157	,080	-,254	-1,960	,056
	size	-3,10E-04	,000	-,323	-2,489	,016

a. Dependent Variable: ind structure

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	,2806	,7000	,4525	,08498	52
Residual	-,4838	,4285	,0000	,18081	52
Std. Predicted Value	-2,023	2,912	,000	1,000	52
Std. Residual	-2,623	2,323	,000	,980	52

a. Dependent Variable: ind structure

5.5.4a

Testing for correlation between the measures of delegation and CE.

Spearman's rho		fin-rel risk	act-rel risk	strat opp
Unambiguous deleg	correlation	.088	.093	.088
	Sig. (2-tailed)	.523	.501	.523
	N	55	55	55
Ambiguous non-d.	correlation	.152	.026	..038
	Sig. (2-tailed)	.267	.851	.782
	N	55	55	55
Ambiguous del.	correlation	-.152	-.169	-.137
	Sig. (2-tailed)	.267	.217	.320
	N	55	55	55
Diffuse del.	correlation	.243	.023	.058
	Sig. (2-tailed)	.073	.870	.672
	N	55	55	55
Indistinct structure	correlation	.098	-.138	-.027
	Sig. (2-tailed)	.476	.315	.843
	N	55	55	55

Testing for correlation between the measures of delegation and CE, separation between the two categories.

Spearman's rho			fin-rel risk	act-rel risk	strat opp
priv	Unambiguous d	correlation	-.428	-.098	.156
		Sig. (2-tailed)	.205	.792	.667
		N	10	10	10
	Ambiguous non-d.	correlation	.363	-.043	.323
		Sig. (2-tailed)	.302	.908	.362
		N	10	10	10
	Ambiguous d.	correlation	.662*	.011	.260
		Sig. (2-tailed)	.037	.975	.468
		N	10	10	10
	Diffuse d.	correlation	-.259	-.542	-.059
		Sig. (2-tailed)	.469	.105	.872
		N	10	10	10
	Indistinct structure	correlation	.363	-.043	-.323
		Sig. (2-tailed)	.302	.906	.362
		N	10	10	10
ass	Unambiguous d	correlation	.201	.154	.075
		Sig. (2-tailed)	.185	.312	.624
		N	45	45	45
	Ambiguous non-d.	correlation	.012	.129	.123
		Sig. (2-tailed)	.936	.397	.419
		N	45	45	45
	Ambiguous d.	correlation	-.230	-.287	-.218
		Sig. (2-tailed)	.129	.076	.149
		N	45	45	45
	Diffuse d.	correlation	.271	-.185	.081
		Sig. (2-tailed)	.072	.224	.595
		N	45	45	45
	Indistinct structure	correlation	-.051	-.127	.047
		Sig. (2-tailed)	.738	.404	.762
		N	45	45	45

5.5.4c

Regression, dependent; financial-related risk variable, independent; size, category, unambiguous delegation

Variables Entered/Removed^d

Model	Variables Entered	Variables Removed	Method
1	unambig del, size _a , category		Enter

a. All requested variables entered.

b. Dependent Variable: fin rel risk

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.440 ^a	.193	.142	1.47521

a. Predictors: (Constant), unambig del, size, categor

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24,499	3	8,166	3,752	,017 ^a
	Residual	102,284	47	2,176		
	Total	126,782	50			

a. Predictors: (Constant), unambig del, size, categor

b. Dependent Variable: fin-rel risk

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	7,961	1,269		6,272	,000		
	size	-5,71E-04	,001	-,075	-,551	,584	,918	1,090
	category	-2,068	,644	-,423	-3,209	,002	,990	1,010
	unambig del	1,006	,956	,144	1,053	,298	,916	1,092

a. Dependent Variable: fin-rel risk

Regression, dependent; financial-related risk variable, independent; size, category, ambiguous non-delegation

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	ambig non-del del, size, categor		Enter

a. All requested variables entered.

b. Dependent Variable: fin-rel risk

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,422 ^a	,178	,126	1,48890

a. Predictors: (Constant), ambig non-del del, size, category

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22,591	3	7,530	3,397	,025 ^a
	Residual	104,191	47	2,217		
	Total	126,782	50			

a. Predictors: (Constant), ambig non-del del, size, category

b. Dependent Variable: fin-rel risk

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	7,682	1,592		4,824	,000		
	size	-9,14E-05	,001	-,012	-,085	,932	,876	1,142
	category	-1,925	,680	-,393	-2,829	,007	,905	1,105
	ambig non-del	,512	1,073	,071	,477	,635	,798	1,253

a. Dependent Variable: fin-rel risk

Regression, dependent; financial-related risk variable, independent; size, category, diffuse delegation

Variables Entered/Removed^d

Model	Variables Entered	Variables Removed	Method
1	ambig del, size, ^a category		Enter

- a. All requested variables entered.
- b. Dependent Variable: fin-rel risk

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,422 ^a	,178	,126	1,48895

- a. Predictors: (Constant), ambig del, size, category

ANOVA^d

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22,584	3	7,528	3,396	,025 ^a
	Residual	104,198	47	2,217		
	Total	126,782	50			

- a. Predictors: (Constant), ambig del, size, category
- b. Dependent Variable: fin-rel risk

Coefficients^d

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	8,104	1,272		6,371	,000		
	size	-2,32E-04	,001	-,031	-,230	,819	,989	1,011
	category	-1,984	,654	-,405	-3,034	,004	,979	1,021
	ambig del	-,910	1,919	-,063	-,474	,638	,978	1,023

- a. Dependent Variable: fin-rel risk

Regression, dependent; financial-related risk variable, independent; size, category, diffuse delegation

Variables Entered/Removed^d

Model	Variables Entered	Variables Removed	Method
1	diff del, size, ^a category		Enter

- a. All requested variables entered.
- b. Dependent Variable: fin-rel risk

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,468 ^a	,219	,169	1,45118

- a. Predictors: (Constant), diffuse del, size, category

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27,803	3	9,268	4,401	,008 ^a
	Residual	98,979	47	2,106		
	Total	126,782	50			

- a. Predictors: (Constant), diffuse del, size, category
 b. Dependent Variable: fin-rel risk

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	6,056	1,769		3,423	,001		
	size	-2,61E-04	,001	-,034	-,266	,791	,995	1,005
	category	-1,815	,645	-,371	-2,814	,007	,957	1,045
	diffuse del	2,016	1,224	,217	1,648	,106	,961	1,040

- a. Dependent Variable: fin-rel risk

Regression, dependent; activity-related risk variable, independent; size, category, unambiguous delegation

Variables Entered/Removed^d

Model	Variables Entered	Variables Removed	Method
1	unamb del, size _a , category		Enter

- a. All requested variables entered.
 b. Dependent Variable: act-rel risk

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,237 ^a	,056	-,004	,99821

- a. Predictors: (Constant), unamb del, size, category

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2,796	3	,932	,935	,431 ^a
	Residual	46,832	47	,996		
	Total	49,627	50			

- a. Predictors: (Constant), unamb del, size, category
 b. Dependent Variable: act-rel risk

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4,962	,859		5,777	,000		
	size	5,167E-04	,001	,109	,737	,465	,918	1,090
	category	,478	,436	,156	1,097	,278	,990	1,010
	unamb del	,417	,647	,095	,645	,522	,916	1,092

- a. Dependent Variable: act-rel risk

Regression, dependent; activity-related risk variable, independent; size, category, ambiguous non-delegation

Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	amb non-del, size, category ^a		Enter

a. All requested variables entered.

b. Dependent Variable: act-rel risk

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,259 ^a	,067	,008	,99239

a. Predictors: (Constant), amb non-del, size, category

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3,340	3	1,113	1,131	,346 ^a
	Residual	46,287	47	,985		
	Total	49,627	50			

a. Predictors: (Constant), amb non-del, size, category

b. Dependent Variable: act-rel risk

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4,404	1,061		4,149	,000		
	size	8,854E-04	,001	,187	1,241	,221	,876	1,142
	category	,632	,453	,206	1,393	,170	,905	1,105
	amb non-del	,706	,715	,156	,987	,329	,798	1,253

a. Dependent Variable: act-rel risk

Regression, dependent; activity-related risk variable, independent; size, category, ambiguous delegation

Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	amb del, size, category ^a		Enter

a. All requested variables entered.

b. Dependent Variable: act-rel risk

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,395 ^a	,156	,102	,94396

a. Predictors: (Constant), amb del, size, category

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7,748	3	2,583	2,898	,045 ^a
	Residual	41,880	47	,891		
	Total	49,627	50			

a. Predictors: (Constant), amb del, size, category

b. Dependent Variable: act-rel risk

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4,917	,806		6,097	,000		
	size	7,604E-04	,001	,160	1,191	,240	,989	1,011
	category	,624	,415	,204	1,504	,139	,979	1,021
	amb del	-2,986	1,217	-,333	-2,454	,018	,978	1,023

a. Dependent Variable: act-rel risk

Regression, dependent; activity-related risk variable, independent; size, category, diffuse delegation

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	diff del, size, category ^a		Enter

a. All requested variables entered.

b. Dependent Variable: act-rel risk

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,229 ^a	,052	-,008	1,00029

a. Predictors: (Constant), diff del, size, category

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2,600	3	,867	,866	,465 ^a
	Residual	47,027	47	1,001		
	Total	49,627	50			

a. Predictors: (Constant), diff del, size, category

b. Dependent Variable: act-rel risk

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4,628	1,220		3,795	,000		
	size	6,438E-04	,001	,136	,954	,345	,995	1,005
	category	,538	,445	,176	1,210	,232	,957	1,045
	diff del	,395	,843	,068	,468	,642	,961	1,040

a. Dependent Variable: act-rel risk

Testing for normal distribution concerning the statements:

St 18.1 - changes of demand of the riding school's riding lessons

St 18.2 - changes of demand of the riding school's activities, others than riding

St 18.13 - how competition has changed during the last five years

St 18.14 - changes of co-operation between riding schools

19.3 - the riding school to have little insight in nearby riding schools and their supply

19.21 - industry offers many exiting possibilities for development

19.33 - the word "competitor" is a good definition of other riding schools

19.34 - there industry offers small possibilities for development.

19.46 - the word "colleague" to be a good of other riding schools

One-Sample Kolmogorov-Smirnov Test

	st 18.1	st 18.2	st 18.13	st 18.14	st 19.3	st 19.21	st 19.33	st 19.34	st 19.46	
N	55	51	52	50	55	52	50	47	51	
Normal Parameters ^{a,b}	Mean	3,8182	3,5294	3,3846	3,2400	3,9455	4,9231	2,4400	3,5957	5,3137
	Std. Deviation	1,07309	,78366	,71822	,65652	2,03140	1,72463	1,51402	2,08159	1,48983
Most Extreme Differences	Absolute	,240	,260	,338	,363	,176	,155	,209	,145	,207
	Positive	,135	,260	,338	,363	,176	,127	,209	,145	,129
	Negative	-,240	-,216	-,238	-,277	-,135	-,155	-,171	-,110	-,207
Kolmogorov-Smirnov Z	1,780	1,858	2,441	2,564	1,308	1,118	1,479	,991	1,477	
Asymp. Sig. (2-tailed)	,004	,002	,000	,000	,065	,164	,025	,280	,025	

a. Test distribution is Normal.

b. Calculated from data.

Testing for correlation of the same statements, Spearman's

Correlations

			st 18.1	st 18.2	st 18.13	st 18.14	st 19.3	st 19.21	st 19.33	st 19.34	st 19.46
Spearman's rho	st 18.1	Correlation Coefficient	1,000	**							
		Sig. (2-tailed)	,								
		N	55								
	st 18.2	Correlation Coefficient	,369**	1,000	*						
		Sig. (2-tailed)	,008	,							
		N	51	51							
	st 18.13	Correlation Coefficient	-,106	,304*	1,000				*		
		Sig. (2-tailed)	,454	,036	,						
		N	52	48	52						
	st 18.14	Correlation Coefficient	,142	,165	,271	1,000					
		Sig. (2-tailed)	,325	,264	,066	,					
		N	50	48	47	50					
	st 19.3	Correlation Coefficient	-,105	-,217	-,263	-,107	1,000				
		Sig. (2-tailed)	,449	,129	,062	,466	,				
		N	54	50	51	49	55				
	st 19.21	Correlation Coefficient	,110	,265	,180	,065	-,047	1,000			
		Sig. (2-tailed)	,443	,072	,210	,664	,739	,			
		N	51	47	50	47	52	52			
	st 19.33	Correlation Coefficient	-,179	-,026	,358*	-,176	,026	-,236	1,000		
		Sig. (2-tailed)	,217	,865	,013	,247	,858	,107	,		
		N	49	46	47	45	50	48	50		
	st 19.34	Correlation Coefficient	-,218	-,073	-,021	-,091	,105	-,117	,022	1,000	
		Sig. (2-tailed)	,146	,647	,893	,570	,483	,442	,887	,	
		N	46	42	45	41	47	45	45	47	
	st 19.46	Correlation Coefficient	,115	,203	,068	,246	,007	-,001	-,253	-,200	1,000
		Sig. (2-tailed)	,428	,177	,648	,104	,964	,994	,083	,194	,
		N	50	46	47	45	51	48	48	44	51

** . Correlation is significant at the .01 level (2-tailed).

* . Correlation is significant at the .05 level (2-tailed).

Ranks

Category	N	Mean Rank	Sum of Ranks
st 18.1 priv	11	31,14	342,50
st 18.1 ass	44	27,22	1197,50
Total	55		
st 18.2 priv	9	24,28	218,50
st 18.2 ass	42	26,37	1107,50
Total	51		
st 18.13 priv	10	31,30	313,00
st 18.13 ass	42	25,36	1065,00
Total	52		
st 18.14 priv	7	25,21	176,50
st 18.14 ass	43	25,55	1098,50
Total	50		
st 19.3 priv	10	29,90	299,00
st 19.3 ass	45	27,58	1241,00
Total	55		
st 19.21 priv	9	23,39	210,50
st 19.21 ass	43	27,15	1167,50
Total	52		
st 19.33 priv	9	30,00	270,00
st 19.33 ass	41	24,51	1005,00
Total	50		
st 19.34 priv	9	24,89	224,00
st 19.34 ass	38	23,79	904,00
Total	47		
st 19.46 priv	8	25,25	202,00
st 19.46 ass	43	26,14	1124,00
Total	51		

Test Statistics^b

	st 18.1	st 18.2	st 18.13	st 18.14	st 19.3	st 19.21	st 19.33	st 19.34	st 19.46
Mann-Whitney U	207,500	173,500	162,000	148,500	206,000	165,500	144,000	163,000	166,000
Wilcoxon W	1197,500	218,500	1065,000	176,500	1241,000	210,500	1005,000	904,000	202,000
Z	-,759	-,419	-1,259	-,066	-,420	-,691	-1,062	-,219	-,159
Asymp. Sig. (2-tailed)	,448	,675	,208	,948	,675	,489	,288	,826	,874
Exact Sig. [2*(1-tailed Sig.)]		,706 ^a		,956 ^a		,505 ^a	,318 ^a	,842 ^a	,889 ^a

a. Not corrected for ties.

b. Grouping Variable: Category

5.6.2a

Testing for correlations between variables of CE and statement:

19.3 - the riding school to have little insight in nearby riding schools and their supply

19.33 - the word “competitor” is a good definition of other riding schools

19.46 - the word “colleague” to be a good of other riding schools

Spearman's rho		fin-rel risk	act-rel risk	strat opp
St 19.3	correlation	-.109	.051	-.142
	Sig. (2-tailed)	.427	.709	.301
	N	55	55	55
St 19.33	correlation	-.093	-.017	.076
	Sig. (2-tailed)	.519	.906	.600
	N	50	50	60
St 19.46	correlation	.313*	.209	.288*
	Sig. (2-tailed)	.026	.142	.040
	N	51	51	51

Spearman's rho			fin-rel risk	act-rel risk	strat opp
priv	St 19.3	correlation	-.096	.034	-.062
		Sig. (2-tailed)	.791	.925	.866
		N	10	10	10
	St 19.33	correlation	-.115	.330	.427
		Sig. (2-tailed)	.768	.385	.251
		N	9	9	9
	St 19.46	correlation	.272	.327	.295
		Sig. (2-tailed)	.515	.429	.479
		N	8	8	8
ass	St 19.3	correlation	-.179	.127	-.158
		Sig. (2-tailed)	.239	.406	.299
		N	45	45	45
	St 19.33	correlation	-.153	-.064	.016
		Sig. (2-tailed)	.340	.689	.921
		N	41	41	41
	St 19.46	correlation	.354*	.192	.292
		Sig. (2-tailed)	.020	.217	.057
		N	43	43	43

5.6.2b

A regression with the CE-variables as dependent variables and category and statements 19.46 as independent. The financial-related risk variable

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	st 19.46 _a category		Enter

- a. All requested variables entered.
- b. Dependent Variable: fin-rel risk

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.513 ^a	.263	.233	1,36136

- a. Predictors: (Constant), st 19.46, category

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	31,824	2	15,912	8,586	.001 ^a
	Residual	88,958	48	1,853		
	Total	120,782	50			

- a. Predictors: (Constant), st 19.46, category
- b. Dependent Variable: fin-rel risk

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6,093	1,190		5,119	.000
	category	-1,847	.524	-.436	-3,523	.001
	st 19.46	.290	.129	.278	2,247	.029

- a. Dependent Variable: fin-rel risk

Regression with the activity-related risk variable

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	st 19.46 _a category	,	Enter

a. All requested variables entered.

b. Dependent Variable: act-rel risk

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,215 ^a	,046	,006	1,01492

a. Predictors: (Constant), st 19.46, category

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2,391	2	1,195	1,160	,322 ^a
	Residual	49,443	48	1,030		
	Total	51,833	50			

a. Predictors: (Constant), st 19.46, category

b. Dependent Variable: act-rel risk

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4,832	,887		5,445	,000
	category	,488	,391	,176	1,249	,218
	st 19.46	8,186E-02	,096	,120	,850	,400

a. Dependent Variable: act-rel risk

Regression with the variable of strategic opportunism

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	st 19.46 _a category	,	Enter

a. All requested variables entered.

b. Dependent Variable: strat opp

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,202 ^a	,041	,001	1,05880

a. Predictors: (Constant), st 19.46, category

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2,299	2	1,150	1,026	,366 ^a
	Residual	53,811	48	1,121		
	Total	56,111	50			

a. Predictors: (Constant),st 19.46, category

b. Dependent Variable: strat opp

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,606	,926		3,895	,000
	category	-4,82E-02	,408	-,017	-,118	,906
	st 19.46	,144	,101	,202	1,429	,159

a. Dependent Variable: strat opp

5.7a

Correlating statement 18.11 – changes of number of voluntary workers” with CE

Correlations

			st 18.11	fin-rel risk	act-rel risk	strat opp
Spearman's rho	st 18.11	Correlation Coefficient	1,000			**
		Sig. (2-tailed)	,			
		N	43			
	fin-rel risk	Correlation Coefficient	,170	1,000		*
		Sig. (2-tailed)	,276	,		
		N	43	45		
	act-rel risk	Correlation Coefficient	,146	-,014	1,000	
		Sig. (2-tailed)	,350	,930	,	
		N	43	45	45	
	strat opp	Correlation Coefficient	,404**	,369*	,020	1,000
		Sig. (2-tailed)	,007	,013	,897	,
		N	43	45	45	45

** . Correlation is significant at the .01 level (2-tailed).

* . Correlation is significant at the .05 level (2-tailed).

5.9a

Testing statement 19.6 - “when the riding school needs to choose will the well-being of the horses always take precedence of members’/customers’ wishes” for normal distribution.

One-Sample Kolmogorov-Smirnov Test

		st 19.6
N		55
Normal Parameters ^{a,b}	Mean	6,4545
	Std. Deviation	1,03312
Most Extreme Differences	Absolute	,410
	Positive	,299
	Negative	-,410
Kolmogorov-Smirnov Z		3,043
Asymp. Sig. (2-tailed)		,000

a. Test distribution is Normal.

b. Calculated from data.

Testing for significant differences between the categories:

Group Statistics

category	N	Mean	Std. Deviation	Std. Error Mean
st 19.6 private	10	6,2000	1,47573	,46667
ass	45	6,5111	,92004	,13715

Independent Samples Test

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
st 19.6	3,469	,068	-,859	53	,394	-,3111	,36206	-1,03731	,41509
Equal variance assumed									
Equal variance not assumed			-,640	10,606	,536	-,3111	,48640	-1,38655	,76433