Goal Realization Path Model of Local Malaysian Franchisees: the Mediating Role of Attitude and Subjective Norm

Nik Kamariah Nik Mat¹, Noor Hasmini Abd Ghani², and Fader Abdullah³

¹ Nik Kamariah Nik-Mat, (Prof Dr), & ² Noor Hasmini Abd-Ghani, (Assoc Prof, Dr), School of Business Management, College of Business, Universiti Utara Malaysia, Sintok, Kedah, Malaysia
³ Fader Abdullah, (Mr), Universiti Teknologi Mara, Arau Perlis, Malaysia
E-mail: ¹ drnikuum@gmail.com (corresponding author)

Abstract
This empirical study examines the goal realization path model comprising of direct effects of plan enactment, subjective norm and attitudes on the goal realization and the indirect effects of goal desire, goal intention, implementation desire, implementation intention on goal realization. It also investigates the mediating effects of attitude and subjective norms on certain linkages. By employing the quantitative research design, this study uses the samples comprising of 400 local food franchise outlets in eight states in Malaysia (Johore Bharu, Klang Valley, Ipoh, Penang, Kota Bharu, Kuala Trengganu, Kucing and Kota Kinabalu). Data were obtained through self-administrated questionnaires. Out of the total 400 responses, only 122 data were usable for further analysis (31% response rate). This study analyses the data using Partial Least Square (PLS-SEM). The study found three direct predictors of goal realization, six significant paths and two significant mediating roles of attitude and subjective norm. This study is a new empirical findings for the franchising business sector. This empirical study on the determinants of goal realization of franchisee using the survey method to contribute towards a better understanding of the owners’ motivation for realizing their organization's goal. Manager of a franchise can now comprehend better desire implementation factors that influence their company goal realization.

Keywords goal realization, subjective norm, attitudes, franchise, goal desire

Paper type- empirical research paper.

Introduction
Malaysia has projected the franchise industry to make up 9.4% of the country's gross domestic products (GDP) by 2020 from 2.2% in 2010, to be supported by four strategic thrusts identified in

the National Franchise Development Blueprint (NFDB), 2012-2016. The franchise industry generated a total revenue of RM25.6 billion in 2015, contributed by more than 400 local franchise companies. Despite the importance of franchising business in transforming Malaysian economy, there is still low goal realization among local franchisees which is evidenced from the less than 10% company value of local franchisees as compared to about 23% company value by international counterparts. Top five Malaysian Franchisors operating in Malaysia as at 31 August 2014 are Marrybrown, Secret Recipe, Old town white coffee, Paparich, and The chicken rice shop. The top five international franchisors are KFC, McDonald’s, Pizza Hut, Dominos and Subway [1]. Hence this study intends to examine the factors that could lead to a better goal realization of local franchisees by borrowing from the goal realization theory developed by Dholakia, Bagozzi & Gopinath (2007) [2].
**Literature Review**

**Goal realization (GR)** is defined as the attainment of goal previously chosen by the decision maker [3]. While past studies had tested this model in personal goal realization, very limited studies have explored this model in franchising setting [4] [5] [6]. This study utilizes the goal realization theory developed by Dholakia et al., (2007) [2] – hereafter called DBG Model. According to this model, achieving goal realization is a seven step process whereby it commences with goal desire and perceived self-efficacy, which leads to goal intention, after which it leads to implementation desire, which then leads to implementation intention. From here, the potential decision maker proceeds to plan completeness and plan enactment after which goal realization will be achieved (Figure 1).

**Plan enactment (PE)** is “the degree of successful enactment of the chosen plan” [3]. There are several studies that have empirically examined the direct relationships between plan enactment and goal realization. However, the goals being observed are in non-franchise setting such as health: smoking cessation [7], personal goals [3], snacking behavior [8], volitionally chosen personal goals [2] and assigned goals [3]. Although the results were found to be consistently significant and positive, however, there are severe shortages of such study in franchise goal achievement [4]. Hence, the hypothesis proposed is H1: Plan enactment positively influences goal realization.

**Attitude** is defined as “a latent disposition or tendency to respond with some degree of favorableness or unfavorableness to a psychological object” Fishbein & Ajzen 2009 pp.76. Unlike previous study that links attitude with goal intention as postulated by Gollwitzer (1990) and Ajzen (1985) and equating the intention in Theory of Planned Behavior as equal to goal intention in his Model of action phases (Sheeran, Webb & Gollwitzer 2005), Bagozzi et. al., (2003) links attitude as antecedent of implementation intention. The underlying reason for this relationship is image theory proposed by Beach & Mitchell (1987) that treats intention construct in Theory of Planned Behavior as implementation intention and not as goal intention. Consistent with this argument, then, the elements of TPB such as attitude, subjective norm and perceived behavioral control or self-efficacy (Fishbein and Ajzen, 2009), then should be treated as antecedent of implementation intention and not to goal intention as proposed by Sheeran et. al., (2005). The study shows positive and significant result. The higher the attitude towards performing a behavior, the higher the implementation intention would be. This means that it is promising to test the relationship between the two constructs. Thus, the proposed hypothesis is H2: Attitude is related positively to goal realization.

**Subjective norm (SN)** can be explained by perceived social pressure from others to engage or not to engage in a behaviour [36]. In other word, it can be relating as individual’s perception from others who are important to them such as family, friend, colleagues and others. Subjective norm emphasize how the individuals would be viewed by refer the different groups if they perform any behaviour. There is one study that have studied the relationship between subjective norm to goal intention, that is Bagozzi et. al., (2003). The finding shows insignificant result. Hence, the hypothesis formulated for this study is H3: Subjective norm is related positively to goal realization.

**Implementation intention (II)** refers to the behavior that needs to be performed in order to achieve goal attainment [14]. Previous studies have shown inconsistent finding explaining the linkage between implementation and goal realization. Furthermore, most of the significant positive results were conducted in non-franchise setting such as entrepreneurship, health, education, social psychology, personal goal and self-management. [7] [26] [27] [28] while [2] found insignificant result. Very limited studies were conducted in franchising. Past studies examining the relationship between implementation intention and plan enactment are scarce and unrelated to franchising setting. Although previous finding shows that there is consistent significant positive relationship between implementation intention and plan enactment, very little study can justify a similar finding in franchising [3] [8]. Furthermore, most studies only used
students as respondents. Hence, the utilization of implementation intention as antecedent of plan enactment is therefore promising. Thus, the proposed hypothesis is H4: Implementation intention is related positively to plan enactment.

Implementation desire (ID) measures how much an individual is willing to implement certain steps in achieving their desired goals [29]. Several studies that have studied the relationship between implementation desire and implementation intention have found significant positive linkage, but in no-franchise setting [3] [2] [25]. However, the existing study of this relationship is still limited to personal goal [3] [2] health goal [7] and patient blood glucose [25]. Furthermore, all studies were conducted in Western setting. Realizing that cultural differences may influence different result across different cultural setting [13], thus, revisiting this relationship in eastern culture is timely. Thus, three hypotheses are derived: H5: Implementation desire is related positively to implementation intention, H6: Implementation desire is related positively to attitude and H7: Implementation desire is related positively to subjective norm.

Goal intention (GI) is the intention to perform a specific behavior or a series of behavior [14]. Numerous studies have mostly studied goal intention as antecedents of behavior while only a few studies that uses goal intention as direct antecedent of goal realization [4] [2] [3]. Previous examination on this linkage has found inconsistent findings [15] [7]. Goal intention had been used in very large body of researches and had been proven as a significant and positive direct antecedent of implementation intention. A meta-analysis by [14] showed that goal intention is indeed the direct antecedent of implementation intention in very diverse field such as collecting coupon [16], eating low fat diet [17], public transportation use [18], initiation of vocational training [19], prospective memory task [20], new year resolution [21], exercise [22], testicular self-examination [23] and persistence to boring task [23]. Goal intention has consistently predicted implementation intention significantly and positively [24] [3] [18]. Previous finding shows the tendency of positive and significant relationship between goal intention and implementation desire [25] [2] [3] [2]. Hence, the hypothesis proposed is H8: Goal intention is related positively to implementation desire.

Goal desire (GD) is defined as the motivational state of mind of the decision maker [3]. There are very limited studies investigating goal desire and goal realization in the past. The nearest construct name similar to goal desire that have been examined is ‘need for achievement’ [9] and goal frame [10]. Their findings show equivocal results in which ‘need of achievement’ significantly predict goal realization while goal frame do not. Goal desire is also related to goal intention. Previous studies have evaluated the relationship between perceived desirability or goal desire and goal intention show positive and significant result [11] [3] [2]. However, the majority of the existing studies only uses students as respondent [11] [2] [3], and mostly focus on personal goal [2], [3] and the study stop at intention level [11] [3], and in the Western setting. Thus, a study that studies real entrepreneur will be timely [12] and the different cultural setting of eastern country such as Malaysia might deliver different result [13]. Thus, the proposed hypothesis is H9: Goal desire is related positively to goal intention.
Mediating roles of attitude between implementation desire and goal realization

This study also proposes the role of attitude as a mediator on the relationship between implementation desire and goal realization. Positive attitude of respondents will improve the linkages between implementation desire and goal realization. Previous studies have examined this mediating role (Osman, Hidayah, Bibi, & Ahmad, 2016; Rattanaphan & Mat, 2014). Hence, the proposed hypothesis is H10: Attitude mediates the relationship between implementation desire and goal realization.

Mediating role of subjective norm between implementation desire and goal realization

Finally, this study also examines the mediating role of subjective norm on the relationship between implementation desire and goal realization. The influence of subjective norm is enormous on people (Namkoong, Nah, Record, & Van Stee, 2016; Pétre et al., 2016). Hence, this study proposes H11: Subjective norm will enhance the relationship between implementation desire and goal realization.

Methodology

This study applies the quantitative approach research design, aimed at consolidating new information and relationships between variables about the local food franchisees of Malaysia. Based on the literature discussed, this study develops a research framework as in Figure 1.

**Questionnaire design:** This study employs a structured questionnaire measuring the seven constructs depicted in the research framework measuring goal realization (5 items); plan enactment (5 items); implementation intention (6 items); implementation desire (5 items); goal intention (7 items); goal desire (7 items), attitude (8) and subjective norm (18 items). All questions utilized the 7-point Likert scale.
**Sampling Method:** The population of local food franchisers is 6000 outlets in Malaysia (35). Based on this population frame, a sample size of 400 franchisers are selected (Hair et al., 2010). The location includes main cities in Malaysia stratified according to eight regions (Johore Bharu, Klang Valley, Ipoh, Penang, Kota Bharu, Kuala Trengganu, Kucing and Kota Kinabalu). The respondents were local owners of food franchisers. The questionnaires were self administered by research assistants at these locations between July-December 2014.

**Analysis methods:** This study utilizes partial least square (PLS-SEM) analysis method.

**Findings**
The response rate from local food franchisees is 31 percent. This is expected because the franchisees are quite reluctant respondents, probably due to interruptions to their business activities. Furthermore, the respondents are owners of franchise and expected to be very busy people. The demographic profile of the respondents shows a higher percentage of male franchisees (60%) as compared to females (40%). Their education consists of 68 percent of the franchisees having diploma or high school education while 32 percent have degrees or post graduate education. The majority (80%) of the local franchisees are the Malays located in suburban (51%). The brands involve in this study are the top five brands: Marry Brown, Old town white coffee, Secret Recipe, Cool Blog and Chicken Rice Shop (Table 1).

Figure 2 illustrates structural model as proposed in the research framework. Measurement model is shown in Figure 3. It shows that the model consists of eight constructs and 61 items. The constructs are consistently reliable exhibiting scores of composite reliability between .884 and .930 and Cronbach alpha reliability of between .685 and .913 (Table 2). The low measurement loadings of items in each construct are deleted to increase the average variance extracted (AVE) and to reduce multi collinearity (Table 3). Hence, the discriminant validity is upheld for all constructs when square root of AVE is larger than the correlation coefficients (Fornell & Larker, 1981) (Table 4).

The results of standardized regression beta estimates and t-values are presented in Table 5. The results shows that plan enactment positively influence goal realization (β=.375; t=4.916; p<0.001), thus supporting hypothesis H1. Similar finding was supported in previous researches [7],[3],[8]; [2]. Similarly, attitude positively influence goal realization (β=.266; t=3.415; p<0.015), supporting hypothesis H2. Likewise, subjective norm positively effects goal realization (β=.321; t=3.957; p<.001). Hence, H3 is supported. Equally strong, implementation intention positively effects plan enactment (β=.696; t=12.4; p<.001), thus, H4 is supported. Correspondingly, implementation desire effects positively implementation intention(β=.666; t=12.82; p<.001), hence supporting H5. Similarly, H6 and H7 are supported when implementation desire is both related positively to attitude (β=.451; t=5.978; p<.001), and positively to subjective norm (β=.716; t=15.112; p<.001). Consequently, goal intention is related positively to implementation desire (B=.554; t=8.997; p<.001), hence H8 is supported. Finally, goal desire influence goal intention positively and significantly, thus, H9 is supported (β=.596; t=10.526; p<.001).

Additionally, both attitude and subjective norm mediate the relationship between implementation intention and positively influence plan enactment, supporting H5 and H6. Implementation desire and self-efficacy also show a significant positive influence on implementation intention, hence H7 and H9 are supported. Goal desire however, do not influence implementation intention, indicating a non-support for H8.

To summarize, nine direct linkages and two mediating linkages are supported. The squared multiple correlation or regression squared explained 60.7 percent variance in goal realization. Hence the model is quite robust in explaining goal realization.
<table>
<thead>
<tr>
<th>Demographic Factors</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender- Male</td>
<td>73</td>
<td>59.8</td>
</tr>
<tr>
<td>- Female</td>
<td>49</td>
<td>40.2</td>
</tr>
<tr>
<td>Education Level- Certificate/Diploma</td>
<td>83</td>
<td>68</td>
</tr>
<tr>
<td>- Bachelor Degree</td>
<td>34</td>
<td>27.9</td>
</tr>
<tr>
<td>- Master Degree</td>
<td>3</td>
<td>2.5</td>
</tr>
<tr>
<td>Religion- Islam</td>
<td>101</td>
<td>82.8</td>
</tr>
<tr>
<td>- Buddha</td>
<td>18</td>
<td>14.8</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>1.6</td>
</tr>
<tr>
<td>Race- Malay</td>
<td>97</td>
<td>79.5</td>
</tr>
<tr>
<td>- Chinese</td>
<td>21</td>
<td>17.2</td>
</tr>
<tr>
<td>- India</td>
<td>2</td>
<td>1.6</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>0.8</td>
</tr>
<tr>
<td>Place- Urban</td>
<td>54</td>
<td>44.3</td>
</tr>
<tr>
<td>- Suburban</td>
<td>62</td>
<td>50.8</td>
</tr>
<tr>
<td>- Rural</td>
<td>5</td>
<td>4.1</td>
</tr>
<tr>
<td>Average age</td>
<td>30</td>
<td></td>
</tr>
</tbody>
</table>

Table 2 Descriptive Statistics of Variables
Table 4: Discriminant validity

<table>
<thead>
<tr>
<th></th>
<th>ATT</th>
<th>GD</th>
<th>GI</th>
<th>GR</th>
<th>ID</th>
<th>H</th>
<th>PE</th>
<th>SN</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATT</td>
<td>0.725</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GD</td>
<td>0.457</td>
<td>0.778</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GI</td>
<td>0.506</td>
<td>0.586</td>
<td>0.71</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GR</td>
<td>0.563</td>
<td>0.49</td>
<td>0.51</td>
<td>0.853</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ID</td>
<td>0.424</td>
<td>0.457</td>
<td>0.555</td>
<td>0.695</td>
<td>0.87</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H</td>
<td>0.621</td>
<td>0.347</td>
<td>0.528</td>
<td>0.669</td>
<td>0.666</td>
<td>0.802</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PE</td>
<td>0.525</td>
<td>0.333</td>
<td>0.441</td>
<td>0.672</td>
<td>0.596</td>
<td>0.696</td>
<td>0.844</td>
<td></td>
</tr>
<tr>
<td>SN</td>
<td>0.462</td>
<td>0.534</td>
<td>0.578</td>
<td>0.64</td>
<td>0.716</td>
<td>0.557</td>
<td>0.482</td>
<td>0.709</td>
</tr>
</tbody>
</table>

The diagonal is the square root of AVE > correlation coefficients, hence discriminant validity is upheld (Fornell & Larcker, 1981).

Table 5: Hypotheses testing Direct Path coefficient

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path coefficient (β)</th>
<th>t-value</th>
<th>p-value</th>
<th>Significant level</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1:Plan enactment → Goal</td>
<td>0.376</td>
<td>4.915</td>
<td>0.000</td>
<td>Sig</td>
</tr>
</tbody>
</table>
Discussion

The findings show that all hypotheses are supported indicating the robustness of the goal realization model when applied to the franchisees behavior in Malaysia. It seems that the franchisees abide to the path indicated in the model. In other words, there is no short cuts to be a successful franchisee. The franchisees perceived in order to achieve their goals, it is very important to follow the suggested paths starting with goal desire, followed by goal intention, implementation desire, implementation intention and plan enactment. This model has been proven in entrepreneurial setting [11], [15], [26], [34]. Hence, this study adds new inputs to the existing body of knowledge in business which previously this model has
been studied predominantly in health and medical field. Additionally, attitude and subjective norm play their roles significantly as full mediators between implementation desire and goal realization. It could possibly mean that franchisees need to have positive attitude as well as support from family and peers to achieve their desired goals especially when the implementation stage is in place [29].

Conclusion

This study has achieved its objective in investigating the factors that influence the goal realization of incumbent franchisees. It was found that to achieve success in franchising, the players need to follow the specified stages in the path model from goal desire to goal realization. All factors play important roles in achieving the goals. Goals of becoming a successful franchise can be realized as proven by the increased of local Malaysian franchisors going abroad into the international arena [1].

References


