

**Implicit entrepreneurship theory and success factors in China,  
the United Kingdom and Estonia**

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## INTRODUCTION

The last few decades have shown a heightened interest in the role that entrepreneurship plays as change facilitator in both advanced and emerging market economies (Bosma N., Jones, K., Autio, E. and Levie, J., 2007). This role is not new: As early as the 1920's Schumpeter (1928) already observed how entrepreneurs change the essence of existing production systems in market economies through creative destruction. Peter Drucker (1985) describes entrepreneurs as individuals who exploit the opportunities that change generates. He stresses that innovation and risk-taking are entrepreneurial rather than managerial qualities. An entrepreneur acts as an innovator that initiates change both inside the organization and the in society at large.

Imperative to the success of entrepreneurs are the characteristics and traits linked to entrepreneurial behavior. While research has already identified them (Rauch, A., and Frese, M. (2007), the question remains as to how these characteristics and traits differ across cultures and across levels of economic development, that is whether entrepreneurial behavior occurs in emerging markets or in established market economies.

This study examines how perceptions of entrepreneurial attributes differ across three very different countries: United Kingdom, Estonia, and China. China represents the largest emerging economy, where features of market economy and command economy co-exist. The United Kingdom exemplifies market economies with a long tradition of entrepreneurship. Estonia illustrates a small open economy that successfully transformed from a command economy to a market economy more rapidly than many other East European economies. Indeed, as of 2012, the share of people involved in early-stage entrepreneurial activities in Estonia was 14%, the highest in Europe (Xavier, S. R., Kelley, D., Kew, J., Herrington, M. and Vorderwülbecke, A., 2013),.

This study reveals results of the first and second stage of the broader international research program “Entrepreneurship Work in Organizations Requiring Leadership Development” (E-WORLD). At the first stage, focus groups explored the characteristics of successful entrepreneurs in each of the countries . In the process of conducting focus groups in the three countries, E-WORLD applied various procedures to develop a methodology for the large-scale cross-border survey that was developed at the second stage of the research project.

## **1. THEORETICAL FRAMEWORK AND RESEARCH QUESTIONS**

### **1.1. The Cultural Context of Entrepreneurship**

In a European study on culture and entrepreneurial climate, Huisman (1985) found significant variation in entrepreneurial activity across cultures and noted that cultural values greatly influence entrepreneurial behavior. Examples of personality dimensions determined by culture include innovativeness, locus of control, risk-taking and energy level (Mueller and Thomas, 2000).

Culture has been defined as a set of shared values and beliefs as well as expected behaviours (Hofstede, 1980). Hayton, J.C., George, G. and Zahra, S.A., (2002) posit that cultural values serve as a filter for the degree to which a society considers certain entrepreneurial behaviors as desirable. For example, Wang (2012) studied the potential influence of Chinese culture on entrepreneurship and concluded that the imitative entrepreneurial behaviors prevalent in China and other East Asian countries relate to their collectivistic cultures, where conformity prevails.

Global Entrepreneurship Monitor (Xavier *et al*, 2013) analyzes societal beliefs related to early-stage entrepreneurship such as whether starting a business is considered a good career

choice and if entrepreneurship is associated with high status and positive media attention. Thus, there is also a need to study, in addition to general societal beliefs, the specific features that a specific culture assigns to successful entrepreneurs because such beliefs influence the nature of entrepreneurial initiatives and also determine whether other stakeholders in that society either support or reject those entrepreneurs.

According to *Hayton et al.* (2002) most research suggests that entrepreneurs thrive in cultures high in individualism and masculinity, and low in uncertainty avoidance and power distance. Hofstede (1980), and House, R.J., Hanges, P.W., Javidan, P.W., Dorfman, M. P. and Gupta, V. (2004), concur that cultural characteristics exert a significant effect on the characteristics of the organizations in that society. Entrepreneurs can represent basic values of a national culture but, depending on the institutional context, economic and social changes in a society, they can also act as norm-brakers by shaping and demonstrating new socially desirable behaviors.

Hofstede, G., Hofstede, G. J. and Minkov, M. (2010)'s research is a useful tool to interpret differences between China, United Kingdom and Estonia when analyzing the focus group and survey results in the present study. For example, Estonia and other Baltic countries have the lowest power distance in Eastern Europe. Estonia's ranking in this index (global rank 59-61) is considerably lower than China's (12-14) but still higher than the United Kingdom (65-67). Likewise Estonia has a higher individualism index (global rank 23-26) than China (global rank 58-63) but lower than the United Kingdom, which ranks 3<sup>rd</sup> globally, after the United States and Australia. The United Kingdom and China have both the same high rank of on masculinity index (global rank 11-13) compared to Estonia (global rank 66). Estonia presents a higher uncertainty avoidance index than the United Kingdom and China. The global rank for China is

70-71 and for the United Kingdom 68-69 while Estonia's global rank is 47-49. The global rank of long-term orientation index is 4 for China, 7-9 for Estonia, and a much lower 40-41 for the UK. Indulgence versus restraint index yields a high indulgence ranking for the United Kingdom (global rank 14). Chinese indulgence ranking is much lower, 75 and Estonian global ranking 85-87 is extremely low. Hostede *et al.* (2010) interpret indulgence versus restraint as a societal dimension predicting happiness, freedom to do as will, and leisure. Indulgence represents the perception that one can act as one pleases, spend money, and lavish in leisure and fun-related activities with friends or alone.

Western influences have significantly dictated theoretical development over the last century (Sidani, 2008). The aim of the E-WORLD project is to broaden the existing cross-cultural research on entrepreneurship. This study examines the cultural and institutional context of entrepreneurship by comparing the United Kingdom as an advanced European market economy, Estonia as a small new European Union member state, and China as a large emerging Asian economy.

## **1.2. Implicit Leadership Theory and the entrepreneurship framework**

The current study bases its theoretical framework to guide the advancement of the entrepreneurship framework on both implicit leadership theory (Lord, R., and Maher, K.J. (1991) and the value-belief theory of culture (Hofstede, 1980; Triandis, 1995). Implicit leadership theory suggests that individuals have implicit beliefs, convictions, and assumptions concerning attributes and behaviors that differentiate leaders from subordinates and effective leaders from non-effective ones. We take this same concept and apply it to entrepreneurship. In essence, we propose that individuals have implicit beliefs about successful entrepreneurs as well. That is,

entrepreneurial qualities, characteristics and behaviors are attributed to entrepreneurial individuals and, hence, those same individuals are socially accepted as successful entrepreneurs. These qualities or implicit entrepreneurship theories influence the actions and effectiveness of entrepreneurs and of people who can support or inhibit their entrepreneurial initiatives.

In the entrepreneurial context it is important to consider two factors. First, the differences between the implicit beliefs of entrepreneurs-practitioners and potential entrepreneurs, including business students, because features that young people consider an entrepreneurial career attribute to present day successful entrepreneurs influence the future trends of entrepreneurship. Second, cross-cultural differences across nations. Nations have developed different entrepreneurial prototypes based upon specific cultural elements. It is important for entrepreneurs in a given culture to match the prototype of the successful entrepreneur for that culture. The degree to which an individual matches the cultural entrepreneurial prototype may affect the feedback received from others and the motivation to engage in entrepreneurial behavior. It may also affect the willingness of others to follow or fund them in the new business activity. Consequently, the major research questions are:

1. Which characteristics of entrepreneurs are shared among respondents of the United Kingdom, China and Estonia?
2. Which entrepreneurial characteristics and factors are considered more contributing to a person being a successful entrepreneur or inhibiting a person from being a successful entrepreneur in one country compared to other countries?
3. What cultural and institutional characteristics make certain entrepreneurial characteristics and their combinations more important than other characteristics in these three countries?

## **2. RESEARCH METHODOLOGY**

Research methodology combines qualitative and quantitative methods. First, focus groups in Estonia, the United Kingdom and China examined perceptions and attributions of entrepreneurs in each country. These countries are excellent convenient samples because they vary significantly in terms of cultural factors such as individualism/collectivism, power distance, risk aversion and indulgence. At the start of the focus groups, participants were informed that they were participating in a cross-cultural research project. Participants were told that the purpose of the focus group was to understand the characteristics of successful entrepreneurs in different cultures. Focus groups consisted of entrepreneurs, employees of entrepreneurial ventures, entrepreneurship support organizations, and students from entrepreneurship studies programs.

The focus group data guided by a review of the literature underwent a taxonomic analysis (Krueger, 1998) to identify the attributions made of entrepreneurs in each country. Krueger defines taxonomy as a set of categories organized on the basis of relationships. A taxonomy shows the relationships between things that together comprise a cultural domain. This focus group analysis helped identify similarities and differences in entrepreneurial prototypes across countries. Therefore the results helped compile the survey questionnaire that would be used in the second part, the qualitative part of this study

## **3. FOCUS GROUP PROCESSES AND RESULTS BY COUNTRIES**

### **3.1. Characteristics of Successful Entrepreneurs in the United Kingdom**

Four focus groups were held in the United Kingdom. Group one participants (5) were successful entrepreneurs running micro or small businesses in Northamptonshire, UK; group two

participants (7) were employees of micro or small businesses based in Northamptonshire; group three participants (8) were staff from Business Link Northamptonshire, a new business start up support service; and finally group four included entrepreneurs from the West Midlands, UK. Each group was asked to ponder about and identify the personal characteristics of successful entrepreneurs. In each case, participants had to think of an entrepreneur they knew personally and, without revealing their identity, try to describe this person as fully as possible. Participants consistently identified a number of several personal characteristics of successful entrepreneurs . For example, all participants thought that ‘drive’ was a characteristic of a successful entrepreneur. Table 1 presents the results of the taxonomic analysis and the implicit prototype of the British entrepreneur as described in the focus groups.

Table 1. British Entrepreneurial Prototype

British Proto type	Rebellious		
	Intelligent		
	Decisive		
	Risk taker		
	Knowledgeable of their business		
	Extraverted		
	Interpersona l	sometimes ruthless and angry	
		supported by friends and family	
		charming	
		approachable	
		charismatic	
		articulate	
		Skills	negotiation
	networking		
	communication		
	Customers	loyal to customers	
		balance amiability with straightforwardness	
	Planner	willingness to learn	
		open to new ideas	
		Strategic	seeks out opportunities
investigate new opportunities			

			sets clear goals
	Motivated	Characteristics	determined
			enjoy challenges and overcoming obstacles
			hard working
			ability to persevere
			driven
			ambitious
	Source of motivation	desire to change things	
		desire for a comfortable lifestyle	
		passion for success	
		A "can do it" attitude	prove themselves to society
			memory of struggling parents
strong belief in own abilities, confident			

Communication with customers and with collaborators emerged as a key trait among entrepreneurs in the UK. Additionally, respondents stated that emotional intelligence was important in order to relate to the buyer in such a way that one is perceived amiable enough to be trusted and relied upon and called back for repeat business. Negotiation skills were considered to be the basis of good customer relations. Communication with hired co-workers was expressed as being important as well. The small size of businesses created by these entrepreneurs' calls for the necessity to work with people the leader wants to socialize with. Respondents asserted that capacity to detect a good social fit sooner rather than later, as well as a good attitude towards work is important. Another trait identified by British entrepreneurs was a tendency to resist taking "no" for an answer while finding excitement and developing a significant amount of nervous energy in the achievement of personal and professional goals. This characteristic is enhanced by the decision to separate oneself from "negative people." "Can-doers" do not see themselves as genetically determined in their own behavior, rather they attribute their common quality to relevant past experiences that have pushed them to develop a capacity to overcome difficulties. These could include a problematic childhood/adolescence and

perceptions of success when others would have expectations of failure. Interestingly, it was noted that the successful UK entrepreneur was characteristically rebellious, and sometimes ruthless and angry. Focus group participants noted that these characteristics sometimes fed the passion, ambition, and self-confidence that also emerged as traits of a successful entrepreneur. Traits of these British entrepreneurs may be reflections of the relatively high rank of the UK on the masculinity index. Within the focus groups, British entrepreneurs of Irish origin represent even higher masculinity, as the rank of Ireland is 9<sup>th</sup>-10<sup>th</sup>, slightly higher than the 11<sup>th</sup>-13<sup>th</sup> rank of the United Kingdom. At the same time United Kingdom and Ireland have also high rating of indulgence, which echoes rebellious attitudes that do not restrain entrepreneurial passion and ambitions.

The entrepreneurs interviewed noted that by working long hours they succeeded in finding gaps in the market to start their own businesses. The underlying driver is that these entrepreneurs eventually wanted to remove their dependence from an employer and become masters of their own fortunes. Some entrepreneurs had experienced very negative reactions from their employers when they decided to work on their own. Several UK respondents noted that successful entrepreneurs often came from poor backgrounds, were ignored by their parents, or were the less favored sibling. They assumed that this led to a strong “sense of drive.” Additionally, it was noted that a common characteristic of UK entrepreneurs was that they suffered from poor academic performance in school.

### **3.2. Characteristics of Successful Entrepreneurs in Estonia**

In Estonia focus group discussions followed a two-stage procedure. First, participants spent 20 minutes completing individual work sheets. They compiled a list of at least 5

personality traits that they thought characterize successful entrepreneurs in Estonia. Participants also included behaviors and other possible success factors of entrepreneurs currently operating in Estonia.

In the second part, participants formed groups of 4-5 people and compared what they thought were the characteristics of successful entrepreneurs in Estonia in the 1990s versus those in the late 2000's. After 30 minutes groups presented their conclusions. Facilitators asked questions to clarify the findings.

Table 2 presents the results of the taxonomic analysis of the Estonian focus group data and the resulting Estonian implicit entrepreneurial prototype. The Estonian sample consisted of 12 doctoral students from the Estonian Business School (EBS), 32 EBS bachelor students majoring in entrepreneurship and 16 master students from the Estonian Academy of Music and Theatre majoring in arts administration. Separate focus group sessions were conducted with these categories of participants.

The following characteristics of successful entrepreneurs in Estonia in the late 2000's were especially noted in the focus groups:

*Courage to take risks.* Risks were seen both as financial risks and as risks linked to being the first one to start an entrepreneurial venture in a new field.

*Openness to new information.* When explaining this characteristic, several respondents noted the open nature of Estonian economy and the need to use international business information. They also noted that advanced communication skills are necessary to be successful including effective interpersonal relations, and the ability to utilize the internet for communication purposes.

*Flexibility.* Arguments to support this feature were based on the rapid changes in the Estonian economy and on the need to move quickly in order to take advantage of new opportunities if the business landscape changed.

*Creativity.* Focus group discussions gave the impression that creativity was often stressed as a value at an abstract level, without any particular reference to a specific new product or technology.

*Determination.* The ideal entrepreneur appeared as a self-confident person with a “firm hand” that follows his/her course of action and is determined to implement his/her decision even if there are external obstacles or opposition among employees.

*Balance between work and family.* Focus group members noted that current Estonian entrepreneurs are more concerned with work life issues and the balance between work and family as compared to earlier Estonian entrepreneurs.

Table 2. Estonian Entrepreneurial Prototype

Estonian Prototype	Sometimes greedy	
	Risk taker	
	Honest	
	Autocratic	
	Interpersonal	communicative
		cooperative and team-oriented
		concern for others, empathetic
		charismatic
	change oriented	able to motivate others
		innovative and creative
		flexible
	Highly motivated	open to new ideas and information
		results oriented
		workaholic
		determined
ambitious: strong will-power		

		strong drive to execute plans and ideas
	Emotionally strong	independent: strong trust in own knowledge and ability
		positive view of self, self-confident
		overall positive affect, positive view of situations

Bachelor students majoring in entrepreneurship, 54% of whom already had some practical entrepreneurial experience, stressed self-confidence and communicative skills more often than other focus group members. Entrepreneurship students noted potentially conflicting personality characteristics such as egoism and empathy, whereas the students of arts administration mentioned trust and greediness. Successful entrepreneurs in Estonia were not seen as ideal personalities that always present socially acceptable behaviours. Courage to take risks can however be interpreted as a feature that confronts average uncertainty avoidance in Estonian society (47<sup>th</sup>-49<sup>th</sup> global rank). Discussion of the Estonian implicit entrepreneurial prototype revealed tensions between the determination and even ruthless way to use business opportunities in a rapidly changing business environment and the desire to follow more feminine cultural values by balancing work and family that reflect Estonia's relatively low 66<sup>th</sup> rank of masculinity index.

Participants with entrepreneurial experience described active involvement in networking, acquiring founding capital, selecting the right team, and following agreements were clearly as clearly successful entrepreneurial traits. Other respondents highlighted innovative behavior and the search for new knowledge more often as successful characteristics.

*Comparing successful entrepreneurs in 1990s and in late 2000's.* Participants compared the most important success factors of entrepreneurs operating in Estonia in the 1990s with success factors that are more important in the late 2000's. In the 1990s the courage to take risks was linked to the sometimes inevitable, short-term thinking as "windows of business

opportunities” opened and closed rapidly in the changing legal environment and macroeconomic situation of 1990’s Estonia. Nevertheless, respondents considered a “shoot first and then ask questions later” unsuitable for the present stage of market economy development and international competitiveness. Long-term vision and ability to link innovation and business sustainability surfaced as essential risk management skills.

Hofstede *et al.* (2010) rate long-term orientation in Estonia (7<sup>th</sup> -9<sup>th</sup> ranking) to be the second highest in Eastern Europe after Ukraine and similar to Belgium in Central Europe. Focus group results however indicate that interpretations of entrepreneurial success factors that can be directly linked to the long-term orientation depend on changes in the institutional environment and on the nature of business opportunities created by new start-up ventures in information and communication technology.

Respondents agreed that basic foreign language skills served as a tool for finding initial foreign partners in the 90s, but they see networking among present successful entrepreneurs and using the internet to facilitate global business connections as a more useful tool in the 2000’s. Teamwork was an essential success factor for present and future success for Estonian entrepreneurs, but successful entrepreneurs in 90s were perceived as more individualistic. Focus group discussions suggest that in the process of transition to a more advanced market economy Estonian entrepreneurs are able to find new business opportunities and they appear to be better team players than at the earlier stages of post Soviet Estonia.

### **3.3. Characteristics of Successful Entrepreneurs in China**

In China 25 MBA students with entrepreneurial emphasis from the Henan University of Finance and Economics were involved in the focus group stage. First they completed individual

assessments and then discussed links between characteristics. Individual assessments included the description of a successful entrepreneur with a Chinese cultural background, giving examples about qualities and traits that contribute to a successful entrepreneur and detailing other content relevant to this study. This helped relate characteristics of entrepreneurs in the taxonomic analysis in order to create the Chinese entrepreneurial profile (See Table 3).

Table 3. Chinese Entrepreneurial Prototype

C h i n e s e P r o t o t y p e	Passionate and hardworking			
	Exploratory and adventurous/visionary			
	Willingness to learn			
	Knowledgeable and competent			
	Exercises good judgment	can judge and make decisions from the perspective of a competitor		
		rational		
		decisive		
	Communication and networking	networked	well-connected/Guanxi	
			well-informed	
		good communication skills		
	Determined and resolute	willingness and ability to start from nothing		
		persistent	strong willed	
			never defeated	
			courageous when challenged by difficulties	
			do not yield when confronted with failure	
	Strong moral character	forgiving		
		grateful		
		high morals	Integrity	respectable personality
				keeps promises
			upright	
honest				
Focus is on the collective/others	collectivistic	nation	seeks a positive change for and benefit of country	
			strong sense of social obligation	
		customers	seeks maximum benefit of the customer	
	creates value for the customer			
	personal gain		do not focus on personal success	
		do not seek personal gain		
Identifies with country culture	values culture	fits well into the national culture		
		values country history and culture		
		embodies and represents the national culture		

		nationalism	strong national conscience and spirit
			patriotic

In China, respondent identified the successful entrepreneur as someone with passion and vision, willingness to learn, networking based on *guanxi*, reciprocal obligations towards friends that have helped the entrepreneur, keeping promises, determination and focus on the collective gains, strong sense of social obligations and national culture. Readiness to fight and not being afraid of hardships also appeared to be essential features of successful entrepreneurs in China. These assessments are consistent with China's low rank on Hofstede's individualism dimension (global rank 59-61) and high rank on masculinity (global rank 11-13).

The taxonomic analysis exemplifies the image of a passionate, hardworking, exploratory, and visionary entrepreneur that has high willingness to learn. There is a link between communication skills and networking. Determination involves willingness, the ability to start from nothing and persistence to overcome difficulties and failure.

The Chinese entrepreneurial prototype clearly represents a focus on collectivistic values where entrepreneurs work for the benefit of the country and customers instead of seeking personal gains. Chinese respondents in general stress a strong moral character of successful entrepreneurs although some respondents noted that there are different types of entrepreneurs: those who have started from scratch, entrepreneurs that combine business and politics to cooperate with government-owned businesses, and also entrepreneurs who have become rich overnight and tend to lack awareness of the danger of risky behavior. Among behavioral patterns, respondents agreed that networking and acquiring capital, selecting the right team and following agreements were the ways of entrepreneurial success.

The diverse focus groups contributed to determine the diverse interpretations of success factors in each country. For example, in the United Kingdom the focus group process allowed open discussion about psychological mechanisms behind the “can-do” attitude. In China the research was operational for creating a holistic entrepreneurial prototype. In Estonia, the comparison of different time frames for entrepreneurial success helped reveal beliefs, convictions, and assumptions concerning the changing nature of entrepreneurship in a transition economy. This information, along with results from the global E-WORLD contributed to compile the survey questionnaire that was applied as the standardized data collection tool at the second stage of this study.

#### **4. SURVEY RESEARCH TOOL AND SURVEY RESULTS.**

The survey tool included 115 characteristics and behaviors of successful entrepreneurs based on prototypes of successful entrepreneurs from the focus groups. The questionnaire development process is similar, to some degree, the procedure conducted by the Project GLOBE researchers (House *et al*, 2004) in the development of the GLOBE leadership questionnaire. Several characteristics of entrepreneurs that were highlighted in the focus groups were similar to the leadership characteristics in the GLOBE questionnaire.

First, principal E-WORLD investigators met and examined the taxonomic analyses to identify the major entrepreneurial characteristics, traits, and behaviors reported in these analyses. Investigators examined individual country taxonomies and listed those factors that appeared most important for forming the entrepreneurial prototype. All investigators had to agree that the item was important enough to be included based on frequency of report and its importance in the taxonomy. The questionnaire was translated into the host country language by host country E-

WORLD collaborators and back-translated into English by associates of the principal investigators who were fluent in the particular language.

Survey instructions described each of the characteristics and behaviors. Respondents were asked to rate each characteristic, trait, and behavior (questionnaire item) on a 7 point Likert type scale indicating the degree to which they felt the characteristic, trait, or behavior either impeded or facilitated entrepreneurs in their country. The ranged from 1 (this behavior or characteristic greatly inhibits a person from being a successful entrepreneur) to 7 (this behavior or characteristic contributes greatly to a person being a successful entrepreneur). Demographic data about age, gender, country of birth and residence, education, work and entrepreneurship experience was also collected.

Table 4 presents data about survey samples in Estonia, United Kingdom and China. British respondents are a bit older and have longer work experience than respondents from China and Estonia, but the most important difference among samples is lower share of respondents with entrepreneurship experience in China (25.3%) than in Estonia (48.3%) and in the United Kingdom (51.5 %).

Table 4. Comparison of survey samples in Estonia, United Kingdom and China

Respondent sample	Estonia	United Kingdom	China
(average by country)	N=	N= 132	N=421
	585		
Age	35.9	39.4	38
Years of full-time work experience	14.5	19.9	15.5
Years of formal education	14.3	14.1	14.9
Per cent of respondents that have owned a business	48.3	51.5	25.3

Because of these differences in entrepreneurial experience, researchers deemed important to examine any differences in the ratings between entrepreneurs and non-entrepreneurs. In China both entrepreneurs and non-entrepreneurs rated “administratively skilled” as the most important characteristic (mean 6.5051 for entrepreneurs and 6.4418 for non-entrepreneurs). The second most important was “opportunity awareness” in the case of entrepreneurs (mean 6.3838) and “team builder” in respondents without entrepreneurship experience (mean 6.2877). In the United Kingdom “being positive” received the highest rating by entrepreneurs (mean 6.7353) whereas “being driven” was the most important for non-entrepreneurs (6.4688). Next, entrepreneurs rated “being enthusiastic” (mean 6.6471) and whereas non-entrepreneurs valued “opportunity awareness” (mean 6.3594).

In Estonia, being an “effective negotiator” was the most contributing feature both for entrepreneurs (mean 6.6540) and non-entrepreneurs (mean 6.7438). “Innovative” received the second highest rating from Estonian entrepreneurs (6.5344) while “being intelligent” was second highest from respondents without entrepreneurial experience.

Table 5 indicates statistically significant ( $Sig < 0.05$ ) differences among the average ratings of characteristics and behaviors of successful entrepreneurs in China, the United Kingdom and Estonia. Any differences between mean values of countries that are higher than one point on 7-point scale are marked bold and comparisons between countries are shown separately for entrepreneurs and for respondents without entrepreneurship experience. Among differences that are higher than one scale point for both entrepreneurs and non-entrepreneurs, China and Estonia give a higher weight to administrative skills than the United Kingdom. “Being indirect” and “not profit oriented” is as a more positive feature by both categories of Chinese

respondents compared to respondents in the United Kingdom and Estonia. British entrepreneurs also give a higher rating to “contribution of excellence.”

Table 5. Main differences among average assessments of Chinese, British and Estonian entrepreneurs and respondents without entrepreneurship experience on characteristics and behaviors of successful entrepreneurs

Characteristics and behaviors with statistically reliable differences of mean values for compared countries (Sig < 0.005)	China		United Kingdom		Estonia	
	Entrep-preneurs	Other respondents	Entrep-preneurs	Other respondents	Entrep-preneurs	Other respondents
Administratively skilled	<b>6.5051</b>	<b>6.4418</b>	<b>5.1324</b>	<b>5.2813</b>	<b>6.3460</b>	<b>6.5196</b>
Not profit oriented	<b>4.9899</b>	<b>4.8356</b>	<b>3.5294</b>	<b>3.4688</b>	<b>3.1947</b>	<b>3.9075</b>
Indirect		<b>4.3082</b>	<b>2.9559</b>	<b>3.0156</b>	<b>3.0152</b>	<b>3.2206</b>
Stubborn	<b>4.6364</b>					
Stubborn	<b>3.1515</b>	<b>2.8116</b>	<b>4.4265</b>	<b>4.3125</b>	<b>4.7681</b>	<b>4.4104</b>
Subdued	<b>2.8586</b>	<b>2.5882</b>	<b>2.2206</b>	<b>2.3594</b>	<b>1.6540</b>	<b>1.4662</b>
Group oriented	<b>5.9293</b>	5.4418	<b>4.7500</b>	4.1563	<b>5.1065</b>	5.0178
Indifferent to personal goals	<b>5.3333</b>	4.9007	<b>3.9853</b>	3.8281	<b>3.2835</b>	3.7011
Compassionate	<b>5.0202</b>	4.8014	<b>4.5441</b>	4.2656	<b>3.9544</b>	4.2857
Tolerance for ambiguity	<b>4.9495</b>	5.3129	<b>5.5735</b>	5.3438	<b>5.9696</b>	6.0996
Excellence oriented	<b>4.6061</b>	5.0959	<b>6.3235</b>	5.9531	<b>5.2928</b>	5.4057
Likes security/stability	<b>4.1616</b>	3.9966	<b>2.7500</b>	3.1563	<b>4.1483</b>	3.7143
Spontaneous	<b>4.1010</b>	3.9555	<b>4.7059</b>	4.6406	<b>3.1825</b>	3.6286
Cautious	<b>3.8990</b>	3.6031	<b>2.6618</b>	2.9844	<b>3.4867</b>	2.9964
Team builder	6.3232	<b>6.2877</b>	5.7059	<b>5.3438</b>	6.3840	<b>6.5018</b>
Just	6.0000	<b>5.5856</b>	5.2206	<b>4.4688</b>	5.1673	<b>5.6477</b>
Coordinator	5.8586	<b>5.7500</b>	5.1471	<b>4.8906</b>	6.1217	<b>6.0854</b>
Loyal	5.8384	<b>5.5719</b>	4.9559	<b>4.5469</b>	5.4008	<b>5.4250</b>
Resistance to stress	5.7980	<b>5.6062</b>	5.8971	<b>5.2813</b>	6.5285	<b>6.5409</b>
Well connected	5.7475	<b>5.6678</b>	5.1176	<b>4.8594</b>	6.0152	<b>5.8750</b>
Willful	5.3333	<b>4.8562</b>	5.8088	<b>5.9063</b>	4.5589	<b>3.8754</b>
Independent	5.0707	<b>4.4521</b>	5.8382	<b>5.5000</b>	5.6882	<b>5.6975</b>
Intelligent	5.7667	<b>5.7295</b>	6.1324	<b>5.5938</b>	6.3574	<b>6.6619</b>
Political links	5.5960	<b>5.3166</b>	4.6029	<b>4.5313</b>	5.5894	<b>5.5765</b>
Realist	5.3434	<b>4.8493</b>	4.9559	<b>5.0159</b>	5.9198	<b>6.1393</b>
Business experience	5.3030	<b>5.1199</b>	5.3235	<b>5.2656</b>	6.1749	<b>6.1922</b>
Family links	4.9293	<b>4.4110</b>	4.7353	<b>4.6406</b>	5.7148	<b>5.6335</b>
Wary of people who will copy their idea	3.6667	<b>3.5034</b>	4.4118	<b>4.6250</b>	4.5649	<b>4.1429</b>
Ruthless	2.6061	<b>2.3562</b>	3.4559	<b>3.9531</b>	3.2624	<b>2.7438</b>
Arrogant	2.1212	<b>2.2911</b>	3.0294	<b>3.4844</b>	2.4411	<b>2.3452</b>

Estonian entrepreneurs and non-entrepreneurs coincide, more so than Chinese and British respondents, that subdued persons do not make successful entrepreneurs. In China “being

stubborn” appears to be an inhibiting characteristic, especially by respondents without entrepreneurship experience.

Chinese entrepreneurs strongly support “group orientation.” The mean value for this orientation by non-entrepreneurs is also higher in China than in the United Kingdom and Estonia. Estonian respondents rate group orientation higher than British respondents. Both Chinese and Estonian entrepreneurs give high ratings to team builder features, but the ratings given to “team builder” by Estonian respondents without entrepreneurship experience is even higher than those in China. “Entrepreneur as coordinator” and “resistance to stress” are important features for both Estonian entrepreneurs and non-entrepreneurs.

Chinese entrepreneurs consider successful entrepreneurs to be more indifferent to personal goals and more compassionate than entrepreneurs in the other two countries. At the same time, Estonian respondents without entrepreneurship experience consider successful entrepreneurs more indifferent to personal goals, compassionate, just and intelligent but also less willful, cautious and ruthless than Estonian entrepreneurs do. Non-entrepreneurs also rate “business experience” higher than entrepreneurs. British non-entrepreneurs stress more than respondents without entrepreneurship experience in the other two countries that an entrepreneur should be “willful.”

A principal component analysis and factor analyses with a varimax rotation was completed for the 115 items of the survey for each of the three countries. In order to develop subscales for measuring attitudes, items were selected with a factor load in this particular factor above [0.30] and the same load in other factors below [0.30]. Results yielded a different number of factors in these 3 countries: 5 factors for Estonia, 3 for the UK and 2 for China. Factors account for 31.63% of the initial variability in Estonia, 36.4% in the UK and 48.27% in China.

The first factor in the Chinese sample can be labeled “ideal leader” because it includes 70 positive personality characteristics, skills and behavioral patterns included in the survey questionnaire. The items with the load in this factor, above [0.80] are problem solving skills, being flexible, innovative, courageous coordinator with perseverance and listening skills, brave in the face of difficulties and having good judgment with opportunity awareness. The second factor includes negative behavioral patterns among with non-delegator and micromanager having the highest factor loadings, above [0.60]. This factor also includes being wary of people who will copy ideas of entrepreneurs, ruthless, class conscious, dissatisfied with former employment and liking security/stability, being lucky, cautious, autocratic and arrogant.

The three factors in the United Kingdom are less clear. The first factor integrates social and communicative skills with administrative skills. Highest factor loads above [0.60] have group orientation, being patient, orderly, administratively skilled, procedural and dependable, defining clear measurable goals, and being organized and loyal; but they also include listening skills, giving value to social networks and interfirm relationships, being just, being a team builder, and sincere. The second factor in the United Kingdom sample can be labeled business developer with a strong drive. This factor has high factor load above [0.60] for such characteristics as being driven, perseverance, focused, aware of opportunities, problem solving, resourceful, competitive, dynamic and convincing. The third factor includes negative behavioral patterns. Components above [0.60] factor loading include non-delegator, micromanager, and loner. Other components of this factor include domineering, indirect, autocratic, dishonest, cynical and avoiding negative.

Factor analysis in the Estonian sample revealed and even less clear factor structure with five factors. The first factor can be labeled seeing and using opportunities. Above [0.50] factor

loading include such components as judging and making decisions from the perspective of an opponent, adapting to new environments quickly, opportunity awareness, good judgment, open minded, personal strength, resistance to stress, problem solving and investigation skills, being resourceful and constantly learning. The second factor can be labeled opportunity-driven decision maker. Items with factor loadings above [0.50] characteristics such as self-sacrificial but willful, avoiding negatives and being patient and having political links, being wary of people who will copy the entrepreneur's ideas, but brave in the face of difficulties, and never yielding in the face of failure. Above [0.30] factor loadings in this factor include several networking-related items as well connected, entrepreneurial links and family links, values social network and interfirm relationships. Another can be labeled brave networker. Above [0.50] factor loadings in the third factor include motivator, effective negotiator, enthusiastic, trustworthy. Items with factor loadings over [0.40] have such components as being ambitious, anticipatory, intelligent, diplomatic, administratively skilled and improvement oriented. This factor can be labelled intelligent negotiator. The fourth factor has the highest factor load above [0.70] for being just and factor loads over [0.40] for being sincere, compassionate dependable and loyal mediator. We label this factor as fair mediator. The fifth factor includes such behavioral patterns such as spontaneous risktaker, with factor loadings above [0.50] and being unique, communicative, having a different view of the market and strong initiative with factor loadings above [0.40]. Items such as self-confidence, masculine characteristics, being dissatisfied with former employment, autocratic, domineering, loner and indirect also belong in this factor with factor loadings above [0.30].

A comparison of factor structures of Chinese, British and Estonian survey samples suggests that Chinese perceptions of the successful manager do not differentiate among different

ways of being successful, whereas in the United Kingdom a success pattern based on balancing mainly managerial and communicative skills is different from the success pattern that relies mostly on opportunity-driven personal drives. Factor analysis of the Estonian sample revealed many different success paths, but also contradictions among entrepreneurial prototypes in a small open economy. Estonian respondents perceived social controversies in some success patterns related to risk taking and networking.

### **DISCUSSION AND CONCLUSIONS**

A combination of focus group and survey results produced evidence of some common features among entrepreneurs: awareness of new business opportunities, determination and persistence to develop and implement new business ideas, active communication and networking, administrative skills and readiness to face new challenges and risks. When comparing the survey factor analysis results to the taxonomic analysis from focus groups (tables 1-3), the results indicate the existence of similar entrepreneurial prototypes as focus group results. High institutional collectivism in China (House *et al*, 2004) reflects in societal values attributed to successful entrepreneurs in both focus groups and in the survey. In China and Estonia, the survey indicated higher importance of administrative skills, and in the Estonian case negotiation skills also played a key role during group discussions. These results are important for customizing the process of entrepreneurship education to the perceived training needs in these three countries. Indeed, while Entrepreneurship education could change perceptions of participants about success factors, it should also consider society's cultural expectations of a successful entrepreneur.

Respondents in Estonia and the United Kingdom did not see entrepreneurs as ideal personalities who always embody socially acceptable role models and avoid conflicts. On the

other hand Chinese respondents were more likely to present entrepreneurs as exemplary followers of socially desirable norms. Implicit beliefs concerning attributes of successful entrepreneurs in the United Kingdom and China tend to be more focused on the entrepreneur as a hero who is hard working and averse to failure. This is in line with high masculinity index of these two countries. For focus group participants in Estonia, these entrepreneurial characteristics are more related to entrepreneurship in the 1990's. The Estonian image of an entrepreneur in the late 2000's, according to focus groups and later reflected in the survey stresses more feminine values, including balance between work and family life. At the same time survey gave evidence that Estonian entrepreneurs themselves however consider being ruthless, autocratic and micromanager less inhibiting to entrepreneurial success than Estonian respondents that have so far not owned their business. UK respondents also reported some controversial human traits concerning successful entrepreneurs.

The ability to see contradictions in the societal role of entrepreneurs in Estonia and in the United Kingdom may be an evidence of lower power distance in these countries compared to China. Unlike Chinese entrepreneurs, Estonian entrepreneurs see entrepreneurship as a more mundane activity and, to some extent, not a role for especially passionate people. Focus groups in the US discussed entrepreneurial risks in the context of the social status of the entrepreneur, in-team communication, and relations with former owners. Factor analysis of survey results in combination with focus groups reflections clearly indicate that networking and risk taking has different nature and focus depending on the maturity of the market economy.

Survey results more clearly than focus groups demonstrated some contradictions between assessments given by entrepreneurs and by respondents without entrepreneurial experience. Having different shares of entrepreneurs and respondents without entrepreneurial experience in

country samples is a limitation of the present study but it comparing these subsamples has helped to overcome this limitation.

Further research, including using survey results as inputs for additional focus groups discussions, could deepen our understanding, to which extent these differences reflect real-life entrepreneurship experience or attribution bias reflecting identification with entrepreneur's social role as their desired future by potential entrepreneurs. In Estonian situation, differences between survey results of experienced entrepreneurs and potential future entrepreneurs can also reflect tensions between past and future-oriented entrepreneurial success interpretations.

Research on interpretations of success factors of entrepreneurs is important for entrepreneurship education that takes into consideration cultural differences as well as cross-cultural training of entrepreneurial teams. Empirical findings would enable institutions of higher education to develop specific entrepreneurial skills in students desiring to operate business ventures in various countries around the world. Future research will need to investigate how the various entrepreneurial characteristics and traits affect the success of the entrepreneur as measured by defined results criteria.

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