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CUSTOMER SERVICE MANAGEMENT: AN ANALYSIS OF BUSINESS OWNERS IN THE UNITED STATES AND CHINA

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ABSTRACT

The success of entrepreneurship and business practice lies on a solid foundation of customer service. Positive customer service experience influences overall satisfaction in a psotive manner while negative customer service experiences have the opposite affect (Carraher, Carraher, Mintu-Wimsatt; 2005). The importance of good customer service has been seen in family businesses that have built customer loyalty, trust and goodwill. Superior customer service provides competitive advantage in family businesses and non-family businesses alike (Cooper, Upton, & Seaman; 2005). Customer satisfaction is the main element to build customer equity and provides the base for future revenues. In order for a venture to pass the fourth year mark that plagues most new businesses with failure, it is important to establish the base that will allow the organization to maintain continued operations.

In the current study we use results from 254 business owners within the United States of America and 156 business owners in China in order to examine customer service differences in the importance of personality based assessments. The results from the data gathered from American businessmen are significant for both Attitudinal (Mult R .57 and R^2 .33) and behavioral (Mult R .69 and R^2 .47) measures as are the results from the data gathered from Chinese businessmen (Mult R .46 and R^2 .22) and (Mult R .65 and R^2 .42), respectively.

ETHICS AND LEADERSHIP AMONG YOUNG AMERICAN NASCENT ENTREPRENEURS

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ABSTRACT

While the disparity between moral thought and moral action is still unexplained, when individual's personal and moral philosophies are taken into consideration, there has been some success in predicting moral behavior. Forsyth argued that individual variations in approaches to moral judgment and behavior may be conceptualized in terms of two basic dimensions: relativism and idealism (1980). Relativism is defined by Forsyth as "the extent to which the individual rejects universal moral rules" (pg. 175). Idealism is defined as the extent to which "moral judgments focuses on idealism in one's moral attitudes" (pg. 176). By dichotomizing and combining the two dimensions Forsyth created a 2 X 2 classification system of ethical ideologies. Situationists [high on idealism and relativism] reject moral rules and seek to ask if their actions yield the best possible outcome for the given situation. Subjectivists [high on relativism and low on idealism] reject moral rules and tend to base their moral judgements on personal feelings about the action and the setting. Absolutists [low on relativism and high on idealism] tend to feel that actions are moral provided that they yield positive consequences by conforming to moral rules. Exceptionists [low on both relativism and idealism] tend to believe that conformity to moral rules is desirable but that exceptions to the rules may be permissible. They tend to be utilitarian.

In the current study we examined ethics and ethical leadership among 519 young nascent entrepreneurs with the use of Forsyth's Ethics Position Questionnaire. We found differences between what Forsyth had found with students and previous researchers have found among family owned businesses (Herbert, Bass, and Tomkiewicz, 2002).

THAT MY NEIGHBOR'S COW MIGHT LIVE: EFFECTUATION AND ENTREPRENEURSHIP EDUCATION IN CROATIA

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ABSTRACT

Post-war Croatia has been characterized by high unemployment, a damaged infrastructure, stalled foreign investment and few government incentives for new business creation. It is in this context that a prominent local professor in Osijek, in the eastern part of the country, started a unique MBA program focused on entrepreneurship. The aim of the program was to give hope to some of the region's young people after years of struggle and lost time during the Balkan Wars.

This paper provides an analysis of how the program came into existence by examining both the unique Croatian context and the process of effectuation. Because it highlights both these aspects of the story—context and process—the model may serve as an example for the creation of other, similar initiatives in areas where economic development is sorely needed, and where entrepreneurship education may represent one way to boost regional economies. The paper also briefly examines another established framework for entrepreneurship education and highlights similarities between it and this model which is based on the theory of entrepreneurial effectuation.

CUSTOMER RELATIONSHIP MANAGEMENT (CRM) AND BUILDING AN ENTREPRENEURSHIP PROGRAM: THE IMPORTANCE OF COURSE DESIGN, DELIVERY OF INSTRUCTION AND COURSE REVISIONS

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ABSTRACT

Businesses today cannot be successful without their customers. Therefore, businesses value their customers while hoping to gain appreciation for the profitability of the enterprise. Within every new product or service comes a competitive advantage where companies are realizing that their strength is feasible through their relationships to their customers. Customer Relationship Management is to maximize the benefits of a firm by satisfying customer assets. CRM is both a business and technology aspect for managing these relationships in order to sustain revenue, profitability, customer satisfaction and retention. Many firms are turning to customer relationship management (CRM) to maximize the benefits of their customer assets.

In the current paper we examine issues related to CRM in the creation of a new Entrepreneurial Studies Program modeled after the award winning program at Western Carolina University created by Jo Ann and James Carland. Special attention is paid to the importance of course design, the delivery of instruction, and course revisions as the program progresses. In this paper we seek to answer the question what makes a good entrepreneur and a good program for educating individuals to become entrepreneurs or intrapreneurs.

WHAT IS ETHICAL LEADERSHIP? AN EXAMINATION AMONG NASCENT ENTREPRENEURS

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ABSTRACT

Using a sample of 334 young nascent entrepreneurs this study validates and supports a three dimensional model of ethical leadership. As Rice, Seaman, and Garvin (1978) point out, both high and low LPC scorers want leadership success but low LPC scores likely indicate a "negative attitude" on the part of the leader because their least preferred co-worker poses a "threat" to their most highly valued goal – getting the task accomplishment. "Attitude" in nascent entrepreneurs, especially in leader-member relation, is a critical success issue given that entrepreneurial tasks are painted with a broad brush.

While the current 3-dimensional model is strong, it is constructed on purely interpersonal leadership variables. As Fox, Hill, and Guertin (1973) point out in their study of 5-dimensional analysis, developing conceptual understanding including cultural influence is of high concern for improved dimensionality. Future research could enhance dimensionality by examining such more task related items and examine whether cultural differences might influence leadership dimensionality (Carraher, Gibson, & Buckley, 2006). Examining cultural differences would be useful to determine dimensionality influence based on cultural biases (across various countries) in the questionnaire (Carraher, 2005; Carraher, Franklin, Parnell, and Sullivan, 2006). For example, Carraher, Franklin, Parnell, and Sullivan (2006) did find differences in observed dimensionality when measuring personality factors between Japan and China.

PERSPECTIVES AND PROBLEMS OF PRIVATE EQUITY FUNDS-OF-FUNDS

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ABSTRACT

Private equity funds-of-funds are investment vehicles that combine investor commitments for allocation to a portfolio of private equity funds. Over the last fifteen years, there has been an explosion in the private equity funds-of-funds market. In this paper, we argue that the growth of these funds is the result of changes in the regulations governing limited partnerships, increasing demand for private equity investments, and the need for diversification in private equity investments. The presence of this new pool of investment money in private equity means that more investments will get funded locally as well as globally and, venture capitalists, leverage buyout specialists, and hedge funds will take on riskier investments. Since they have more capital to invest, it may result in possible over-investment and decline in returns on overall venture capital and private equity investments.

ETHICAL CROSS CULTURAL CHANGE AND LEADERSHIP: A STUDY OF ENTREPRENEURIAL BUSINESSES IN LATVIA, POLAND, UKRAINE, THE U.K., AND THE USA

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ABSTRACT

Change is a never-ending cycle, and change in a place of work can be a very difficult item to adjust to. Planning has a great deal to do with change. If the environment surrounding business were unchanging, then there would be little need for planning (Sibson, 1992). It is ongoing change and an increasing rate of change, that make ethical change leadership much more important today than even a few years ago (Sibson, 1992). Making any kind of change to an organization does not just effect that one department, it effects the whole organization. When making a change in an organization the entrepreneur should consider how it shall influence the entire organizations in terms of the financial and human resources. Every organization has a tolerance for change, a limit to how much change the organization can deal with in a given period of time (Sibson, 1992). Planning information supports sound decisions about how to change and when not to change (Sibson, 1992).

In the present study we examine the changes that organizations have undergone as they have emerged in to the capitalistic system. We use data from the U.S.A. [most capitalistic], the U.K., Poland, Latvia, and Ukraine [least capitalistic] in order to see how successful and unsuccessful entrepreneurs have sought to deal with change and how this has changed over time. Information from this study can be used in order to educate entrepreneurs in emerging markets as to how to more effectively change their organizations to deal with the increased market freedom.

ENTREPRENEURIAL INTENTIONS RESEARCH: IMPLICATIONS FOR ENTREPRENEURSHIP EDUCATION

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ABSTRACT

If entrepreneurial intentions precede entrepreneurial behavior, then entrepreneurship educators should benefit from intentions-based research in entrepreneurship. This paper reviews the intentions research related to entrepreneurship, focusing on Ajzen's (1991) Theory of Planned Behavior and Shapero and Sokol's (1982) Entrepreneurial Event Model. The author then proposes that three variables from the two models are key to entrepreneurial intentions – perceptions of desirability and feasibility and propensity to act. Additional antecedent variables (social connections, work-related experience, and self-efficacy) that had demonstrated influence on intentions were discussed as well. Finally, learning activities were identified and discussed that were believed most likely to influence entrepreneurial intentions of students. The paper concludes with a discussion of the questions that remain to be answered in this literature as to the impact of specific educational activities on intentions and entrepreneuring.

THE IMPACT OF HURRICANE KATRINA ON SMALL BUSINESS IN RUSTON, LOUISIANA

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ABSTRACT

Hurricane Katrina struck Southeast Louisiana and the Mississippi Gulf Coast on August 29, 2005. The effects of Katrina were catastrophic and widespread as it was one of the deadliest national disasters in U.S. history. Katrina impacted more distance parts of the U.S. especially the Northeast. Kentucky, Ohio, and West Virginia suffered flooding from rains brought on by the hurricane. Georgia was hit with storms, rain, and tornadoes.

The hurricane essentially initiated three disasters, the Mississippi Gulf Coast, New Orleans, and geographical areas distant from the main impact, harming these areas from a small to large degree.

In analyzing the impact of Katrina, research may consider what happened before, during, and immediately after the storm and what will happen in the future. This study concerns the impact of Katrina right after the storm on small business in Ruston, Louisiana, some 400 miles from the impact area.

One hour personal interviews were held with 12 small business owners during the period September 14-27, 2005 as well as the head of the Ruston Chamber of Commerce and the director of the Small Business Development Center at Louisiana Tech University.

Ruston was relatively unscathed by Katrina. There were some minor power outages. The major impact was the influx of evacuees from the New Orleans area. Many small businesses in Ruston experienced an increase in sales due to evacuees and travelers. Motels were full. Of those firms interviewed, sales increased for those catering to the transportation, housing, and healthcare needs of travelers and evacuees, e.g., gasoline, auto parts, auto repairs, and convenience goods. The two restaurants interviewed also experienced an increase in sales. Four businesses that did not cater to the transportation, eating or healthcare needs of evacuees felt no impact (auto wrecker yard, real estate, hair care, and retail motorcycle sales). The two healthcare providers provided free drug prescriptions and eye care services.

Two businesses had difficulty getting supplies or clearing credit cards as their vendors or credit card servers were in New Orleans. The specialty drug store which did not charge for prescriptions experienced a cash flow bind. In one case a respondent carried a weapon due to his concern over the character of evacuees staying at the Ruston Civic Center. The small business community as well as nonprofits such as churches donated shelter, goods, and services to the evacuees.

Disasters, natural or man-made may strike anywhere in the U.S. Physical damage may be severe to none. The impact may be indirect such as the influx of evacuees. Those small businesses which are located in an area of a low probability of severe damage, yet could be impacted by evacuees, should develop a plan to handle the extra business, especially in catering to the food and

transportation needs of evacuees. They should have alternative sources of supply and credit card service and security. Each disaster plan should be tailored to a specific business, however, such plans should not be overlooked in this age of uncertainty.

WHAT ENTREPRENEURSHIP EDUCATORS NEED TO KNOW ABOUT THE LIMITATIONS OF CORPORATE FORMS AND THE "NITTY-GRITTY" OF VEIL PIERCING

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ABSTRACT

While incorporating offers many advantages, including affording some protections from personal liability, many small businesses and entrepreneurs are unaware of their vulnerabilities as plaintiffs may attempt to "pierce the corporate veil" in order to extend their reach to the personal assets of the business owner. Entrepreneurship textbooks are devoid of some of the more complex legal analysis that would lead would-be business founders to a more informed understanding of the limitations of corporate forms. Moreover, textbooks, the scholarly literature of small business and entrepreneurship, and the popular press often omit substantive discussions to fully explain that the corporate shield can only be effective if certain conditions are met. These conditions vary somewhat from state to state, and courts have interpreted cases based on what typically entails an extensive examination of whether or not veil piercing is a justifiable remedy. This paper provides an overview of issues that merit consideration on the topic of the corporate veil and veil piercing, and includes a discussion of implications for entrepreneurship teaching, research, and practice.

INTRODUCTION

The need for this present paper became evident after a series of searches in the scholarly entrepreneurship literature revealed a dearth of research on the subject of the corporate veil and veil piercing. We also reviewed textbooks, and found that they may typically lack sufficient emphasis about some of the vulnerabilities of corporate forms. Indeed, these texts may have contributed to what amounts to a myth in causing entrepreneurs to believe that they are personally separate and invulnerable, so long as they have taken the step to incorporate, as compared to operating as an individual under a sole proprietorship.

The authors of this paper have quoted the term "myth," because practicing corporate attorneys and the plaintiffs they represent, the courts, and legal scholars are keenly aware of ongoing efforts to devise strategies and methods to pierce the corporate veil; of course, defendants also do become aware of their vulnerabilities (but perhaps too late). Despite such a legal landscape, our review of contemporary entrepreneurship textbooks and the scholarly literature of entrepreneurship undergirding these texts demonstrated a failure to convey that increasingly, there is greater risk for those who may be less familiar with the "nitty-gritty" of corporate forms and veil piercing. Hence, the topic this paper addresses should inspire lively discourse about the implications for entrepreneurship teaching, research, and practice.

"Most savvy business people are aware that corporations offer some protection to officers, directors and shareholders from personal liability. What many people may not know is that the corporate shield from personal liability is not infallible" (Hughes, 2004). Generally, piercing is a remedy to hold individuals accountable for abuses of the corporate form, including hiding behind a corporate entity in order to defraud creditors, investors or other claimants (Bainbridge, 2001; Caudill, 2003; Mirchandani, 1998; Russell, 2004; Wagoner, 1996).

However, veil piercing can become even more tumultuous, and "the risk is much greater than most people realize" (Graham, 2002). The corporate veil will not protect a business when acts or omissions will result in unfairness to the injured party: "The determination of whether the doctrine applies centers on whether there is an element of injustice…, fundamental unfairness, or inequity" ("State ex rel. Christensen v. Nugget Coal Co." (1944). Unfairness!!! To this we exclaim "holy cow," as the inclusion of this descriptive term in the court's finding is very far reaching, as most *any* plaintiff can assert unfairness.

REVIEW OF EXISTING LITERATURE ON "PIERCING THE CORPORATE VEIL" WITHIN THE SCHOLARLY LITERATURE OF ENTREPRENEURSHIP

Vanderbilt University Professor of Law Robert Thompson (Thompson, 1995) is regarded to have provided an "exceptional study" of veil piercing (Morrissey, 2007; Rapp, 2006). "Veil piercing issues can also arise with regard to limited partnerships ('LPs') and limited liability partnerships ('LLPs'). Like LLCs, LPs and LLPs are unincorporated business entities" (Bendremer, 2005). However, the need for this present paper became evident after a series of searches in the scholarly entrepreneurship literature revealed a dearth of research on the subject of the corporate veil and veil piercing. Search attempts conducted on databases used by *ProQuest* demonstrated that veil piercing was only covered within the literature from within scholarly and professional legal and accountancy contexts, typically associated with legal, finance or accounting oriented journals.

With parameters for our searches set to identify only articles with full-text availability and results in the citation and abstract, we identified 155 articles in *ProQuest* databases originating from sources that were not associated with the scholarly entrepreneurship literature. Upon attempting to combine the term "corporate veil" with others such as "corporate veil" AND "entrepreneurship" we found only one result (from an Australian journal published in 1992).

The popular business press produced some results in our *ProQuest* searches (but upon examination, some of these were erroneous and associated with other topics). Finally, we also examined several leading entrepreneurship textbooks and found that forms themselves were typically well covered, but emphasis on possible pitfalls and vulnerabilities was not. We presume that the paucity of results in the entrepreneurship scholarly literature may partially or largely explain the scant coverage of issues and consequences associated with veil piercing in contemporary entrepreneurship texts. Many misconceptions (Mauldin & Wilder, 1997) appear to exist.

Besides the general lack of coverage in entrepreneurship texts and the scholarly entrepreneurship literature which undergirds those texts, veil piercing is an evolutionary (Bendremer, 2005) topic within the legal community. It has also "been one of the most hotly debated concepts in business law" (Rapp, 2006), with "a long, if controversial, history in the law of business" (Morrissey, 2007). However, both the would-be and established entrepreneur may typically fall under the false impression that the corporate form provides a bullet-proof shield (Graham, 2002) of protection against personal liability claims.

METHODS BY WHICH VEIL PIERCING MAY OCCUR

The applied test for corporate veil-piercing is Van Dorn Co. v. Future Chemical and Oil Corp., 753 F.2d 565 (7th Cir.1985). ("Van Dorn Co. v. Future Chemical and Oil Co." 1985). A corporate entity will be disregarded and the veil of limited liability pierced when two requirements are met: "(F)irst, there must be such unity of interest and ownership that the separate personalities of the corporation and the individual (or other corporation) no longer exist; and second, circumstances must be such that adherence to the fiction of separate corporate existence would sanction a fraud or promote injustice." "Corporate veil piercing most often applies in cases of (i) fraud; (ii) inadequate capitalization; (iii) failure to adhere to corporate formalities; and (iv) abuse of the corporate entity that results in complete dominance by the shareholder or shareholders" (Bendremer, 2005).

Smaller firms are more likely to make mistakes or otherwise commit acts that lead to the use of the veil piercing remedy on the part of plaintiffs. In some instances, incorporations may occur in an effort to avoid preexisting personal liability issues. Those in favor of piercing the corporate veil are often (at least from their own point of view) justified in their efforts. They also may be formidable in their wherewithal (e.g., banks attempting to collect) and commitment to doing so. Veil piercing efforts are driven not only by the outcome of a single case, but also by the precedents that may be established, which will influence future litigation.

PREVENTING VEIL PIERCING

"Using a corporate form ordinarily will insulate the owners from direct liability for the company's obligations, because the corporation is considered to be a separate legal identity, independent of its owners"(Peckinpaugh, 2000). In other words, "although using a corporate form for doing business can provide many advantages, investors who use this approach must be careful to follow the rules to maintain those advantages" (Peckinpaugh, 2000).

Certain common principles to tend to apply to the concept of veil piercing, regardless of venue (i.e., the place where cases are decided). For example, "one of the oldest ways to 'pierce the corporate veil' is to show that a corporation was created for an illegal purpose" (Jackson, 2001). "Tort law in the United States has the same common law foundations as tort law in most other nations" (Rolle, 2003) and fraudulent behavior or negligence associated with illegal acts is certainly suggestive of both litigation as well as what would likely become a successful petition for relief through the veil piercing doctrine.

Hence, one should also "avoid committing any torts. Examples of tort claims are negligence and fraud, in contrast to contracts" (Hughes, 2004). "The right to a law of redress has deep roots in Anglo-American law" (Goldberg, 2005).

"The corporate shield hinges upon the legal fiction that a corporation is a legal entity separate and apart from its owners, officers and directors. To maintain this legal fiction, you must treat the corporation like it is a separate entity" (Hughes, 2004). As a matter of practical implications, small business owners are probably particularly susceptible to mixing personal funds with corporate funds (and both they and their small corporations may easily become intertwined). It is imperative to maintain this separation, because once evidence shows that for all intents and purposes a small business owner is basically identifiable in transactions as one in the same as his or her corporation, or vice versa, the protection of the shield is lost.

Another common way to create problems for a business is to fail to acknowledge the corporate status both in terms of disclosure, but also with respect to other formalities such as entering contracts. Formalities also include "'corporate governance' rules [which] cover things such as board of directors meetings, capitalization requirements and reporting requirements" (Peckinpaugh, 2000). Relative to subsidiary structures, "conducting a similar business in a similar location or having interlocking sets of officers, directors, and ownership can create problems" (Hughes, 2004).

CONCLUSION AND IMPLICATIONS FOR ENTREPRENEURSHIP TEACHING, RESEARCH, AND PRACTICE

The authors of this paper have sought to add an important and needed contribution to the evolving discipline of entrepreneurship. Changes in the environment foreshadow the likelihood of an even greater risk that future entrepreneurs (presently students) may encounter an even more complex morass of legal implications associated with their choice(s) of corporate form.

Entrepreneurship educators who may be laypersons in the area of law (as compared to practicing attorneys and legal scholars) may unwittingly contribute to creating a false sense of security about protections afforded under corporate forms in the course of providing instruction. This of course suggests content that is not only presently inadequate, but will be increasingly so in the future.

For the scholarly researcher in small business and entrepreneurship disciplines, as we have found, this paper will represent one of the first contributions of its kind to the literature. This suggests several opportunities for future research. First, is the obvious task of making further connections with the preexisting body of knowledge associated with well established legal scholars and their research. Second, we would suppose that small businesses and entrepreneurial firms may suffer from unique challenges in lacking sufficient access to corporate counsel, being more susceptible to mistakes and subsequent litigation, and more likely to forego formalities that are precisely those that will get them into real trouble. We expect this, but further research and empirical testing would aid in both defining the situation as it now exists (and subsequently addressing matters with practitioners and students who are would-be entrepreneurs).

Finally, as we have indicated, veil piercing is an evolving area and dynamic. Keeping up with changes and then correlating those changes with the concurrently evolving discipline of entrepreneurship is also a recommended course of action for any student, entrepreneurship educator, researcher, or practitioner.

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CUSTOMER RELATIONSHIP MANAGEMENT AND SERVICE RECOVERY AMONG BALTIC AND BRITISH ENTREPRENEURS

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ABSTRACT

Customer Relationship Management (CRM) covers different methods and technologies used by companies to manage their relationships with their customers. The information stored on existing customers is examined and used to this end. CRM processes are often used to produce automatic personalized marketing based on the customer's information stored in the systems. In addition, it tries to strategically build lasting relationships and add values to customers.

Effective Customer relationship management is important for any business. It is especially important however in entrepreneurial businesses where the business owner and employees have frequent contact with the customers. In the current paper we use data from 164 entrepreneurs in Latvia, 154 in Estonia, 138 in Lithuania, and 197 in the United Kingdom in order to examine cultural dimensions of CRM, customer service orientation, and service recovery issues. As previously found by Carraher, Carraher, & Mintu-Wimsatt (2005) traditional Western models actually fit worst in the U.K. than it did in Eastern Europe. Over 50% more of the variance in customer service oriented performance could be explained in the Baltics than in the U.K. Comparisons are made to the American system of service recovery and it is found that the American model of service recovery fit better in the Baltics than in the U.K. and that it nearly fit as well as it does in the U.S.A. Suggestions for future cross-cultural research are suggested.

ENTREPRENEURIAL OPPORTUNITY EXPLOITATION AND THE FAMILY: RELATIONSHIP-BASED FACTORS THAT AFFECT THE ADULT CHILD'S DECISION TO JOIN WITH PARENTS IN A NEW VENTURE

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ABSTRACT

Prior researchers have identified several predictors of an adult child's decision to join with parents in an existing family business. However, these studies have not whether such a decision was dependent on the particular parent involved in the new venture or the relative hierarchical roles of the two parties in the new venture. This study assesses the significance these factors have on that decision. This assessment compared the goodness-of-fit of models reflecting these factors using confirmatory factor analysis. The study offers evidence that the adult child will be more likely to join a new venture with parents when they offer a position as co-owner rather than a subordinate. This finding provides important insights into factors that participants and advisors should consider in planning for the creation of new family business ventures.

INTRODUCTION

Family businesses are vital societal institutions. Their importance stems from their position as a common entity for conducting commercial transactions and their role as a cohesive force for the intergenerational family that offers possibilities for family members to invest in the business and participate as employees (Carland, Hoy, Boulton & Carland, 1984). The objective of this study is to evaluate the extent that the nature of a specific relationship with a parent or the prospective hierarchical positions of the child and parent(s) influence the decision of the adult child to enter a new family business. The focus on the decision to enter a new family business, should an opportunity to form such a business presents itself to the family, is distinct from either a decision to join an existing family business, or the decision to remain as a member of an existing family business because the roles in the new venture have not been previously defined. It is this distinction, emphasizing the interaction of opportunity exploitation and definition of the roles individuals play in that exploitation (Shane & Venkataraman, 2000) which places this study in the research domain of entrepreneurship.

Prior studies, e.g. Birley (1991) and Stavrou & Swiercz (1998), have focused on the adult child's decision to join an existing family business. The Birley study (1991) identified factors such as pressure from parents, interest in managing the business, certain industry characteristics and demographic factors as predictive of the adult child's decision to join the existing family business.

The Stavrou & Swiercz (1998) model identified certain family factors, business factors, personal factors and market factors as alternative predictors of that decision. Neither study explored whether this decision may be affected by the strengths of relationships identified in the developmental psychology literature as characteristic of parents and children.

Gaining a better understanding of family businesses formation issues is important because these businesses represent a significant portion of the commercial activity in the United States. Estimates of the percentage of firms that are family owned range from 80-90% of all businesses and approximately one-third of the Fortune 500 companies. Approximately half of all employees work for family-owned business, and these businesses account for 40% of the United States gross national product (Rodriguez, Hildreth & Mancuso, 1999; Kaslow, 1993; Kets de Vries, 1993; McClendon & Kadis, 1991; Rosenblatt, et al., 1985). Research relating to the decision-making surrounding family business formation is justified because the decision is important not only for the parents and the adult child but also, on an aggregate basis, for society as a whole. If adult children are unwilling to join with their parents to exploit an opportunity when it arises, the opportunity may be lost because neither party may individually be able to exploit it. As a result, society loses the beneficial effects of such a new entity in the marketplace.

DISCUSSION AND LIMITATIONS

Because of the preponderance of family businesses and their vital contribution to the economy, the circumstances surrounding milestone events in the family business are significant. The adult child's decision as to whether or not to join his or her parents to start the business is certainly one of the milestone events. The primary objective of this study was to evaluate the relative effects that involvement of specific parents in the new venture and the relative hierarchical positions of the adult child and the parents in that venture have on this decision. This objective was accomplished through scale refinement procedures that initially utilized exploratory factor analysis (Hinkin, 1998) and a review of the corrected total item correlations (Koufteros et al., 2001) to develop and refine the scales. Confirmatory factor analysis was then used to evaluate the dimensionality of the criterion (e.g. Marsh & Hovcevar, 1988) by comparing the fit of four competing models of its dimensionality.

The first finding of the study was evidence to support the hypothesis that the decision of an adult child to join a new family business with his or her parents will depend on the relative roles of the parties in the new venture, but not which parent was involved (Hypothesis 3). The respondents in this study showed a clear preference for entering into a new venture when invited by one or more parent to participate as a co-owner. The second finding was evidence to support the hypothesis that this factor is more predictive than the specific family relationships involved (i.e. simply being the parents, father or mother) as predicted in Hypothesis 2. In other words, the role of the adult child in the new venture was a bigger factor in the decision to enter the business than the opportunity to be involved with a specific parent or both parents without consideration of relative hierarchical roles in the new venture. Finally, the model based on only the relative hierarchical roles of the parties in the new venture fit the data better than the model based on Hypothesis 1 which considered both these relative roles and the specific family relationships that were involved. The data also provides some support for the existence of a second-order factor based on a combination of Hierarchy, Reciprocity and Attachment. However, because of the modest amount of variance in Reciprocity and Attachment that is explained by the structural model, the existence of such a higher-order factor was not established conclusively. In sum, the data suggests that the adult child's decision whether or not a join with his or her parents in a new venture will primarily depend on whether the relative roles the child and parents will occupy in the management of the venture will be substantially equal.

The parent of an adult child may find that offering them a position as co-owner may prove difficult. The parent has functioned in a superior role throughout the development of the child and may be reluctant to cede authority. In addition, the parent may wish to occupy a superior hierarchical role outside the business and find maintaining two different roles, authoritarian outside the business and egalitarian inside the business, difficult. Disparities in resources between the adult child and parents at time of founding may also be an impediment to an egalitarian relationship with the business. The parent will frequently be able to contribute more capital, experience and social capital to the venture and, as a result, expect a substantially higher initial ownership percentage. If the business will be required to obtain credit and loan guarantees are required, the parent will frequently be pledging more assets than the child. However, in spite of any negative effect on the parent caused by an unequal initial contribution of resources, the parent potentially gains security from binding the adult child to a long lasting relationship with the business. The adult child's participation potentially improves the chances of business survival in the case of severe illness of the parent, and provides a likely buyer of the parental interest upon their retirement. The participation of professional advisors may facilitate a logic-based consideration of these factors in planning for the new family venture.

Several limitations to the study should be noted. Since the sample was limited to students at a single university, the sample respondents may not be representative of adult children in other regions, countries, ethnic groups, or life stages. In addition, this study does not measure these factors for all possible combinations of extended families that occur in contemporary society. While the contextual factors provided evidence of satisfactory fit to the sample data, the possibility that additional contextual factors may also be descriptive of the decision to join with the parents in the family business. Alternative approaches to the research design were considered. An instrument could have been developed to sample children who are currently involved in a family business and compare the responses with those from children from the same family who chose not to participate in the business. However, since the criterion of interest relates to the adult child's attitudes prior to venture formation rather than attitudes after the venture has begun, this second approach lacked construct validity.

Seeking a better understanding of the adult child's decision to join with his or her parents in a new family business is a useful direction for future research. Assessing whether the model's explanatory power holds for the adult child's decision to join a new venture with various extended family combinations should be a short-term research objective as these various family combinations are now commonly encountered. The long-term objective, a satisfactory path model for the antecedents of the decision, will result from assessing various alternative predictors of the criterion. Many promising instruments, such as those utilizing family cohesion and adaptability in the context of a family system (e.g. Olson, 1993) already exist and offer a likely starting point in achieving that objective. In addition, research into the perspectives of other family members, such as the perspective of the father, mother and siblings is necessary to fully understand the dynamics of the initiation of a new family business ventures.

ETHICS AMONG GERMAN ENTREPRENEURS: WHAT IS IMPORTANT FOR GOOD LEADERS?

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ABSTRACT

According to Forsyth, individual differences in Relativism and Idealism influence judgments of moral issues. Forsyth developed a scale that he believed could be applied to all moral situations (1980). The goal of his research was to create an instrument that could facilitate the classification of individuals based upon their ethical ideology (1980). His research found that students were governed by two sets of ethics: ideal and relative ethics and he suggested that ones ethical ideology could influence one's moral judgment (Forsyth, 1980). His findings however did not conclude that ethical ideology could clearly predict moral behavior in an accurate manner (Forsyth, 1980). He further classified individuals as being either "high" or "low" in idealism or "high" or "low" in relativism. Four classes were developed in order to seek to describe individuals in either classification. The four classes are situationism, absolutism, subjectivism, or exceptionism.

In the current study we examine the ethical values that are important to good leaders using a sample of 150 English speaking German entrepreneurs and the Ethics Position Questionnaire. We find support for the dimensional structure proposed by Forsyth (1980) and that idealism is important for good ethical leadership.

THE IMPORTANCE OF HIRING GOOD EMPLOYEES FOR GOOD CUSTOMER SERVICE: AN EXAMINATION OF ENTREPRENEURIAL BUSINESSES IN AUSTRIA, CHINA, THE CZECH REPUBLIC, HUNGARY, MALAYSIA, POLAND, SLOVAKIA, THE U.K. AND THE U.S.A

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ABSTRACT

The purpose of this paper is to explore the importance of hiring good employees for good customer service. Once an employer has a good employee that possesses the service skills to provide good customer service they should hang on to that employee because that employee is good for business. Customer service is quite often a key element that can either make or break a business. For a business to be successful they must have a monopoly, have the lowest product price or be successful in providing quality customer service. It is unclear the degree to which customer service might vary from culture to culture therefore data was collected from nine disparate countries in Central & Western Europe, Asia, and North America in order to examine the importance of hiring good employees for entrepreneurial businesses. Specifically 1, 852 employees in entrepreneurial businesses in the nine countries were surveyed using McBride's biodata inventory and then their general job performance and customer oriented job performance was evaluated using behavioral and trait based approaches. It is found that in spite of small differences in what is perceived as good customer service across the nine countries McBride's inventory is able to meaningfully predict general job performance, customer service oriented job performance, turnover intentions, actual turnover, perceived value to the organization, job satisfaction, and compensation satisfaction. Results are compared to those of Carraher (2007) where he has examined the economic impact of good customer service across 52 countries.

ORGANIZATIONAL BARRIERS TO ENTREPRENEURSHIP: A STUDY OF MARINE PILOTAGE IN ALASKA

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ABSTRACT

This paper identifies specific barriers related to inspiring entrepreneurship intentions and behavior in the marine piloting industry in Alaska. The general nature of the marine piloting industry is first discussed and specific circumstances, and organizational features are identified that act as barriers to entrepreneur efforts in the Marine piloting industry. Finally, implications are identified that can be generalized to other industries and organizations. This should be of interest to those interested in the impact of organizational and other barriers to entrepreneurial activity, as well as those interested in the marine piloting industry.

INTRODUCTION

The business environment in countries throughout the world abounds with barriers to entrepreneurship (e.g., see Klapper et al. 2004). However, research is lacking addressing how bureaucratic regulations impact entrepreneurial activity (Klapper 2004). This paper illustrates this with regard to a marine piloting organization in Alaska. First, the general nature of the marine piloting industry is presented. Second, a review of how marine pilotage is organized is detailed. Third, circumstances and organizational features that created opportunities and barriers for entrepreneurs are described. Fourth, specific actions that prevented an entrepreneur from fully capitalizing on opportunities are presented. Finally, lessons from this from the case are identified.

THE MARINE PILOTING INDUSTRY

Marine pilots are federally and state licensed to move and dock ships in coastal waters. Pilotage in the United States operates under a dual licensing system. In 1789 Congress passed a statute specifying that states have control over the piloting of foreign vessels entering American ports and in 1871 Congress enacted other legislation specifying that the federal government has control over US vessels operating in American ports. Specific characteristics of the marine pilot industry are shown in Table 1. Basically entrenched pilots are immune from competition, and exercise considerable control over access to the industry.

Table 1
Characteristics of the Marine pilot industry

The use of licensed Marine pilots is made compulsory for certain size ships by both federal and state laws.
Pilots generally function through bureaucratic associations which also serve as central dispatch and billing/collection entities.
Piloting is taught through apprentice type training. The trainee works under another's license, resulting in a high degree of control by entrenched pilots as to whom they will take on as apprentices. Pilot associations may or may not provide advance money to apprentices during the training period.
Associations of marine pilots generally have exclusive areas, ports, harbors and rivers in which they operate.
Because of the compulsory aspect of using licensed pilots, the industry operates under an umbrella of state and federal regulations that deal with licensing, tariffs, identifying pilotage waters, and classifying ships for which the compulsory requirements apply. State and federal regulatory agencies generally have heavy pilot representation
Pilots earn above-average incomes with many earning more than $200,000 per year.
When pilots are on duty (available for dispatch), it is a 24 hour a day commitment. Consequently, pilots work on/off in blocks of time and may be on duty for two months and then off duty for a month.
The individual pilots do the work as independent contractors but pool their income and expenses through their associations.
Pilotage tariffs are generally based upon a cost-flow-through scheme. Ships are charged for association overhead, reimbursement for direct costs, plus an allowance for the pilot’s income. The charge, or tariff, is set by the state piloting board
After a trainee has been approved for membership they need to buy into the association’s assets. It is not uncommon to have new members on a reduced share (i.e., 50% or 75%). All new members share the pooled income based on this percentage, until the new member has total license coverage for both ports and sizes and types of ships [is this written correctly?]. This creates a two-tier level of membership with only "full share" members allowed to vote on Association matters.

THE ALASKA MARINE PILOTING SITUATION

The Alaskan marine piloting is organized as described above. There were three piloting areas and associations in the state: one in Southeast Alaska, another in Central Alaska, and a third one that covers the Aleutian Islands. In the late 1980s three major changes were occurring in Alaska. First, the tour ship industry was expanding considerably. Second, the fishing industry was shifting from exclusively summer salmon fishing to year-round bottom fishing in the Aleutian Islands area. Third, there was a move from onshore salmon canning to on-ship processing requiring licensed pilots to handle processing plants. This resulted in a rapidly growing demand for licensed pilots, and organizational changes were possible to better accommodate the market and pilots. In order to cope with the increased demand piloting costs were skyrocketing for ships. To illustrate, if there was a need for a pilot in the Aleutian Islands, it was generally necessary to send someone from another area. Rather than flying scheduled airlines a plane was chartered so the pilot could get in and out quickly. The higher cost of chartering was of no concern to the pilots since they were borne by the shipping company. In some cases, a $5,000 or $6,000 charter was required for a $417 pilot fee Thus, the changing environment created many opportunities for industry growth, higher industry income, and a need for better ways to accommodate customer needs. However, the pilots' associations were doing little to accommodate these changes.

An entrepreneurial-minded junior pilot member from the Central Alaska Marine Piloting Association developed and suggested several specific strategies to address problems and opportunities. He suggested developing resident locations in five existing ports, with Dutch Harbor being a key port. This would allow pilots to live in the resident areas and have a better home life, reduce travel time, slash the considerable financial costs associated with the travel, and develop greater "local knowledge" and expertise as pilots worked in smaller geographical regions.

The entrepreneur/junior pilot was interested in heading up the plan, recruiting and training new pilots who would do the work cheaper and provide a pilot pool from which the best would begin training on the larger ships. Additionally, the pilot would keep available a group of adequate pilots to service the increasing numbers of tour ships as well as the most profitable tanker traffic. Consequently, younger pilots would also have more opportunities to work and earn a substantial income. This individual believed all parties would benefit in a win-win situation, including members of the established associations. Significantly, all billing and collection activities would still be done at the association level. Unfortunately, members of the existing associations did not see things this way. They did not support the proposed plans.

The largest shipping agent in the state, however, heard of the proposed plan, and approached the entrepreneurial individual and suggested they join together to make the new plan work. The entrepreneur located several other individuals and formed a new "group" located exclusively in Dutch Harbor. The group provided better services at a lower cost.

The established associations perceived the new pilots to be competitors as opposed to colleagues and acted swiftly to erect new barriers. First, all further training for those who were in the trainee stage was suspended. Second, previously neglected areas (e.g., the Aleutian Islands) received even less attention as the established organizations did not want the entrepreneur's new programs to benefit from their current operations. Instead, established organizations put more effort into the tour industry increasing current members' incomes and decreasing the need for additional pilots in the industry.

In spite of the actions of the established associations, other agents joined the new group, and within two years the new association had doubled in size and had 90% of the piloting business in the Aleutian area. Most of the pilots and the new group had tonnage restrictions on their license and so could not service the occasional large ship. Thus, the established associations kept a token presence in the area.

Pilots directed by the entrepreneur in the new organization were exposed to industry rumors as the established organizations started a whisper campaign in the industry to the effect that pilots in the new group were not qualified, or were second-rate. It was also rumored that established association meetings were almost exclusively devoted to discussing how to discredit or "get at" the new organization. Furthermore, it was common knowledge that licensing procedures were administered in a biased way at the state regulatory board level where the traditional associations were represented. The examiners, who were members of the established associations, delayed processing licenses for members of the new group.

Other actions were undertaken by the established organizations to curb the growth of the new organization. They tried to get state statutes changed to restrict the waters the new association could service. Attempts were also made at the legislative level to incorporate new regulations and incorporate bureaucratic procedures that would make any changes to old and new statutes more cumbersome. Also, an attempt was made to lengthen the training requirements in a way which would slow down the growth of new pilots and related associations so that they could not expand. New income pooling rules were approved by the established associations that effectively reduced the income its new members could earn during their early years as pilots and increased the income of the older members. Finally, the established associations spent several hundred thousand dollars on new facilities in Dutch Harbor. This allowed them to argue before the Legislature that they should be able to coexist in the Aleutians.

Within three years the new association was doing one and a half (1.5) million dollars in business. Its membership had grown from one to twelve and had the support of most if not all industry agents; encouraging them to encroach upon additional territory of the established marine piloting associations. A new association group in Southeast Alaska in the same manner. What could have been an opportunity for the traditional marine pilot associations had been lost. Instead of seeing an opportunity for all involved the established bureaucratic associations spent time energy and money building barriers instead of encouraging the entrepreneur spirit one of its members!

THE IMPACT OF THE REGULATORY ENVIRONMENT

It is clear that the existence of a virtual monopoly controlled by entrenched association members that served on regulatory boards greatly hindered the needed entrepreneurial changes in the marine piloting industry in Alaska. Table 2 details the impact of the regulatory environment.

Table 2 Impact of the Regulatory Environment
Functional monopolies existed which resulted in an indifference to customer requested changes in quality of service. After all, using the service is compulsory and alternative sources of service are nonexistent or severely limited because of the training process which is controlled by the piloting associations.
The number of pilots in the piloting associations had been constant for several years.
Pilot incomes were high and industry wisdom was that incomes could remain high and even increase in certain geographical areas in the industry (e.g. the Aleutian area where left undeveloped and outright neglected.
Cost concerns of industry customers were ignored because tariffs were based upon the "cost flow-through" method described earlier and reimbursement of out-of-pocket costs. In effect, since the tariff structure was controlled by the marine pilotage associations, there was no economic incentive for pilots to rethink the structure.
Enthusiasm for new thinking or solutions by junior pilots was restricted by the voting rules of the Associations that effectively gave junior pilots no voice in Association matters.
There was little incentive to provide higher service quality or changes in the core service because such action would necessitate having more pilots leading to a loss of control by the "old guard."
Industry response to change in the environment was slow because of the cumbersome administrative/bureaucratic rules that in turn controlled changes in government regulations.
The association form of industry control in the Alaskan piloting industry required membership voting to all changes in bylaws and operating rules. Because roughly 1/3 of the pilots were off at any time this resulted in a voting process that was slow and not conducive to change.

CONCLUDING COMMENTS

This case supports previous literature describing regulations and bureaucratic organizations which protect private interest of entrenched industry leaders. In other words, both governmental regulations and bureaucratic regulations do have effect on the entrepreneurial spirit and process in an established industry. Both the literature and this case suggests that there is a real danger that the vested interests of entranced organizations in maintaining the status quo is significant enough to readily justify creating new barriers (both bureaucratic and legal) to protect them from new ideas and using the entrepreneur process for growth and development instead of positively responding to the forces of change.

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GENDER DIFFERENCES IN ENTREPRENEURIAL TRAITS, PERCEPTIONS AND USAGE OF INFORMATION AND COMMUNICATION TECHNOLOGIES

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ABSTRACT

In this research, attempt was made to unveil gender differences in information and communication technology (ICT) usage, perceived system attributes, and entrepreneurial traits among Malaysia entrepreneurs. Results show that male entrepreneurs are more flexible and persevering as compared to female entrepreneurs. Risk-taking propensity is an important technology usage determinant among female entrepreneurs but not among male entrepreneurs. Innovativeness is associated with usage by male and female entrepreneurs. Mean perceptions of system's usefulness and ease of use are significantly higher for female entrepreneurs than for male entrepreneurs. There is a strong impact of perceived usefulness on system usage by male and female entrepreneurs. There is no significant association between perceived ease of use and usage. Overall ICT usage, usage of basic and advanced systems, and systems usage for administrative, planning, and control purposes do not differ based on gender.

INTRODUCTION

The benefits of deploying information and communication technology (ICT) in business cannot be over stated. There is a growing understanding of how businesses should operate using ICT to achieve optimal effectiveness. Information technology in general has become the major facilitators of business activities in the world today (Tapscott & Caston, 1993; Mankin, 1996) hence, business organization investments in ICT have increased significantly in the past two decades. Albeit, advances in technology continue at a fast pace, the use of emerging information and communication technologies has not been commensurate (Ndubisi and Richardson, 2002) or has fallen below expectations (Johansen & Swigart, 1996; Wiener, 1993; Moore, 1991). Landauer (1995) and Sichel (1997) had argued that low usage of systems is a plausible explanation for the 'productivity paradox'. As such, an understanding of the salient factors that determine ICT usage among male and female entrepreneurs is important for researchers, system designers, and vendors.

The aim of this research is to increase understanding of the fundamental issues of technology adoption decisions by focusing on differences in the decision making process of men and women entrepreneurs in Malaysia. The increasing number of women-owned enterprises (Ndubisi et al., 2001), and the extensive role of technology in business (Gill 1996) and enterprise performance, create important impetuses for this study. The outcome of this study will inform strategies for increasing technology up-take and greater usage of existing technologies as well as assist in change management in male and female entrepreneurship businesses. The study will also add to the existing body of knowledge in this area by unveiling differences in traits, perceptions and usage of ICT among male and female entrepreneurs.

ICT Usage

This section discusses the theory underlying the key constructs in the study's model. The technology acceptance model (TAM) (Davis, 1989) was adapted in this study to examine the differences in perceived usefulness, perceived ease of use, and ICT usage between male and female entrepreneurs in Malaysia. TAM defines relationships among perceived usefulness (U), perceived ease of use (EOU), behavioral intention (BI), and behavior (B). Specifically, that certain external variables influence behavioural intention to use, and actual usage, indirectly through their influence on perceived usefulness and perceived ease of use. Davis (1989, p320), defines perceived usefulness as "the degree to which a person believes that using a particular system would enhance his or her productivity", and perceived ease of use as "the degree to which a person believes that using a particular system would be free of effort". Ndubisi and Richardson (2002) adapting the TAM examined the influence of entrepreneurs' traits on technology usage, indirectly through their influence on perceived usefulness and perceived ease of use. Entrepreneurial traits that were found to determine usage were innovativeness, risk-taking propensity, perseverance, and flexibility.

Entrepreneurial Traits

Some of the traits suggested by previous research that describe entrepreneurs are reviewed below. Hornaday and Aboud (1971) reported the following traits among entrepreneurs: high need for independence and effective leadership, internal locus of control, and high need for achievement. McGaffey and Christy (1975) found a high information processing capability. Decarlo and Lyons (1979) found that entrepreneurs have a high need for achievement, high need for independence and effective leadership, high need for autonomy, low conformity, and exhibit aggression, support, and benevolence. Miller (1983) reported that internal locus of control is a dominant entrepreneur trait. Other traits are: high need for autonomy; low conformity; high energy level, risk-taking, and change (Sexton & Bowman, 1983); dominance, endurance, innovation, self-esteem, low anxiety level, and cognitive structure (Sexton & Bowman, 1983); and low interpersonal effect, social adroitness, low harm avoidance, and low succorance (Sexton & Bowman, 1983). In this study, the more common traits of entrepreneurs namely innovativeness, risk-taking propensity, perseverance, and flexibility were examined.

Gender

Gender in this study refers to "biological sex" which differs from another view of gender by Bem (1981) as a psychological construct. There is a number of evidence of gender differences in decision-making processes of individuals. For instance, there are research evidence supporting decision processing differences between man and women in financial decision making (Powell & Ansic, 1997), hospital problem solving (Steffen & Nystrom, 1988), retirement decisions (Talaga &

Beehr, 1995), preference for work schedule (where the employee has preschool children) (Kantrowitz et al., 1989; Shellenbarger, 1991), absenteeism (Leigh, 1995; Scott & McClellan, 1990), college course and major selection (Wilson et al., 1994; Gianakos & Subich, 1988), what is perceived or processed as being "ethical" (Franke et al., 1997; Dawson, 1995; Galbraith & Stephenson, 1993), attributes important in determining self-esteem (Tashakkori, 1993), emotional expression (Deaux, 1985; Kring & Gordon, 1998), leadership style (Eagly & Johnson, 1990; Helgesen, 1990; Rosener, 1990), and communication or conversational style (Tannen, 1995).

In relation to technology usage, Bozionelos (1996), Morrow et al., (1986) suggested that women display somewhat higher levels of computer anxiety; and lower computer aptitude (Felter, 1985) compared to men (Chen, 1985). Both computer anxiety and computer aptitude have been related to perceptions of effort (Venkatesh et al. 2000), thus suggesting that constraints or ease of technology use (perceived difficulty or perceived ease of use) will be more salient to women compared to men. Women tend to focus on the methods used to accomplish a task – suggesting a greater process orientation (Hennig & Jardim, 1977; Rotter & Portugal, 1969). Given the outcome orientation (instrumentality) of men and process orientation of women, it is expected 'ceteris peribus' that usefulness will be a stronger determinant of ICT usage among male while ease of use will be stronger determinant among female. This speculation is worth probing in the light of previous findings (such as, Decarlo & Lyons, 1979; Hornaday & Aboud, 1971; among many others) that both male and female entrepreneurs have high need for achievement.

METHOD

Participants and Procedure

A total of 295 questionnaires were sent out and 177 usable responses were received, which translates to 60% response rate. Respondents were drawn from members of the Entrepreneur Development Unit of the Malaysian Prime Minister's Department or members of the National Association of Women Entrepreneurs in Malaysia. It was ensured that entrepreneurs who belonged to the two associations were not double-counted. The primary business activities of the respondents' organizations range from manufacturing, to sales, education, designing, construction, etc.

Entrepreneurs were surveyed using structured questionnaire made up of four parts. Part 1 measures the actual system usage with three indicators (such as use of a wide variety of software packages in CBIS environment; the number of business task performed using systems; and frequency of system usage) taken from ICOLC (1998). ICT usage was measured in terms of current usage or actual usage behaviour of entrepreneurs unlike most previous research (e.g. Davis et al., 1989), which have measured usage based on intention. Straub et al. (1995) had questioned intention as a predictor of actual behaviour. Bentler and Speckar (1979), and Songer-Nocks (1976) earlier disagreed with Fishbein and Ajzen's (1975) assertion that attitudes and norms can influence behaviour only indirectly through behavioural intention. Venkatesh (2000) called for future research using actual usage instead of usage intention to test the TAM, hence based on Szajna (1994) actual usage was used in the present study.

Parts 2 and 3 respectively measure perceived usefulness and perceived ease of use with items taken from Davis et al. (1989) and Ndubisi et al. (2001). Measures of perceived usefulness in this study are perceptions that using IT will increase productivity, improve job performance, enhance job effectiveness, and be useful in the job; and perceived ease of use is measured in terms of how clear and understandable is the interaction with system, ease of getting the system to do what is required, mental effort required to interact with the system, and ease of use of the system. Part 4 measures the traits of entrepreneurs (such as innovativeness risk-taking propensity, perseverance, and flexibility) using items adapted from Harper (1996) and Kitchel (1997). Test of Differences were applied and the results presented and discussed in the ensuing section.

RESULTS

Table 1 shows the varieties of systems investigated, the specific job tasks where systems are applied, as well as the usage rate by entrepreneurs.

Table 1: ICT Usage

System Variety	Usage (%)	Specific Job Tasks	Usage (%)
Word processing	91.5	Letters and memos	85.9
Electronic mail	78.0	Producing report	75.1
Spreadsheets	55.9	Communication with others	73.4
Application packages	53.6	Data storage/retrieval	59.9
Graphics	44.6	Planning/Forecasting	46.3
Database	37.3	Budgeting	44.1
Programming languages	26.0	Controlling & guiding activities	38.4
Statistical analysis	25.4	Analyzing trends	34.5
		Making decisions	34.5
		Analyzing problems/alternatives	23.2

Differences in Traits, Perceived Usefulness and Ease of Use, and ICT Usage

Table 2 shows the summarized results of the test of differences in mean traits, perceptions, and ICT usage by male and female entrepreneurs.

Table 2: Mean Differences in Traits, Perceptions and IT Usage

	FEMALE			MALE	
Traits	Mean	S/D	t-value	Mean	S/D
Innovativeness	14.0811	3.8986	1.342	14.8085	2.9838
Risk-taking propensity	13.9324	3.2322	.139	13.8641	3.2299
Perseverance	15.1622	3.0879	2.406*	16.2233	2.6006
Flexibility	10.7568	2.9229	3.280**	12.0485	2.0213
Perceptions					
System’s Usefulness	17.66	1.9604	3.633**	16.14	3.5811
System’s Ease of Use	16.93	2.4289	5.861**	14.25	3.6507
Technology Usage					
Overall usage (OU)	-.1265	2.9727	.530	.0909	2.2410
OU components					
System Varieties (SV)	4.0676	2.0827	.324	4.1650	1.8948
Job Tasks (JT)	5.4324	3.2565	1.056	4.9515	2.5682
Usage Frequency	4.86	1.30	2.157*	5.26	1.08
SV components					

	FEMALE			MALE	
Traits	Mean	S/D	t-value	Mean	S/D
Basic Systems usage	2.9595	1.2761	.988	3.1553	1.3192
Advanced Systems	1.1081	1.1535	.626	1.0097	.8343
JT components					
For Admin purposes	2.9324	1.1626	.118	2.9515	.9840
For Planning purposes	1.5405	1.5632	1.199	1.2718	1.3299
For Control purposes	.9595	.8827	1.823	.7282	.7945

* $p < 0.05$ ** $p < 0.01$
OU = overall usage SV = system variety JT = job tasks

Findings show that male entrepreneurs show significantly higher traits of perseverance (t-value = 2.406; p-value = .017) and flexibility (t-value = 3.280; p-value = .001) as compared to female entrepreneurs. As shown in Table 2, scores for the two constructs are much higher for male entrepreneurs than for females. There are no significant differences in the mean scores of innovativeness and risk-taking propensity.

With regards to perceived usefulness and ease of use, the study unveils significant differences based on gender. Mean perceived usefulness of ICT for female is 17.66 and for male is 16.14, while mean ease of use for female is 16.93 and for male is 14.25. Female entrepreneurs have stronger perceptions of the usefulness (t-value = 3.633; p-value = .000) and ease of use (t-value = 5.861; p-value = .000) of the systems compared to male entrepreneurs. Comparing this result with Hennig and Jardim, (1997) and Rotter and Portugal (1969), which suggested that women tend to focus on the methods used to accomplish a task while men focus on outcome, there is a mixed result. Women entrepreneurs focus on both outcome and process. Perception of usefulness and ease of use of technologies were more salient for female than for male entrepreneurs. As observed from the previous paragraph that female entrepreneurs are less flexible than the male ones, it is suspected that such relative inflexibility or rigidity could lead to better perceptions of existing systems. For male entrepreneurs who seem to be more flexible, frequent replacement of existing applications could affect how they appreciate existing system's characteristics, such as ease of use and usefulness.

There is no significant difference in overall usage of ICT (t-value = .530; p-value = .597) between male and female entrepreneurs. To investigate usage differences further, usage components (e.g. varieties of systems used and various job tasks where systems are applied) were regrouped. Varieties of systems were combined into two groups as follows: Basic systems (which include, word processing, electronic mail, spreadsheets, graphics, and database), and advanced systems (e.g. application packages, and programming languages). Specific job tasks were also grouped into those for administrative purposes (e.g. producing reports, letters and memos, data storage/retrieval, & communication with others), planning purposes (e.g. analyzing trends, planning/forecasting, analyzing problems/alternatives, & making decisions), and control purposes (e.g. budgeting, controlling & guiding activities). The result still points to non-significant difference in usage based on gender. Specifically, there is no difference in usage of basic systems (t-value = .988; p-value = .325) or advanced systems (t-value = -.626; p-value = .533) based on gender. Also no differences were found in the usage of systems for administrative tasks (t-value = .118; p-value = .907), for planning purposes (t-value = -1.199; p-value = .232), or for control purposes (t-value = -1.823; p-value = .070) between male and female entrepreneurs.

ICT Usage Determinants: Male and Female Entrepreneurs Comparison

Table 3 compares the explanatory power of traits, perceived usefulness and ease of use on ICT usage between male and female entrepreneurs.

Table 3: Summarized Regression Results of the Impact of Traits and Perceptions on ICT Usage

Variables	Male	Female
	Standardized Beta	Standardized Beta
Traits		
Innovativeness	.465***	.774***
Risk-taking propensity	.129	.347**
Perseverance	.075	.067
Flexibility	.005	.354
R^2	**0.20**	**0.63**
Perception		
Perceived Usefulness	.430***	.525***
Perceived Ease of Use	.173	.229
R^2	**0.32**	**0.18**

*** p < 0.01 ** p < 0.001 Dependent Variable = Usage**

IMPLICATIONS AND CONCLUSIONS

Does gender matter when examining information and communication technology usage by entrepreneurs? This research suggests that although there are no differences in usage based on gender, usage determinants such as perceived usefulness, perceived ease of use, and traits (such as perseverance and flexibility) do show differences based on gender. The differences in perseverance and flexibility scores favor male entrepreneurs. Systems' perceived usefulness and ease of use are higher for female entrepreneurs. Innovativeness is a robust determinant of usage among both male and female entrepreneurs. Risk-taking propensity is an important determinant among female entrepreneurs but not among male entrepreneurs. Perseverance and flexibility show no significant impact on usage of ICT in both categories of entrepreneurs. There is a strong impact of perceived usefulness on system usage by male and female entrepreneurs as well as non- significant influence of perceived ease of use on usage. Since more and more women are setting up entrepreneurial ventures in this male dominated sector, designers and vendors of new technologies must understand the factors that are salient to each group of entrepreneurs that are likely to lead to acceptance and greater usage. This information will help in formulating sound marketing strategies.

Theoretically, the research offers a better understanding of the relevant drivers of information and communication technologies among entrepreneurs in Malaysia. While certain traits are offers a good explanation for and understanding of technology usage by both male and female entrepreneurs (e.g. innovativeness), others (e.g. risk-taking propensity) offer explanation for usage by females only. Yet, other traits (namely perseverance and flexibility) have no significant association with usage by males and females. With respect to perceptions, both male and female entrepreneurs have shown that usefulness is an important predictor of usage while ease of use is not.

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ENTREPRENEURSHIP: PUBLIC OR PRIVATE GOOD?

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ABSTRACT

The paper examines the rationale for using entrepreneurship (small business formation) as a strategy for economic transformation. The data set for 50 states is used to test the hypothesis that the states that promote more entrepreneurial activities tend to experience higher Gross State Product (GSP) growth. Learner and Levine methodology is used to test the robustness of the entrepreneurship coefficient by altering the conditioning variables. Cluster analysis is also used to further test the hypothesis. The paper finds credible evidence in support of the hypothesis that entrepreneurship is a significant strategy for fostering economic transformation of communities that are ravaged by the loss of industries due to globalization and out-sourcing.

INTRODUCTION

Entrepreneurship is defined as an innovative or creative act that adds value to an organization or society. Entrepreneurship thus defined can occur in any size business – small or large. However, for this study, entrepreneurship is deemed synonymous with small business formation. Indeed, when Schumpeter (1912) described the critical role of entrepreneurs in economic development, he thought of small size businesses that create new products, new processes and/or reengineer the existing methods of production. These inventions and innovations render the existing technology obsolete and contribute to "creative destruction" that Schumpeter deems essential for economy to grow and develop.

There are at least three reasons why the state funding for entrepreneurial activities has grown dramatically over the last two decades.

First, the break-up of Soviet Union and transition of Eastern Europe from centralized to market economies have renewed interest in small business formation. The interest in small businesses has been further galvanized by globalization which has resulted in some cases, mass scale closing of factories and plants. Many small communities are devastated because the closed factories were the major and, in some cases, their only source of employment. Outsourcing has further taken its toll even in some many mid-size towns. More and more communities and states are pinning their hopes on the small business formation to invigorate the communities affected by international competition so much so they are willing to dole out millions of dollars to create an environment that is friendly to entrepreneurial activities. More so because the cost of attracting large firms (measured by subsidies and tax breaks) could be prohibitive for a town with modest resources.

Second, Kirchhoff (1994) contends that small business role in economic development has changed because of flexibility in automation made possible by changes in technology, steady decline in transaction cost caused by the widespread of use and availability of internet, favorable environment created by knowledge based economy and demand for specialized goods created by global market. In view of these changes, small businesses are no longer considered a liability that needs to be maintained for social and political stability despite its inefficiencies. Kirchhoff believes that small business formation is indeed “a major source of innovations, employment opportunities and entrepreneurial activities”.

Third, entrepreneurship, as defined above, satisfies the twin conditions for a public good: (1) Entrepreneurial activities create benefits that spillover in the entire economy. (2) It is difficult, impractical and cost ineffective to collect money from all those who benefit from initial entrepreneurial activities. The spillover benefits of entrepreneurial activities are chronicled by several studies: Audretsch, Carree and Thurik, (2001), Baumol (1993), Carree and Thurik (1998) and Shumpeter (1912). McDowell (2004) estimates that the direct and indirect effects of small business formation accounts for more than half of gross domestic product and approximately sixty to eighty percent of the new jobs created in this country. Robbins and Kirchhoff (1994), Loveman, G. and W. Sengenberger,, (1991) note that high rates of gross state product and productivity growth are directly related to the size and extent of business formations.

Audretsch, Carree and Thurik, (2001) study shows that entrepreneurs create employment opportunities with secondary and tertiary employment effects in the economy. Using the data from 23 OECD countries, they show that an increase in the number of business owners per unit of labor force leads to lower levels of unemployment. Headed (2000) claims that entrepreneurs not only create employment opportunities but in some cases they hire individuals who might otherwise remain unemployed because they are too young or too old or lack experience, education or skills to be employed by the large or medium size firms. However, the relationship between employment creation and entrepreneurship may not be as clear cut as is generally thought. The causality may run both ways: Entrepreneurial activities create employment opportunities and lack of employment opportunities may stimulate self-employment. Audretsch, Carree and Thurik (2001) attempt to resolve this issue by studying the relationship between unemployment (reverse of economic growth) and small business formation. However, Reynolds, Hay, Bygrave, Camp and Autio (2000) take a more direct approach and study the correlation between employment growth and entrepreneurial activity. In both studies the relationship between employment creation and small business formation is positive. According to Audretsch (2001) the Census data further supports the job creation capacity of the small business (less than 20 employees). Between 1990-2003, small firms share in job creation was 79.5 percent compared to 13.2 percent for mid-size companies (20-499 employees) and 7.3 percent for large size firms employing 500 and more employees.

Other spillover effects include the favorable effect of small business formation on the inflation and unemployment trends. Acs and Audretsch (1990) and Audretsch (1995) claim that contrary to the general impression, small businesses also contribute disproportionately to the pool of inventions and innovations. Small businesses have successfully changed the market structure which was dominated by large size oligopolistic companies. Further, competition spurred by an increase in number of small firms has a favorable effect on total factor productivity (Carrie and Thurik 1998). The small business’ flexible techniques of production have enabled many communities to absorb the shocks of demand fluctuations (Small Business Research Bulletin, 2001-2002). Lamb (1994) believes that small businesses also provide a ready market for business loans for most banks. Reuters (2005) claims that .small businesses also are responsible for increased capital spending and higher employment retention.

Spillover benefits listed above provide a strong case for using public funds to support of entrepreneurial activities. After all, it is not just the entrepreneur, but the entire society gains from these activities. Further, since, by its very nature, the gains of entrepreneurial activities are dispersed in the entire economy, there is no mechanism available to an entrepreneur to collect money from non-paying beneficiaries. This provides further rationale for using public funds to support the entrepreneurial activities. Like other public goods, entrepreneurial activities may be under-produced. Thus the state may have a ground for using coercion (taxes) to finance entrepreneurial activities.

One may argue what is so special about the spillover benefits of small firms; would the large companies not create the spillover benefits. A recent study by Edmiston (2004) shows that the large firms with 300 or more workers may retard the growth of existing firms or make it unattractive for new firms to enter. The study shows that in Georgia a new firm hiring 1000 workers may eliminate 715 other jobs that would have been created or retained had the company not located. Fox and Murray (2004) claim that the net employment effect of large firm may be close to zero considering the jobs it destroys and new job creation it prevents. Edmiston (2004) supports this view when he concludes that "The evidence suggests that the negative effects dominate with many large-firm locations". Indeed, costs of attracting large firms are often underestimated. The cost is estimated based on total subsidies divided by the number of jobs created. But the cost per job is much higher in that the large firms destroy many jobs. (Edmiston, 2007)

Much of the case in favor of the states support of entrepreneurial activities stems from the hypothesis that small business formation is an important determinant of economic development. The positive relationship between small business formation and economic growth is chronicled by a number studies: Audretsch and Thurik, 2000; Audretsch, Carree, van Stel and Thurik, 2002; Carree and Thurik, 1999; Carree, van Stel, Thurik and Wennekers, 2001; Audretsch, Carree and Thurik, 2001.

In all of these studies the international or national data is used to test the validity of the hypothesis. Our study differs from these in that we use data from fifty states to examine the robustness of the statistical relationship between small business formation and economic growth.

METHODS

We use the methodology suggested by Learner (1983) and Levine et al (1991) to test the robustness of small business formation coefficient by specifying and altering a set of other conditioning variables which explain GSP growth rate. It is assumed that the small business formation coefficient is statistically robust if it's a *priori* sign and statistical significance is insensitive to alternations in the conditioning set of variables.

RESULTS

The regression models and cluster analysis provide ample empirical evidence in support of using entrepreneurial activities as a strategy for economic development. The spillover effects of entrepreneurial activities and the inability of small entrepreneurs to garner compensation from all the beneficiaries of their activities provides a strong support for public funding. Entrepreneurial activities satisfy all the characteristics of a public good and is, therefore, likely to be under-produced unless public funds are provided. The regression models and cluster tables analysis will be furnished on request. For further information, please contact the authors.

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SIFE AND SBI GLOBAL CONSULTING: A POVERTY ALLEVIATION MICRO CREDIT/ECONOMIC DEVELOPMENT MODEL FOR AFRICA

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ABSTRACT

Micro finance has become an increasing topic of interest since Muhammad Yunus won the Nobel Peace Prize in 2006 with his Bangladesh Village Banking Model. Globally, poverty reduction and community growth have become dual goals especially in Africa where a significant proportion of the 3 billion out of 6 billion world population live at a poverty level of less than $2/day equivalent. A key strategy for economic growth, employment creation, and poverty reduction are small and medium scale start-ups. U.S. Collegiate programs of SIFE and SBI are uniquely poised to contribute to poverty reduction both within the US and globally in this venue. This paper describes three pilot programs in Africa--a SIFE program based in Western Kentucky University, a SIFE program in a Nairobi, Kenya University and an SBI program at Seattle University. These programs explore and demonstrate the potential of a proposed strategy to develop partnerships which incorporate such learning models into U.S. and international schools of business.

INVESTMENT MASTERS, PROCESSES, THEORETICAL AND PHILOSOPHICAL CONSTRUCTS: LESSONS FOR ENTREPRENEURIAL GROWTH

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ABSTRACT

The paper is an exploratory examination of the study of selected investment theories, strategies, and investment criteria of certain gurus and their potential contributions to the study of entrepreneurship growth. The author speculates that their approach may have some remarkable value for the subject of entrepreneurial growth. The writer briefly discusses and illustrates some examples on what the investment masters might offer both practitioners and academicians who want to explore, research, and/or practice entrepreneurship growth. This integration of two significant areas –investment success and entrepreneurial growth could be especially relevant for those individuals who are seeking rapid growth.

INTRODUCTION AND BACKGROUND

The discipline of entrepreneurship is an interdisciplinary pursuit that includes such areas as psychology, finance, engineering, marketing, sociology, physics, mathematics, economics, accounting, organizational behavior, strategic planning, and anthropology. Previously, a number of articles and books have been published that show the contributions of a discipline to entrepreneurship (Bird, Hayward, and Allen 1993; Brophy and Shulman, 1992; Bygrave, 1989; Bygrave and Hofer, 1991; Gartner, Bird and Starr, 1992; Herron, Sapienza and Smith-Cook, 1991; Kirchhoff 1991; Morris 1998; Reynolds, 1991; Sandberg 1992; Schwenk and Schrader 1993; Stewart, 1991). The integration of finance (Brophy and Shulman, 1992) and management strategies (Sandberg, 1992) relate somewhat to the intent of this paper.

Surprisingly, the study of investment strategies by investment masters has not been fully integrated within the context of entrepreneurial growth. Perhaps this suggested integration may have prevented some mistakes with the rapid rise and collapse of high technological firms and other hyper growth businesses. Furthermore, very few small businesses actually become gazelles that make such top lists as the *Inc* 500 or *Entrepreneur's* 100 fast growing businesses. Lastly, hyper growth businesses offer some exciting opportunities for economic development in the represented communities. It is therefore useful to see how the growth process can be successfully implemented. When incorporating the field of stock market investment to entrepreneurship growth, the combination of the cross disciplines offer some intriguing opportunities.

Conceivably, it is time for academicians to see how they can apply the theories and strategies that are adopted by these stock market masters. It may be feasible to create a normative mind set for successfully growing a small business. As a corollary, a few investor gurus have also been masters (such as Warren Buffett, Phillip Fisher, John Templeton, Al Frank, Jim Rodgers, Mario Gabelle, and George Storos) of a particular investment approach and theory that negated the popular efficient market theory (or random walk theory). Thanks to so many investment oracles, such as journalists, CNN, CNBC, and Fox television commentators, the investment gurus have been able to publicize their theories, techniques, analogies, insights, and wisdom. Their strategic approaches could provide some insight and a theoretical basis for successful growth among both small and large businesses that seek corporate entrepreneurship.

PURPOSE OF THE PAPER

The purpose of the presentation is to first identify some key successful investors and examine their thought process, strategies, and criteria for stock market investing. After studying many of these skillful masters and their strategies for over thirty years, the author realizes that these investors' wisdom has interesting ramifications for entrepreneurial growth. Some of these successful investors include such notables as Peter Lynch, Benjamin Graham, T. Rowe Price, John Neff, Ralph Wanger, and Elizabeth Bramwell and others previously mentioned. Although it is sometimes hard to categorize their specific investment style, they all eschew the efficient market theory. They believe that they can do better than the average benchmarks and indices. This belief may be analogous to the locus of control concept so common in entrepreneurship theory. Furthermore, these investor masters are not afraid to take calculated risks and avoid moving with the crowd of lemmings. They seem to have an innate ability to avoid fads and be patient with steady successful wealth creation. In most cases, they also protect their downside losses with sound management risk analysis.

In the process of selecting certain gurus to orally discuss, the author depended on a number of books (Donoghue 1994; Fisher 1993; Griffith 1995; O'Shaughnessy 1994; Peltz 2001; Sincere 1999; Stern 1999; Tanous 1997; Train, 2000, 1989, 1980) business magazines (for example Money, Smart Money and Kiplinger), and rating services, such as Morningstar and Lipper. Moreover, many of these investment strategists have been professionally investing for decades and have an enviable long term investing record. Due to space constraints only a few other investment stars are highlighted at the end of the paper in Table 1. An expanded version will be provided during the conference presentation.

To emphasize, it is highly probable to examine Wall Street Gurus and apply their ideas to entrepreneurship and growth. For example, Buffett's theory on buying a company that has a "moat" is certainly applicable to marketing strategy and its implications to business growth strategies. It is also an interesting metaphor to Porter's five competitive forces. Hence, there is a strong argument for the study of Wall Street leaders. As a side note, many of the above mentioned gurus were entrepreneurs when they started their own investment firms. The paper, however, avoids the trait or personality approach of the entrepreneurial investment professionals; instead, the writer identifies their theories, processes, and/or selection criteria for allocating capital to different companies.

Given the broad scope, the paper is exploratory in nature. However, the author provides a cursory illustration on how Wall Street gurus might offer some additional insight to the entrepreneurial growth literature. To recognize the interests of the eclectic Allied Academies audience, a summary figure transparency will be offered to illustrate some of the ways that the field of entrepreneurial growth might be enhanced through the additional study of skillful and professional investors as well as the investment processes, theories and approaches. Due to space limitations it is only feasible to provide an abbreviated figure for the proceedings. A more thorough explanation will be provided during the actual presentation.

CONCLUSIONS AND PROPOSAL FOR DISSEMINATION OF TOPIC

Since the topic is so broad it is understood that the subject matter may lend itself to a book, web site, blog, and/or course. This author has learned that the process of writing a book requires a passion with the mechanics, research, writing, and marketing of the book. The project should not be started to make money (like entrepreneurship motivations), but because there is a market need, which translate to a new viable venture. During the conference presentation, the author is hoping to gather audience feedback, suggestions, and criticisms about the idea of converting the brief proceedings publication to a longer type of written medium. He has a passion for these two areas but is seeking constructive dialogue.

In conclusion, the writer feels that savvy investment masters, their criteria, and philosophical beliefs have a tremendous amount of wisdom that can easily be metaphorically transferred to entrepreneurs who are seeking guidance on successful business growth. There seems to be so many parallels on their investment strategies that are applicable to business owners and large corporations that seek successful growth. It is hoped that this paper serve as a foundation for future studies.

Within a reasonable timeframe, references are available on request.

Figure 1

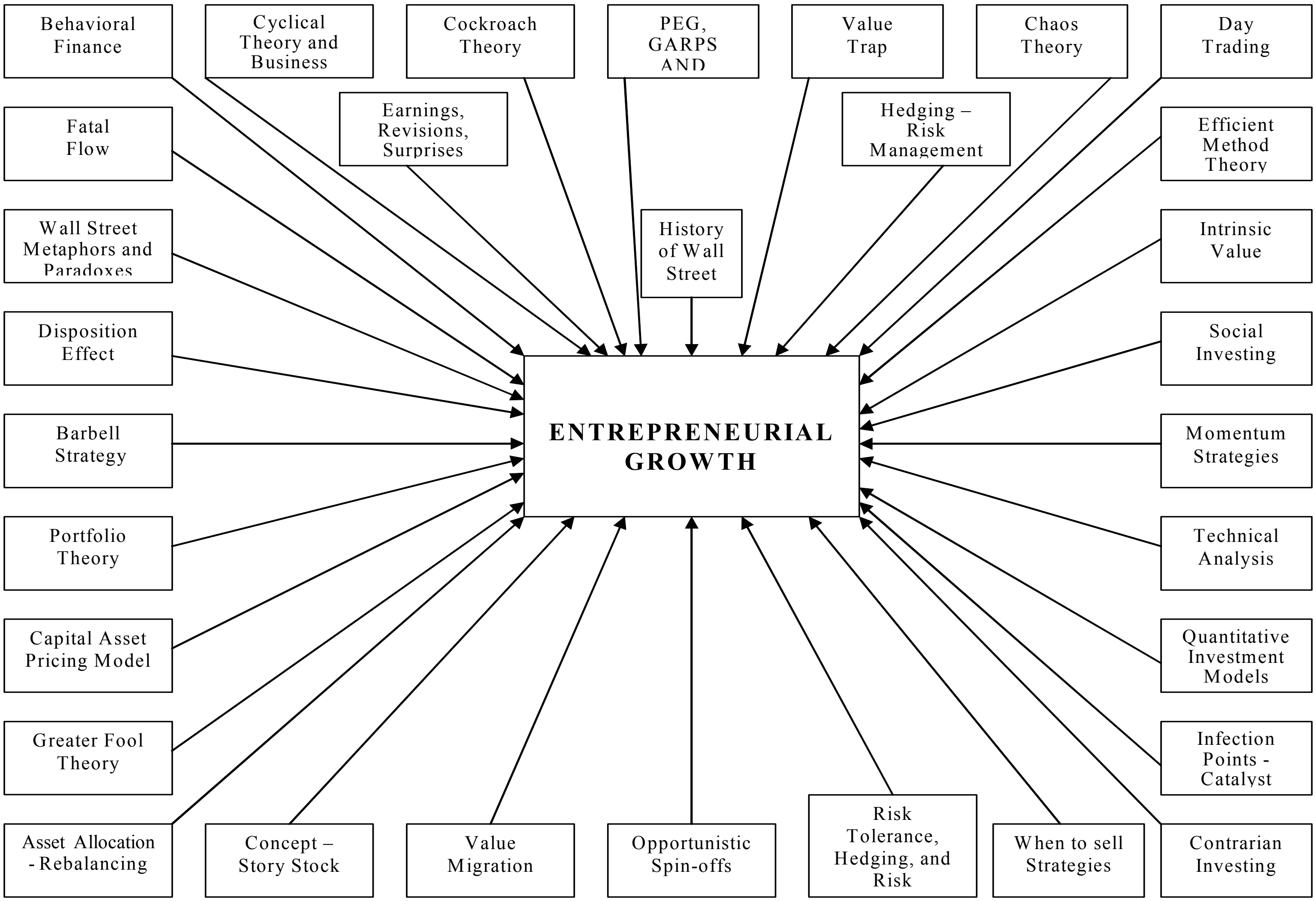
Behavioral Finance
Cyclical Theory and Business
Cockroach Theory
PEG, GARPS AND
Value Trap
Chaos Theory
Day Trading
Fatal Flow
Earnings, Revisions, Surprises
Hedging – Risk Management
Efficient Method Theory
Wall Street Metaphors and Paradoxes
History of Wall Street
Intrinsic Value
Disposition Effect
Social Investing
ENTREPRENEURIAL GROWTH
Barbell Strategy
Momentum Strategies
Portfolio Theory
Technical Analysis
Capital Asset Pricing Model
Quantitative Investment Models
Greater Fool Theory
Infection Points - Catalyst
Risk Tolerance, Hedging, and Risk
Asset Allocation - Rebalancing
Concept – Story Stock
Value Migration
Opportunistic Spin-offs
When to sell Strategies
Contrarian Investing

TABLE 1
ABBREVIATED VERSION: SELECTED WALL STREET MASTERS AND ENTREPRENEURIAL GROWTH

Gurus	Selected Precepts	Application/Implications
Jack Bogle	(1) Shun momentum and "rear-view mirror" concept-story stock and follow the herd investing (2) Speculative booms take time to unwind	(1) Omission mistakes (Hartley) (2) Grow beyond resources (3) Turnaround strategies
Elizabeth Bramwell	Keep your emotions out of the process; favorable investment themes.	Family owned business; Value migration; organic growth and opportunistic
Buffet, Simpson, Stovell, and Yacktman	(1) High return on capital (2) Generates cash profit (3) Predictable earnings (4) Led by owner-oriented management (5) Understandable Model	(1) Ideal type of business (2) Cash Burn Rate (3) Out of Cash (4) Strong Franchise (5) Porter's Five Competitive Forces
Charles Davis	(1) Management first class (2) Strong return on capital (3) Growing market share in a growing market (4) Successful acquirer (5) How much can I lose? (6) Circle of competence (7) Successful international operations (8) Update products and services	Barriers to growth: (1) Centralized decisions-making system (2) Inadequate management (3) Paternalistic atmosphere and (4) Over dependence on one or two individuals (Miner) (5) Core competencies
Philip Fisher, Peter Lynch, George Soros, and others	When to sell and harvest a portfolio?	(1) Sunk costs (2) Strategic drift (3) Growth trap (4) Estate planning (5) Succession plan (6) Giving up control to professional managers
Al Frank	(1) Measuring opportunity risk (2) Long-term investment (3) Self confidence, belief, and patience	(1) Opportunity cost (2) Exist strategy (3) Eschews get-rich schemes
Mario Gabelle	(1) Private intrinsic market value and margin of safety (2) Role of catalyst (3) Sector investing – Media/Entertaining	(1) Buying a business (2) Entrepreneurial triggers and opportunities (3) Mergers and acquisitions
Benjamin Graham	(1) Emotional discipline (2) Opportunity costs (3) Buy companies when they are statistically and historically cheap, but sell at fair price (4) Intrinsic value (5) "Margin of Safety"	(1) Product-market decisions (2) Risk management (3) Value migration (4) Forecasting sustainable profitable product markets (5) Valuing a business
Jim Huguet (1999) *Great Companies, Great Returns*	(1) Highly regarded by knowledgeable experts (2) Terrific businesses (avoid commodities; high labor costs; capital intensive; rapidly changing industries) (3) Innovation driven (4) Strong business model	(1) Venture capital experts (2) Managing change (3) Fatal flaw theory (4) Developing a team (5) Criteria for potential high growth ventures (Timmons)

THE RELEVANCE OF TRANSITION TO FREE MARKET, ATTITUDE TOWARDS MONEY, LOCUS OF CONTROL, AND ATTITUDE TOWARDS RISK TO ENTREPRENEURS: A CROSS-CULTURAL EMPIRICAL COMPARISON

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ABSRACT

This paper compares a less development country (LDC) on a transition stage to free market (Egypt) with a development country (DC) (U.S.A.) in terms of their impact on entrepreneurial characteristic and behavior. In order to stimulate economic growth and employment, entrepreneurial traits and activities are often encouraged by countries in terms of creating appropriate environment and market conditions which may enhance the rate of entrepreneurship. Research support the notion that national entrepreneurial characteristics and entrepreneurial opportunities are stimulated by multiplicity of cultural and environmental factors (e.g., Hayton et al, 2002). The American-Egyptian entrepreneurial differences are discussed in this paper along the dimensions of transition to free Market, attitude towards money, locus of control and attitude towards risk. . A number of hypotheses are tested using a sample of MBA students from Egypt (n = 214) and the USA (n = 112).

Results of t-test comparison between the two samples show that there are significant difference in the areas of locus of control, "Value Important of Money", "Personal Involvement with Money", "Money as a Source of Power and Status", "Money is Good", "Money is Evil", "Money is Achievement", "Money is Respect", and "Money is Freedom". Americans score significantly higher than Egyptians in all of these money values except in "Money is Evil". Egyptians score significantly higher in money is evil. Also, the Americans score slightly higher, but not significant, in the areas of entrepreneurship characteristics, "Time Spent Thinking about Financial Affairs", "Knowledge of Financial Affairs", "Comfort in Taking Financial Risks", "Skill at Handling Money", and "Money is Budget".

These results may lead to a speculation that both societies similarly produce potential entrepreneurs and that the difference may be in entrepreneurship process in terms of environmental opportunities and entrepreneurial behavior in innovation or venture creation. According to the entrepreneurship model, individual characteristics may lead entrepreneurial behavior if environmental conditions permit (Busenitz et al, 2003).