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LETTER FROM THE EDITOR

Welcome to the *International Journal of Entrepreneurship*. We are extremely pleased to be able to present what we intend to become a primary vehicle for communication of entrepreneurship research throughout the world.

The articles in this issue have been double blind, peer reviewed. The acceptance rate was 25%, which corresponds to our editorial policy.

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ENTREPRENEURSHIP WITHIN TRADITIONAL AND CONTEMPORARY DEVELOPMENT CONTEXTS: A CONTRIBUTION TOWARDS DEVELOPMENT INTERVENTIONS

Seth Dankyi Boateng, University of Reading
Derek D. Shepherd, University of Reading

ABSTRACT

The purpose of this paper is to establish the place of entrepreneurship within the context of development paradigms and highlight the need to incorporate entrepreneurship process to optimise the results of development strategies. Modernisation processes, dependency relationships, and participatory processes have been analysed alongside entrepreneurship processes. This has revealed that entrepreneurship process can complement both traditional and contemporary development strategies to achieve sustained development. It is envisaged that once development agents and beneficiaries begin to focus attention on entrepreneurship process, individual entrepreneurs will be motivated to exhibit their full new venture creation capabilities.

INTRODUCTION

Paradigm has been defined as universally recognised scientific achievements that model problems and solutions to a community of practitioners over a period (Kuhn, 1970). It is a set of ideas, values and beliefs that predispose how we look at the world, the questions we ask about it, and the methods felt appropriate to find answers to those questions

(Robson, 1993). Nelson and Wright (1995) defined paradigm as a pattern of ideas, values, methods and behaviour, which fit together and are mutually enforcing.

In the physical sciences a new paradigm tends to replace an old one. However in development thinking, as Nelson and Wright (1995) observed, paradigms tend to coexist, overlap and separate. Development paradigms coexist rather than one replacing the other. In development thinking paradigms should be stated as "both-and" rather than "either-or" (Upoff, 1992). Consequently development thinkers prefer using the term paradigm shift instead of new paradigm to indicate ideas, values, beliefs that predispose how they look at changing world issues and the methods they employ to address such issues.

Development paradigms proposed by development thinkers are normally expressed as development theories. A paradigm shift in development would need to be reflected in a meta-theory (Griesgraber and Gunter 1996) and such development theories have over the years gone through a whole process of definition and redefinition, from the positivist orthodoxy theory through the modernisation and dependency theory to the current thinking of development as freedom.

Development theory emerged in the 1950s to deal with how the economies of the colonies of Britain, Portugal and other European powers might be transformed and made more productive as decolonisation approached (Leys 1996). The first formulation of development theory was the work of economists who shared the views that economic problems of developing countries would be solved by benevolent states endowed with sufficient capital and good economic analysis. Based on Keynes's ideas the economists produced what Preston (1982) called development theories positivist orthodoxy in which development plans were written for both newly independent and the not yet independent countries of Africa. This was done with the intention of raising rural productivity and transferring under-utilised labour out of agriculture into industry.

By the end of the 1950s, the original thinking that this approach would yield rapid results had begun to fade. This was attributed in part to the weakness of the recipient states who lacked the capacity to enforce the social

democratic ideals in the national interest and impose the necessary discipline on all stake holders (Gunnar, 1968).

The Modernisation Theory

Modernisation theory offered part of the explanation for why most societies were not responsive to the positivist orthodoxy strategies. USAID and the World Bank championed the ideals of modernisation theory and proposed that the absence of modernisation was the reason why the plans of development economists seldom worked. They believed that with the transition from traditional to modern forms of social organisation the complex interaction between social change and economic development could be traced with some precision (Leys, 1996).

Practically the modernisation theorists envisaged modern values being diffused through education and technology transfer to the developing countries. To the modernisation theorist, development consisted of a complex transition from traditional societies, based on multiplex, affective and inscriptive relationship, to modern society, based on role separation, rational relations and achieved statuses. For this social scientists working in Africa were among the most influential exponents of the approach (Leys, *ibid*).

The main strategy being used by development agents to propagate the ideals of modernisation theory is the technology transfer/innovation diffusion process. Development agents focus mainly on how to increase the rate of adoption of those technologies that they transfer to developing countries. The success of the activities of such agents is measured according to the extent to which recipients are able to replicate prescribed procedures to obtain results consistent with those envisaged by change agents.

There is ample evidence that the application of modernisation to promote development in most countries did not yield the overall expected results even though some countries recorded marked success through the implementation of projects under the modernisation process. People who had high hopes in the efficacy of technology transfer were greatly disappointed as some of the transplants sometimes transform into forms that could not be

used by the beneficiaries because of cultural mismatch, lack of technical know-how and inadequate supply of consumable parts.

In an attempt to attain societal modernisation the creation of a modern man was paramount in the modernisation theory. The modern man's character as indicated by Seligson and Passé-Smith (1998) may be summed up under four major headings: The modern man is an informed participant citizen, he has a marked sense of efficacy, he is highly independent and is ready for new experience. The modern man's sense of efficacy is reflected in his belief that either alone or in concert with others, he may take action that can affect the course of his life and that of his community. The modern man as indicated by Seligson and Passé-Smith (ibid) selectively perceives lessons the environment has to teach and then willingly undertakes to learn them.

Under the modernisation theory the achievement of individual modernity (modern man) will cumulatively result in societal modernisation. Seligson and Passé-Smith (ibid) expressed this as follows "the modern man is known to perform differently from the more traditional man in many realms of action having practical bearing on the process of societal modernisation".

Even though the attainment of individual modernity was one of the building blocks of the modernisation theory, its practical attainment in developing countries was inconsistent with the strategy of innovation diffusion process employed to propagate the ideals of modernisation theory. Innovation diffusion process helps people to use innovations as prescribed by those who introduce them while within the context of individual modernity it is envisaged that individuals will use innovations for purposes other than those prescribed yet consistent with prevailing environmental conditions.

Innovation diffusion strategy thrives on conformity to planned procedures and the attainment of outputs perceived by experts while the concept of individual modernity thrives on ingenuity, self-efficacy and innovativeness. Both innovation diffusion process and the concept of individual modernity are relevant and complementary coexistent development paradigms. However, it can be argued that it is inappropriate to

use innovation diffusion process to try to develop individuals with the characteristics of a "modern man" to achieve overall modernity.

The attainment of individual modernity is consistent with development strategies that focus on developing people with marked sense of efficacy and ingenuity who can undertake new combinations to promote development from within. Consistent with the innovation diffusion process, the conduct of new combination by recipients is of little relevance to the change agents. Re-invention is considered by research and development agencies as acts that can lead to undesirable results and such are not encouraged even though adopters often undertake re-invention or alteration to the main innovation and thus obtain the following advantages.

- ◆ Increased flexibility in applications of the innovation
- ◆ Increased relative advantage for local use, and
- ◆ Increased sense of ownership over the new technology.

Rogers (1995) indicated that re-invention can create problems for the adopter, and is not always encouraged by research and development organizations. Rogers observed that re-invention has the following disadvantages.

- ◆ Improper application leading to less effectiveness of the innovation,
- ◆ Inability of the research and development organization to maintain quality control over the technology in use,
- ◆ Legal problems if the change infringes upon the protection of a closely related technology

Experience from the field indicates that beneficiaries of innovations in most developing countries rarely adopt innovations as presented but rather adapt to their particular circumstances. Unfortunately much attention has not been devoted by research and development organisations and change agents towards promoting the processes of adaptation, which has the potential of complementing the benefits derived by communities through the use of innovations. Technically adaptation is not encouraged by research and development organisations under the innovation diffusion process.

The Innovation-Diffusion Process

The innovation-decision process theory is based on time and five distinct stages (Rogers, 1995). The stages are:

- ◆ *Knowledge*, potential adopters must first learn about the innovation.
- ◆ *Persuasion*, they must be persuaded as to the merits of the innovation.
- ◆ *Decision*, they must decide to adopt the innovation.
- ◆ *Implementation*, once they adopt the innovation, they must implement.
- ◆ *Confirmation*, they confirm that the decision to adopt is an appropriate decision.

It is clear from the above that all those who go through the above process and confirm that their decision to adopt was the appropriate decision are all adopters. Since the process does not include procedures that develop people's ability to undertake new combinations, individuals who graduate from the "innovation diffusion school" may all be classified as adopters. The modernisation theory, which has technology transfer /innovation diffusion process as its main strategy was attacked by proponents of the concept of dependency theory who see this process as one which re-enforces dependency relationships between rich and poor, developed and underdeveloped.

THE DEPENDENCY PERSPECTIVE OF DEVELOPMENT

The dependency perspective rejects the assumption made by modernisation writers that the unit of analysis in studying underdevelopment is the national society. The relative presence of traditional and modern features may, or may not, help to differentiate societies, neither does it help to explain the origin of modernity in some context and the absence of modernity in others.

Dependency was defined as a situation in which a certain number of countries have their economies conditioned by the development and expansion of another, placing the dependent country in a backward position exploited by the dominant countries (Leys, 1996). It is a historic model that

seeks to explain why some countries are developed while others are underdeveloped. It also seeks to explain why certain production processes, marketing arrangements, institutional arrangements and human resource capabilities get established in some countries through processes other than modernisation and participatory processes.

Dependency perspective assumes that the development of a nation can only be understood in relation with its historic insertion into the world wide political-economic system. According to the dependency theory both underdeveloped and developed are aspects of the same phenomenon and both interact and condition each other mutually. This results in the division of the world between industrial, advanced or central and underdeveloped, backward or peripheral countries.

In this categorisation, the centre is viewed as capable of dynamic development responding to its internal needs while the periphery is seen as having a reflex type of development adapted to the requirements of the expansion of the centre. Under this relationship the centre gains at the expense of the periphery and the centre has profound effect on the evolution of internal social, economic and political structures of the periphery.

Seligson and Passé-Smith (1998) identified three forms of dependency relationships namely; colonial dependency, financial-industrial dependency and technological-industrial dependency all of which have profound effects on the economies of underdeveloped countries. Colonial dependency is related to trade and export and emphasis is laid on colonial monopoly of land, mines and manpower. Financial-industrial dependency relates to the domination of big capital investment in the centre and its expansion abroad through investment in the production of raw materials and agricultural products for consumption in the centre. Much productive structures grew up in the dependent countries devoted to the export of these products. A third and new form of dependency (technological-industrial) has emerged based on multinational corporations which invest in industries geared to the internal markets of underdeveloped countries

Each of the above forms of dependency relationships condition the internal structures of the periphery countries through the orientation of production structures and activities, the forms of capital accumulation, the

development of new economic, social and political structures. It is evident that change ultimately occurred in the periphery countries as a result of the realignment of dependency relationships, but whether or not development occurred and how it occurred are matters of debate (Seligson and Passé-Smith, *ibid*).

One major shortcoming of the dependency theory was that it implies that there is an alternative, and preferable, kind of development of which the dependent economies are capable, but which their dependency prevents them from achieving (Leys, 1996). To the dependency writers, dependency serves as blockage to the development of the dependent nations. Development to them will occur if the blockages are removed.

From the above discussion, it is evident that dependency relationship theory does not focus on individual local creative capabilities, neither does it seek to explain and attain development controlled from within periphery communities. The application of dependency theory therefore cannot attain contemporary development where the development of individuals with the characteristics of a "modern man" is the main focus of attention.

For the dependency theory to yield contemporary development i.e. human centred development, development from within, development propelled by people with the characteristics of the modern man, it should incorporate processes that develop local capacities to undertake new combinations out of the numerous changes introduced as a result of dependency relationships.

DEVELOPMENT AS FREEDOM

Development itself can be seen as a process of enlargement of human freedom in general. Sen (1999) examines development as freedom in terms of; political, economic, social, transparency guarantees and protective securities. Also development is seen to be an increase in ones capacity to pursue purpose, while taking into account the effect of achieving that purpose on others and on the whole community. (Griesgraber and Gunter, 1996). Any process designed to promote contemporary development must focus on the enlargement of individuals' freedom and capacity to achieve purpose.

Development is the process of expanding human freedoms, and the assessment of development has to be informed by this consideration. Seligson and Passé-Smith (ibid) believed that the creative capacity of human beings is at the heart of the development process. What makes development happen is our ability to imagine, theorise, conceptualise, experiment, invent, articulate, organise, manage and solve problems with our minds and hands that contribute to the progress of individuals.

In the thinking of development as freedom, the issue of creativity refers not merely to the limited case of genius but to the quality of creativity in general, in whatever degree it may be found in a given individual (Seligson and Passé-Smith, ibid). This suggests that development strategies ought to be directed towards interventions that stimulate, facilitate and promote capacity development of people who can undertake new combinations. A society that is most successful at helping its entire people realise their creative potential is the society that will progress the fastest.

It is thus probably more accurate, at least in the contemporary world, to think of development as process of millions of small breakthroughs than as a few monumental innovations. A society that smoothens the way for these breakthroughs is a society that will progress. The current development paradigm puts human purpose at the centre as the driving force or source of power for development. It draws on all human values as criteria for success. This philosophy differs considerably from that driving the development paradigm of the last four decades.

The defining trait of the new development paradigm is that development must be human-centred, coming from within, rather than imposed from the outside. In addition, the centre of effort in development needs to shift from material resource-based strategies to interactive or participative strategies among local community members to develop much-needed human resources. To a large extent local practitioners are in many ways far ahead of the international donor agencies and the recipient governments in their disposition to contribute towards their own development.

THE PARTICIPATORY APPROACHES

Participatory approaches are meant to achieve sustainable learning and action through motivation of local people to act independently and to build local capacity that can operate independently of external support (Mikkelsen, 2002). Participatory approaches do not focus on individual capacity building but on understanding socio-cultural factors to promote the centrality of local communal involvement as a condition for sustainability. Practitioners of participatory strategies engage with traditional and new organisations and individual local practitioners to arrive at what may work or may not work in the local society. These communal projects will however still require individual initiatives to commercialise them

Participatory process are complicated with no clear-cut guidelines, but as Burkey (2000) suggests a consideration of development agents input to general participatory processes provides some suggestions on the steps involved as follows:

- ◆ *Familiarisation*; development agents get to know their communities
- ◆ *Awareness building*; discussion, questioning, reflection and analysis by agents together with the community members for them to understand how their own world works.
- ◆ *Facilitation*; helping community members to do what they have decided to do.
- ◆ *Training*; Participating community acquire organisational, leadership and technical training.
- ◆ *Linkages*; Agents help communities to establish external linkages.
- ◆ *Exchange of experience*; Agents help to expose communities to alternate technologies and new ideas.
- ◆ *New ideas*; Participating communities make decision on 'what to do', 'how to do it' and 'when to do it'.

The above process takes place at community level since it is generally accepted that participation is meaningless outside the collective action. Participatory processes undertaken by local communities with the support of development agencies, under the contemporary development paradigm, generate innovations. The innovations are usually in the form of new

combinations, new institutions, new human resource capacities and new processes. Such innovations are available to community members who may choose to adopt them for their productive ventures.

Participatory processes aim at inculcating a high sense of ownership of communally developed innovations among participating community members. This when achieved is assumed to increase the adoption of communally developed innovations. The application of communally developed innovations to productive ventures by individual community members is seen to result from the traditional innovation diffusion process.

Participatory processes have achieved much in terms of facilitation, empowerment, new institution building and new human resource capacity development. It is known that activities such as appraisal, analysis, planning, implementation, monitoring and evaluation, which hitherto were mainly done by external agents, are now being done well by local people. The individual capacities that are developed during participatory processes have made significant impact on the quality of the day-to-day interactions among peers in local communities. Peers now spread technologies, approaches and methods laterally. This has resulted in an increase in commitment among members in group activities within communities where participatory processes have been introduced.

It is evident then that participatory processes have had much impact on community involvement, but the attainment of overall modernity through the development of individuals with marked sense of efficacy and ingenuity, individuals who can undertake new combinations to propel development from within is yet to be attained. Participatory processes focus on group action with minimum emphasis on the development of individual creative abilities that are needed to convert the gains of the processes into new ventures. In order to attain development as freedom, attention should also be directed towards developing the creative capabilities of individuals to undertake new combinations by using the opportunities inherent in the new capacities, new institutions and new technologies developed through participatory processes.

ENTREPRENEURSHIP WITHIN DEVELOPMENT CONTEXT

Since development paradigms coexist so also can the strategies employed to translate the ideals of such paradigms into practice. Strategies employed by development practitioners co-exist but have shifted from innovation diffusion process where 'experts' made all decisions to participatory process where stake holders now make the decisions as to what to adopt, when to adopt and how to adopt.

The paradigm of things was dominant in development in the 1950s and 1960s, with emphasis placed on big infrastructure, industrialisation and irrigation works. But the paradigm of people has come to be increasingly influential (Burkey, 1993). The rhetoric of development now widely favours putting people first, and often putting poor people first of all. In theory, the shift from the paradigm of things to the paradigm of people entails much change. Top-down becomes more bottom-up, the uniform becomes diverse based on capabilities of clients and the supply-push becomes demand-pull (Nelson and Wright, 1995).

Since the paradigm of things can coexist with the paradigm of people so can the various forms of development strategies derived from the two paradigms co-exist. What is of most relevance is the need to derive an alternate strategy that can promote the realisation of the creative capabilities of all people within rural and urban communities for the establishment of new combinations and wealth creation. Carton, Hofer and Meeks (1998) viewed this as entrepreneurship and defined it as the pursuit of a discontinuous opportunity involving the creation of an organization (or sub-organization) with the expectation of value creation to the participants.

Entrepreneurs take advantage of opportunities they recognise as a result of their day-to-day activities to create new enterprises. Within developing communities change occurs through numerous processes, including, as indicated above, technology transfer processes, dependency relationships and participatory processes. There are always opportunities inherent in change that can be exploited by entrepreneurs to establish new enterprises.

Some of the enterprises can be created out of core projects/technologies and new institutions while others are created as a result of new human resource capacities, new institutions and new processes developed with local communities. The contributions of new enterprises are so crucial to development interventions to the extent that the success of most core projects/technologies, new institutions and new processes can be attributed to the efficient management of such enterprises. The following are some of the vital contributions that new enterprises make towards the sustenance of core projects, technologies and institutions.

1. Provision of much needed goods and services to all those who adopt the technologies or are involved in the core project.
2. Creating new enterprises out of the core projects and institutions to promote adoption of the core project and consolidation of the new institutions.

For example an afforestation project in a rural community will require in the long run units of enterprises such as:

- ◆ Wholesale/Retail enterprise to provide seedling nursery tools, chemicals, machinery and logistics to curt seedlings from the nurseries to the fields.
- ◆ Seedling nursery enterprise to provide readily available seedlings for all those who wish to get involved in the project.
- ◆ Enterprises that will provide information on marketing of finished products and the kinds of processing required to develop value-added products.

The introduction of any technology or project into any community introduces change and change always presents numerous opportunities that are exploited by entrepreneurs (Ducker, 1985). According to Dees (1998), Ducker does not require entrepreneurs to initiate change, but sees them as exploiting the opportunities that change (in technology, consumer preference, social norms, etc.) creates. He says. "This defines entrepreneur and entrepreneurship, the entrepreneur always searches for change, responds to it, and exploits it as an opportunity". Bull, Thomas and Willard (1996) presented the above idea in the following words "Entrepreneur is the one who transforms inventions and ideas into economically viable entities". It

therefore can be said that entrepreneurs are bridges between inventions and commercial ventures established out of such inventions.

It is evident that no innovation can thrive in isolation and no development intervention can embody all the accessory technologies and services for long term sustainable change. Beneficiaries should be able to take advantage of change introduced by new technologies and develop support enterprises to provide the needed goods and services for the sustenance of new technologies.

The relevance of locally initiated support projects rest in the notion that no single project can be sustainable without the support of other projects and enterprises. Also the urgency of new enterprises becomes apparent when a core project is handed over completely to beneficiaries. In such a situation local entrepreneurs are better placed to create the support enterprises than any other crop of entrepreneurs.

For example if a borehole system of water supply is introduced into a set of communities there is the need for entrepreneurs to see the opportunities inherent in the introduction of the boreholes. It may require that a person quits one job to take up another self-employed job as a result of the introduction of the borehole.

An entrepreneur who sees the introduction of the borehole as an opportunity may avail him/her self for training to take up repair and maintenance as a new enterprise. Another entrepreneur may open a shop to sell borehole repair kits. In the absence of such entrepreneurs the borehole project may in the long run create dependency on external agencies or face inadequate supply of goods and services that may affect its sustainability.

Initially the support enterprises developed by entrepreneurs may not necessarily need to be full time jobs but may develop in this way and include the employment of others in the long run. Birley and Westhead (1993b) observed that if we accept the perspective that entrepreneurship relates largely to the recognition and exploitation of opportunities, it follows that opportunities may emerge at any time and in various forms. An entrepreneur may also view the option of exit from a firm as the exploitation of strategic window of opportunity.

Entrepreneurship Process Within Traditional and Contemporary Development Context

This section draws attention to some differences and similarities that exist between the development strategies discussed above (technology transfer strategy, dependency relationships and participatory processes) and entrepreneurship process. This is followed by a schematic presentation of the place of entrepreneurship process within the traditional and contemporary development processes.

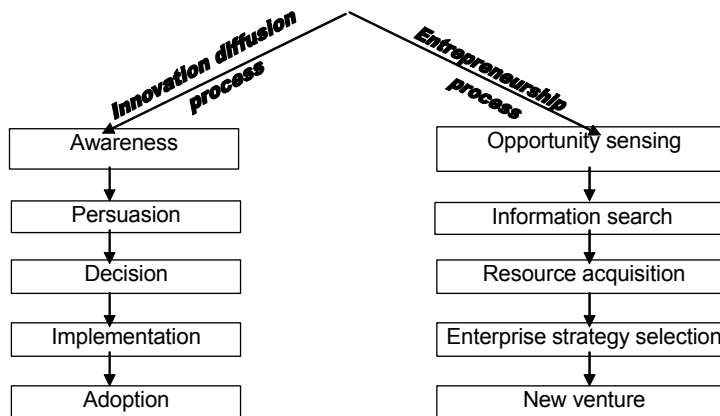
Innovation Diffusion Process and Entrepreneurship Process.

1. Entrepreneurship process aims at increasing the number of individuals who can develop and implement new combinations, while innovation diffusion process aims at increasing the number of people who will use the innovations.
2. In entrepreneurship process technological innovations are presented as opportunities to undertake new combinations, while in innovation diffusion process technological innovations are introduced by 'experts' to be used as prescribed to solve existing problems.
3. In entrepreneurship process innovations are derived from various sources (external innovators, local community initiatives and natural occurrences) while in innovation diffusion process the main sources of innovations are external experts.
4. The output of entrepreneurship process is a source of innovation for the adoption process, while in adoption process the output serve as experience for others to use the same innovation

Following the introduction of an innovation in a community and subsequent adoption and diffusion of such innovation, individuals in the community and even outside the community who will adopt the innovation can derive the benefits associated with the adoption/diffusion of the innovation.

It is also possible for some individuals in the community and even the whole community to benefit from the spread of innovations without those individuals or the whole community necessarily adopting the innovation. Individuals who may not even adopt the innovation may respond to the needs expressed by the adopters and other community members by creating new enterprise(s) to meet those needs. Such enterprises can provide goods and services much needed to support the adoption of the innovation. The role that entrepreneurship process plays in the spread of the benefits of adopted innovations can be expressed schematically as "innovation diffusion and entrepreneurship process dichotomy "(Fig. 1).

**FIG.1 INNOVATION DIFFUSION/ENTREPRENEURSHIP
PROCESS DICHOTOMY**



The entrepreneurship process expands the benefits derived by community members from already adopted innovation through new venture creation. The innovation may be derived from technology transfer process, dependency relationships, policies and participatory processes. Entrepreneurs who recognise the spreading innovation as opportunity to create new ventures search for relevant information, mobilise resources, select competitive strategy and start new ventures.

At the same time the innovation diffusion process can continue. That means others in the community who still see their fellows using the innovation and are convinced of its usefulness can continue to adopt it. In this way the innovation diffuses through a community. As such the process can be conceived as continuity, meaning, those involved do as prescribed by those who introduced the innovations. Entrepreneurship process is viewed as discontinuity, meaning, those involved in new venture creation based on the introduction of innovation do something different from what is prescribed. The two concepts complement each other to help beneficiaries to derive the optimum benefits from innovations.

It is possible that some of the people who adopt the innovation may undertake new combination as a result of new opportunities that they identify through the use of the innovation. Both adopters and non-adopters can undertake new combinations to provide goods and services to society, both can pursue entrepreneurial activities, both can be entrepreneurs.

Dependency Relationships and Entrepreneurship Process

The differences and similarities between dependency relationships and entrepreneurship process may be summarised as:

1. Within the context of periphery communities, development strategies implemented under the dependency relationships are controlled from the centre outside the periphery, but entrepreneurship process seeks development controlled from communities where the development strategies are implemented.
2. The primary goal of dependency relationships established between centre and the periphery countries is to meet the needs of the centre countries while entrepreneurship process aims at meeting the needs of communities within which the process is initiated whether centre or periphery.
3. Dependency relationships thrive on introduction of technological, economic, political and social change in periphery countries to the advantage of the centre while entrepreneurship processes thrives on

exploitation of opportunities inherent in change for new enterprise creation primarily to the advantage of the communities in which the change is introduced.

4. Human resource capacities of periphery community members developed during dependency relationships are for production processes relevant to the centre while those capacities developed during entrepreneurship processes are employed to create new ventures primarily relevant to the periphery communities.

Participatory Processes and Entrepreneurship Processes.

The differences and similarities between participatory processes and entrepreneurship processes may be summarised as:

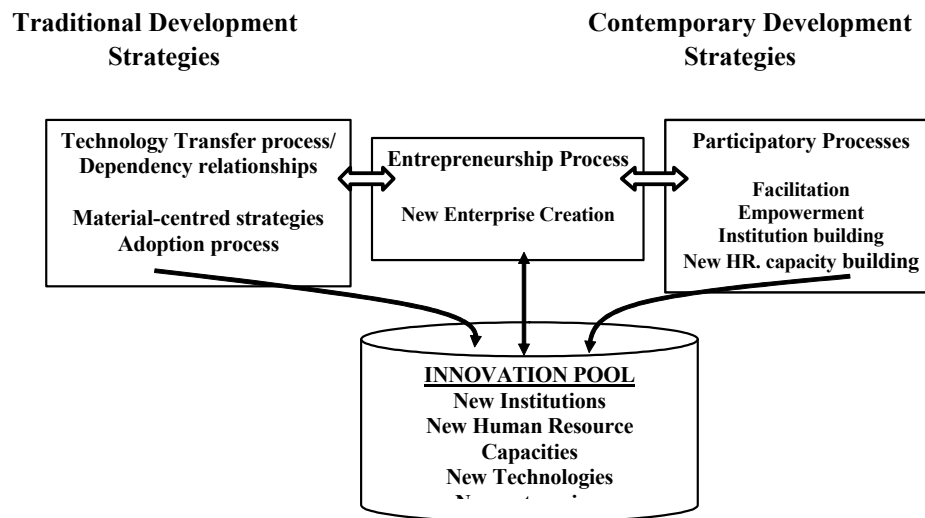
1. Individual human resource capacities developed during participatory processes are used to strengthen group commitment and to spread technologies, approaches and methods laterally while those capacities developed during entrepreneurship processes are used to develop new ventures.
2. In participatory process the emphasis is on group action and commitment while in entrepreneurship process the emphasis is on individual ingenuity and creative drives.
3. Participatory process produces new capacities, new institutions, innovations and new processes as its main output while the main output of entrepreneurship process is new enterprise. The output of entrepreneurship process can serve as sources of opportunity for entrepreneurs to create new ventures

The following is a schematic presentation of the position of entrepreneurship process within development strategies (Fig 2). The framework reveals the strategic position of entrepreneurship process within traditional and contemporary development paradigms and strategies.

Contemporary development practitioners are currently propagating ideals of the contemporary development paradigm (development as freedom)

under the various forms of participatory development strategies. On the other hand the traditional development paradigms are still relevant. Both contemporary and traditional development strategies introduce change in the form of new technologies, new institutions, new human resource capacities, new production processes and new marketing arrangements into developing communities.

FIG 2. ENTREPRENEURSHIP PROCESS WITHIN TRADITIONAL AND CONTEMPORARY DEVELOPMENT CONTEXT



Innovations derived from the traditional development strategies are generated by both local and foreign Research and Development (R&D) organisations such as Universities and government and private research centres. Development experts transfer such innovations to beneficiaries through the technology transfer process and dependency relations.

In addition to the above, participatory processes undertaken by local communities with the support of development agencies generate innovations in the form of new combinations, new institutions and new human resource capacities relevant for development activities. Such innovations are available to community members who may choose to adopt them for their productive

ventures. It should be emphasised that participatory processes aim at inculcating high sense of ownership of communally developed innovations among participating communities and this when achieved is assumed to increase the adoption of communally developed innovations.

Other sources of change/innovations in local communities are from local entrepreneurial activities. The results of entrepreneurial activities among local entrepreneurs in the form of new combinations serve as sources of innovation for local development activities.

The availability of innovations in a community from the above sources can be perceived as community innovation pool where individuals can obtain innovations for productive ventures. It is an indication of the types and quantity of innovations available in communities. It can be proposed that the higher the concentration of the innovation pool, the greater the chances of individuals having access to innovations for their productive ventures. Entrepreneurship process uses the numerous innovations as sources of opportunities for new ventures creation

CONCLUSION

Up till now change agents and community members have focused on how to increase the levels of adoption of innovations by using technology transfer process and various forms of participatory processes. This discussion has revealed another dimension of the use of innovations for development work, it shifts the focus of application of innovations among developing communities from innovation diffusion process and dependency relations to entrepreneurship process. The entrepreneurship process uses the numerous innovations as sources of opportunities for new ventures creation. The new ventures can again be introduced into the innovation pool as additional sources of innovation to expand individuals' opportunities to create new ventures.

Entrepreneurship process within the context of development strategies focuses on opportunity recognition, creative capacity building, improved self-efficacy of individuals, creation of new ventures and development of individuals with the capacity to create wealth from available

change/innovations. The focus is also on a shift from lateral spread of change/innovation for the purpose of adoption to lateral spread of opportunities inherent in change/innovation for the purpose of new venture and wealth creation.

It is envisaged that once development agents and communities begin to focus attention on entrepreneurship process; once they begin to recognise the activities of those involved in entrepreneurship process; once resources are committed into supporting entrepreneurs, individual entrepreneurs will begin to exhibit their full new venture creation capabilities.

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THE PROFILE OF THE TWENTY-FIRST CENTURY LEADER: REDEFINING TODAY'S PROGRESSIVE ENTREPRENEURS

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ABSTRACT

Leadership has undergone a metamorphosis as we enter the twenty-first century. The onset of the new millennium challenges leaders as they deal with the dynamic changes in business affected by high technology and a global marketplace. As business and societal demands change, the characteristics of those entrepreneurs spearheading leadership must also be redefined. The definition of leadership is no longer categorized as autocratic, democratic, and free reign. Within progressive organizations, leadership has been redefined to incorporate integrity, reliability, collaboration, trust, and empathy. This paper analyzes to theories of top leadership experts chosen for their varying approaches to leadership. The author reviews their literature for commonalities and synthesizes their work to create a profile of the twenty-first century leader. Since leadership is dependent upon the willingness of people to follow, the author examines what motivates employees to follow strong leaders. The author then synthesizes the concepts and examines the leadership characteristics previously identified in the research to examine if they dovetail with what motivates people to follow bringing together both leadership traits that redefine progressive entrepreneurs and the essential action of leadership identified by followers. The paper advances the study of leadership by analyzing the work by a myriad of authors, comparing and contrasting the literature for commonalities within the works and theories, and defines those

commonalities so that others can learn from consistent leadership concepts prevalent throughout the literature.

INTRODUCTION

The onset of high technology and the dynamics of a global marketplace have changed the way corporate America does business and, in turn, affected the way employees seek leadership to manage it. The very interpersonal characteristics and the knowledge base that contributed to good leadership in the past have undergone a metamorphosis. Gone are the three general leadership categories of autocratic, democratic and free rein. Employees have become wiser in the way they are treated by upper level management and demand a level of respect from leadership. The changing dynamics of today's society have forced leaders to re-think their approach as a changing definition of leader evolves.

The twenty-first century brings with it rapid and dramatic change in business from technology to organizational restructuring. The Internet has now become a portal to conduct business globally, eliminating geographic barriers to trade. Organizations have gone from a hierarchal structure with many layers of management to a matrix structure that supports employee empowerment. The information age has ushered in a need for people in organizations to be flexible, pro-active and receptive to change (Levy, 1998). A different kind of leader has emerged. Kotter (1996) states:

The key to creating and sustaining the kind of successful twenty-first century organization is leadership. This means that over the next few decades we will see both a new form of organization emerge to cope with a faster-moving and more competitive environment and a new kind of employee, at least in successful firms (p. 175).

The traditional models related to the origins of leadership no longer exist in today's fast-paced and changing business. The concept that leadership skills are a divine gift of birth bestowed upon a few people is not only antiquated but seems ludicrous in light of today's research on leadership.

The words dictatorship, divine rule, autocratic, chain-of-authority, and divide and conquer are disappearing from the leadership vocabulary. Useem (2000) as cited by Domm (2001) defines leadership as involving strategic vision, a persuasive voice and tangible results (p. 39). Cleveland (1997) describes effective leadership as neither the bureaucratic exercise of routine administrative prerogatives, nor the wielding of power for its own sake. It is the visionary and wise exercise of power and achievement of goals, in the service of others. Words such as empowerment, dynamic, visionary, charismatic, humble and participative have emerged in describing the new leader of the twenty-first century.

There are several business authors respected for their leadership theories. Steven Covey in his book, *The Seven Habits of Highly Effective People* describes the concept of leadership as a journey for each individual as they seek continual self-improvement and embrace the concept of life-long learning (Covey, 1989). Robert Fulghum established the basic tenants of good will in his book entitled *All I Really Need to Know I Learned in Kindergarten*. His theory focuses on the development of personality and character traits and forming a trusting relationship with others and gaining respect (Fulghum 1989). Peter Drucker, like Kotter, recognizes the difference in managers and leadership. His philosophy embraces the need for goals and vision to be communicated throughout all levels of the organizational structure; the concept of leadership as a privilege, not a control mechanism; accountability of the leadership position; and earning the trust and respect of followers (Drucker, 2001).

In comparing, contrasting, analyzing, and synthesizing the research from the various leadership experts of today, there exist commonalities among the various models, paradigms, and theology. Though a myriad of leadership authors exists as noted (Covey, Fulghum, Drucker), the authors' work reviewed in this paper were selected based upon their different perspectives on leadership theory. Kotter's Model of Competitive Capacity and Model of Mental Habits of Lifelong Learning infuse leadership theory into the concept of lifelong learning and its importance in leadership. Collins' Level Five Leadership Hierarchy depicts a hierarchy of leadership traits that managers transcend through in order to develop leadership skills. Goleman's

Six Leadership Styles examines leadership styles and categorizes leadership characteristics into a specific style. Timmons' Entrepreneurial Leadership Paradigm supplies a viewpoint of leadership from an entrepreneurial perspective. Senge's Three Types of Leaders characterizes leaders in 3 categories. Kouzes' and Posner's Seven Key Lessons of Leadership seek to define leadership within a set of lessons. All of the authors share commonalities that when integrated, assimilated, and synthesized by the researcher, form a profile that identifies today's progressive leaders. The authors were chosen for analysis based upon their different perspectives on leadership theory. Though many other leadership theorists exist, most of their theories are captured among the work of the authors selected.

Kotter, Kouzes and Posner are recognized and respected authors on leadership theory but bring different viewpoints. Kotter focuses on mental habits and the quest for knowledge inherent in leaders. He also describes the competitive drive characteristic of leaders. Kouzes and Posner focus on character building and credibility of the leader. They share their perspectives on how these character traits transcend into leadership qualities and their influence on followers.

Collins adds a leadership research perspective based upon a research project he conducted from 1996-2000 with the assistance of twenty-two research assistants. Qualitative and quantitative analysis was used to determine what characteristics of a leader contribute to extraordinary success of the company. Six thousand articles were collected and eighty-seven interviews with key executives were analyzed to support the research. Collin's findings of the Level Five Leader are analyzed in the paper and add a research-supported finding of what distinguishes a great leader from a good leader.

Goleman's findings interject six leadership styles that are characteristic of leadership. He outlines the results of new research by consulting firm Hay/McBer, drawing from a database of more than twenty thousand executives worldwide. The research found six distinctive leadership styles each springing from six different components of emotional intelligence. His theory suggests different approaches to leadership and incorporates new styles of leadership taking form in business that allow

leaders to communicate more effectively with employees while earning their trust.

Timmons' Entrepreneurial Leadership Paradigm interjects six leadership themes identified by taking the testimony given by twenty-one successful entrepreneurs inducted into Babson College's Academy of distinguished Entrepreneurs. These six themes are identified from the research and the attitude or behavior is identified. In essence, Timmons' research explains the attitude and behavior inherent in good leaders from an entrepreneurial perspective.

Collectively, these authors bring together sound research that contributes to an analysis and compilation by the researcher of a new profile of the twenty-first century leader. The profile incorporates the characteristics and traits of a progressive leader, leadership characteristics and concepts that motivates employees to follow, leadership styles that contribute to healthy corporate culture, and what ultimately defines the new leader as we face a dynamic, fast-paced, high-technology, global business market.

KOTTER'S MODEL OF COMPETITIVE CAPACITY

Kotter introduces a Competitive Capacity Model incorporating personal history, skills, abilities and competitive drive with lifelong learning and what he terms as "competitive capacity." Competitive capacity is the capability of dealing with an increasingly competitive and fast-moving economic environment (Kotter, 1996). Kotter's theory postulates that as the rate of change increases, the willingness and ability to keep developing is central to career success for individuals and to economic success for organizations. The organizational structure will transform with the changing dynamics of the business environment. Leaders are those who develop the capacity to handle this complex, changing business environment.

In a twenty-year study of 115 students from the Harvard Business Class of 1974, Kotter (1996) attempted to explain why most were doing well in their careers despite the changing economic climate that took place at the

time they graduated. Two elements stood out: competitive drive and lifelong learning. He states "Competitive drive helped create lifelong learning, which kept increasing skill and knowledge levels, especially leadership skills which in turn produced a prodigious ability to deal with an increasingly difficult and fast-moving global economy" (p. 178). Kotter's model is depicted in Figure 1.

"Just as organizations are going to be forced to learn, change, and constantly reinvent themselves in the twenty-first century so will increasing numbers of individuals. Lifelong learning and the leadership skills that can be developed through it were relevant to only a small percentage of the population until recently. That percentage will undoubtedly grow over the next few decades" (Kotter, 1996, p. 182).

Many of the successful white-collar workers in the past hundred years found reputable companies to work for early in their lives and then moved up narrow functional hierarchies while learning the art of management. Successful blue-collar workers found companies with good unions, learned how to do a certain job, and stayed in that job for decades (Kotter, 1996). In the twenty-first century, neither of these career paths will provide a good livelihood because neither encourages lifelong learning, especially for leadership skills. (Kotter, 1996) proposes that lifelong learners keep growing and as a result, become more and more comfortable with change. They tend to actualize whatever leadership potential they possess, and they help their firms adapt to a rapidly shifting global economy. Kotter cites specific habits of lifelong learners that evolve into the attributes of today's twenty-first century leaders.

Kotter attributes high standards, ambitious growth, a humbling perspective, and the ability to endure short-term pain associated with growth, as key characteristics of a visionary leader in today's business world. Kotter's theory states that people who learn to master more volatile career paths are also more comfortable with change and are thus better able to play more useful roles in organizational transformations. They more easily develop leadership potential and they are better positioned to help their employers

advance through the transformation process, which helps to nurture competitive advantage and minimizes resistance to change (Kotter, 1996).

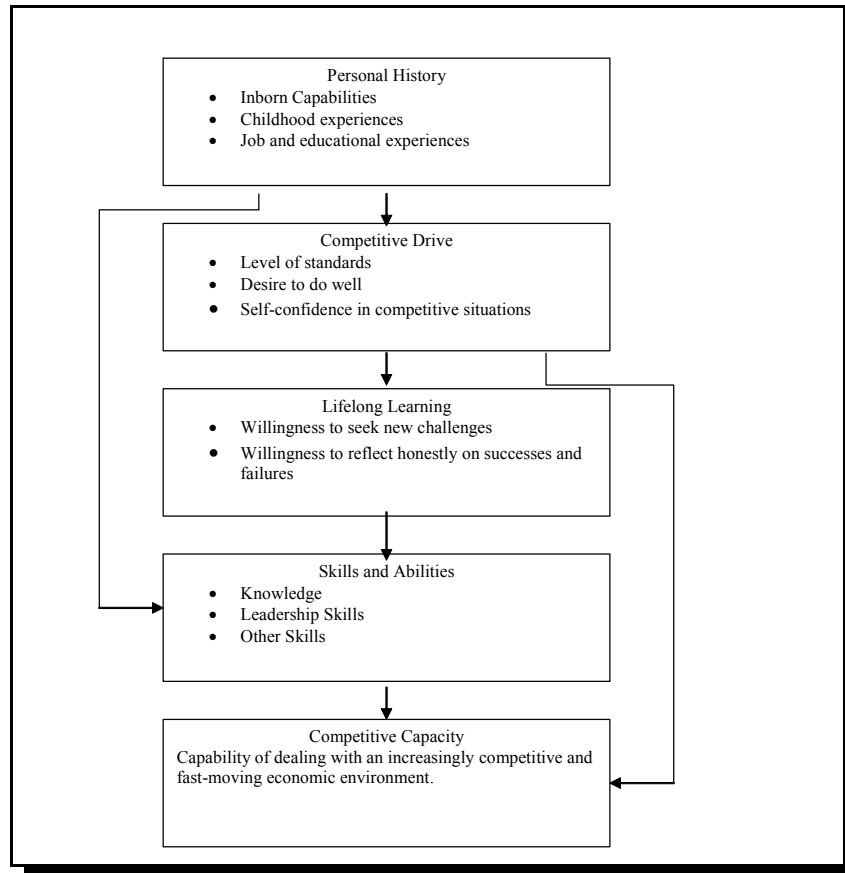


Figure 1. The Relationship of Lifelong Learning, Leadership Skills, and the Capacity to Succeed in the Future. The model outlines how personal history forms competitive drive which leads to lifelong learning in developing skills, which forms competitive capacity. Competitive drive fuels competitive capacity. From: *Leading Change* by J. Kotter, (1996), Harvard Business School Press, p. 179.

Risk Taking:	Willingness to push oneself out of the comfort zones
Humble self-reflection:	Honest assessment of successes and failures, especially the latter
Solicitation of opinions:	Aggressive collection of information and ideas from others
Careful listening:	Propensity to listen to others
Openness to new ideas:	Willingness to view life with an open mind

Figure 2. Mental Habits That Support Lifelong Learning includes risk taking, humble self-reflection, solicitation of opinions, careful listening, and openness to new ideas.

Adapted from *Leading change* by J. Kotter (1996), Harvard Business School Press, p. 183.

COLLINS' LEVEL FIVE LEADER

Collins' research identifies five characteristics of a Level Five Leader. With the assistance of twenty-two research associates working in groups of four to six at a time, from 1996 to 2000, qualitative and quantitative analysis was used to determine what characteristics of a leader contribute to extraordinary success of the company. Six thousand articles were collected and eighty-seven interviews with key executives were analyzed to support the research.

In addition, internal strategy documents and analysts' reports were reviewed in the analysis. Quantitative research was conducted by studying financial metrics, examining executive compensation, management turnover, quantified company layoffs and restructurings and calculating the effect of acquisitions and divestitures on company stock. The results were then synthesized to identify the drivers of good-to-great transformations of companies. The resulting research identified what Collins and his research associates term "The Level Five Leader." Collins asserts that great

transformations of corporations don't happen without a Level Five Leader at the helm.

"The Level Five Leader is an empirical finding, not an ideological one. And that's what's important to note, given how much the Level Five finding contradicts not only conventional wisdom but much about leadership theory to date" (Collins, 2001, p. 70). These five characteristics are similar to Kotter's Mental Habits that are identified in Figure 2.

Clark, in the "Yin and Yang of Level Five Chart" published in the *Harvard Business Review*, identifies the following characteristics of a Level Five Leader: (a) Demonstrates a compelling modesty, shunning public adulation, never boastful. (b) Acts with quiet, calm determination; relies principally on inspired standards, not inspiring charisma, to motivate. (c) Channels ambition into the company, not the self; sets up successors for even more greatness in the next generation. (d) Demonstrates unwavering resolve to do whatever must be done to produce the best long-term results. (e) Looks in the mirror, not out the window, to apportion responsibility for poor results, never blaming other people, external factor, or bad luck (Collins, 2001, p. 73).

People generally assume that transforming companies from good to great requires a larger than life leader. Collin's Level Five Leader is an individual who blends extreme personal humility with intense professional will. They are modest and willful, shy and fearless. According to Collins, they are a rarity. A good example of a Level Five Leader is Darwin Smith, the leader responsible for the turnaround of Kimberly Clark. Smith's ferocious resolve was crucial to the rebuilding of Kimberly Clark, especially when he made the decision to sell the mills. "The business media called the move stupid, and Wall Street analysts downgraded the stock. But Smith never wavered. Twenty five years later Kimberly Clark owned Scott Paper and beat Proctor and Gamble in six of eight product categories" (Collins, 2001, p. 70).

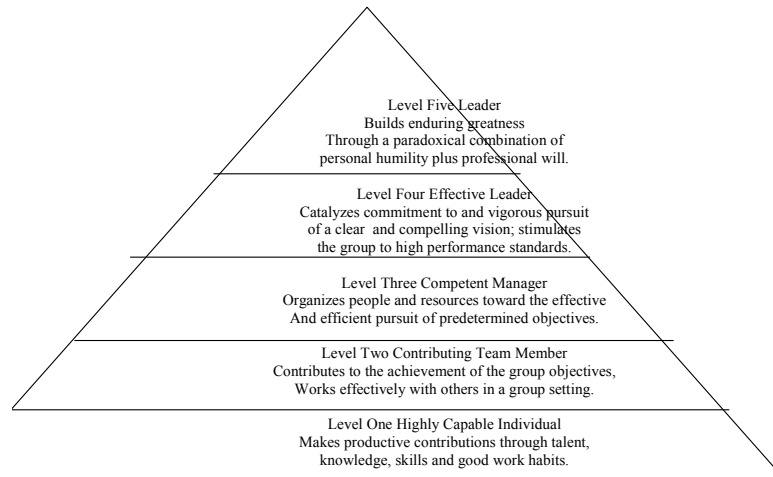


Figure 3. The Level 5 Hierarchy. The resulting model of the Level Five findings of Collin's research. The Level Five Leader requires the capabilities of all lower levels, plus the special characteristics of Level Five. From *Level five Leadership* written by J. Collins, Harvard Business Review (January, 2001), p. 70.

Collin's five-year research project and its discoveries give us a view of leadership that changes the way traditional models portray leadership. The research and analysis conducted by Collins and the research team from 1996-2000 has unveiled a new type of leader for the twenty-first century.

GOLEMAN'S SIX LEADERSHIP STYLES

Goleman, in a *Harvard Business Review* article entitled "Leadership That Gets Results", outlines the results of new research by consulting firm Hay/McBer, drawing from a database of more than twenty thousand executives worldwide. The research found six distinctive leadership styles each springing from six different components of emotional intelligence (Goleman, 2000). The research indicates that leaders with the best results do

not rely on one leadership style but intermix styles as the circumstances warrant.

Goleman's identification of six leadership styles mixes old leadership concepts with the new. Coercive, authoritative and democratic have been taught by business schools as the basic leadership styles of the early 1990s. According to Goleman (2000), affiliative, pacesetter and coaching are emerging leadership styles in today's business. The underlying emotional competencies of the leadership styles (identified by the research) that have the most positive effects on corporate climate parallel Kotter's Mental Habits (Figure 2) and Collins' Level Five Leadership Characteristics (Figure 3). Goleman's emotional competencies of good leaders include: (a) self-confidence, empathy, change catalyst (b) empathy building relationships, communication (c) collaboration, team leadership, communication (d) developing others, empathy, self-awareness.

	Coercive	Authoritative	Affiliative	Democratic	Pacesetter	Coaching
Leader's modus operandi	Demands immediate compliance	Mobilizes people toward vision	Creates harmony & builds emotional bonds	Forges consensus through participation	Sets high standards for performance	Develops people for the future
The style in a phrase	"Do what I tell you."	"Come with me."	"People come first."	"What do you think?"	"Do as I do, now."	"Try this."
Underlying emotional competencies	Drive to achieve, initiate self-control	Self-confidence, empathy, change catalyst	Empathy, building relationships, communication	Collaboration, team leadership, communication	Conscientiousness, drive to achieve, initiative	Developing others, empathy, self-awareness

Table 1. The Six Leadership Styles at a Glance. Summary of styles, their origin, when they work best, and their impact on an organizations climate and thus performance.						
	Coercive	Authoritative	Affiliative	Democratic	Pacesetting	Coaching
When the style works best	In a crisis, to kick start a turnaround or with problem employees	When changes require a new vision, or when a clear direction is needed.	To heal rifts in a team or to motivate people during stressful circumstances	To build buy-in or consensus, or to get input from valuable employees	To get quick results from highly motivated and competent team	To help an employee improve performance or develop long-term strengths
Overall impact on climate	Negative	Most strongly positive	Positive	Positive	Negative	Positive

Adapted from *Leadership That Gets Results*, written by David Goleman, *Harvard Business Review*, pp. 82-83.

TIMMONS' ENTREPRENEURIAL LEADERSHIP PARADIGM

In Timmons' book entitled *New Venture Creation, Entrepreneurship for the 21st Century*, six leadership themes are identified. These leadership themes were taken by testimony given by twenty-one successful entrepreneurs inducted into Babson College's Academy of Distinguished Entrepreneurs. Commitment, attitude, and determination were identified by as more important than the other factors. Table 2 identifies the desirable and acquirable attitudes identified by Timmons. Timmons (1999) states:

Successful entrepreneurs are experienced, including having intimate knowledge of the technology and marketplace in which they will compete, have sound general management skills, and have a proven track record. They are self-starters and have an internal locus of control with high standards. They are patient leaders, capable of installing tangible visions and managing for the longer haul. The entrepreneurial leader of the twenty-first century is at once a leader and a teacher, a doer and a visionary (p. 221).

Table 2. Timmons' Paradigm: Six Themes-Desirable and Acquirable Attitudes and Behaviors	
Theme	Attitude or Behavior
Commitment and Determination	Tenacity and decisiveness, able to decommit/commit quickly
	Discipline
	Persistence in solving problems
	Willing to undertake personal sacrifice
	Total immersion
Leadership	Self-starter, high standards but not perfectionist
	Team builder and hero maker; inspires other
	Treats others as you want to be treated
	Share the wealth with all the people who helped create it
	Integrity and reliability; builder of trust, practices fairness
	Not a lone wolf
	Superior learner and teacher
	Patience and urgency
Opportunity Obsession	Having intimate knowledge of customer's needs
	Market driven
	Obsessed with value creation and enhancement
Tolerance of Risk, Ambiguity and Uncertainty	Calculated risk taker
	Risk minimizer
	Risk sharer
	Manages paradoxes and contradictions
	Tolerance of uncertainty and lack of structure
	Tolerance of stress and conflict
	Ability to resolve problems and integrate solutions
Creativity, Self-Reliance and Ability to Adapt	Nonconventional, open minded, lateral thinker
	Restlessness with status quo
	Ability to adapt and change, creative problem solver
	Ability to learn quickly
	Lack of fear or failure
	Ability to conceptualize

Table 2. Timmons' Paradigm: Six Themes-Desirable and Acquirable Attitudes and Behaviors	
Theme	Attitude or Behavior
Motivation to Excel	Goal-and-results oriented
	Drive to achieve and grow
	Low need for status and power
	Interpersonally supporting (versus competitive)
	Aware of weaknesses and strengths
	Having perspective and a sense of humor
From <i>New Venture Creation, Entrepreneurship for the 21st Century</i> , Jeffrey Timmons, p. 221.	

SENGE'S THREE TYPES OF LEADERS

Senge's analysis of the three types of leaders evolves from research of the Society of Organizational Leaders. This involved twenty United States-based enterprises, mostly Fortune 100 corporations. From this, Senge and Kaufer identify three types of leaders: local line leaders, executive leaders, and internal workers.

Local line leaders are important to innovation because all management and organizational innovation is concerned with enhancing processes where additional value is created. Line leaders operate near the front line where products are designed, developed, and produced. Line managers shape how new ideas become or fail to become new organizational practices. "Committed line managers are instrumental in actually establishing the new practices and processes whereby broad change goals are translated into action and results. They are a critical source of innovation ideas themselves, both operational and strategic" (Chowdhury, 2001 p. 186).

Executive leaders make contributions as designers, mentors and role models or stewards. They have a profound effect on the overall environment for innovation in organizations. They are stewards of progressive change, become role models to others and demonstrate their own vulnerability and

continued learning. The executive leader is committed to the organization's long-term vision and assists line leaders.

Internal networkers have mobility. They serve as thinking partners, helping local line leaders deal with the host of day-to-day practical issues that otherwise would thwart change. These leaders may be internal human resource or training staff, engineers or local managers. These leaders do not usually occupy important positions on the managerial hierarchy. Without effective internal networkers, there may be many pockets of innovation but these changes rarely add up to organization-wide changes (Chowdhury, 2001). Networkers provide the connectivity among the leaders to sustain significant change. Senge proposes the following:

The leadership paradox of our times: enterprises must become significantly more flexible and adaptive and this will undoubtedly require deep cultural changes and strong leadership, but powerful bosses may actually impede the increased creativeness, risk-taking, and innovation required to become more adaptive . . . Our experiences with many significant change efforts over the past ten years suggests that the only resolution to this paradox lies with the fundamental rethinking of what we mean by leadership (Chowdhury, 2001 p. 186).

KOUZES' AND POSNER'S SEVEN KEY LESSONS OF LEADERSHIP

Kouzes and Posner describe seven key lessons for leadership in Chowdhury's book entitled *Management 21C*. Through their two decades of analysis of thousands of cases, surveys and empirical studies, Kouzes and Posner identify a consistent pattern of exemplary leadership practices consisting of seven key lessons.

Lesson one identifies credibility as the foundation of leadership. Chowdhury (2000) states:

In assessing sources of information, whether the sources are newscaster, salespeople, managers or priests, audiences are more likely to believe individuals whom they rate high as being trustworthy and honest, having expertise and competence, and being dynamic and inspiring. In our research we discovered that constituents expect the very same thing from their leaders. . .they want a leader who is credible. Credibility is the foundation of leadership (p. 18).

Lesson two describes leadership as a process, not a place. It dispels the rumor that leadership was anointed on a few and that it can be learned. Kouzes' and Posner's research shows that leadership is an observable, learnable set of practices. They cite over seven thousand five hundred ordinary people who have led others to extraordinary things done.

Lesson three describes challenge as the opportunity for greatness. It reinforces that visible signs of change need to take place in order to keep the momentum of change going. Waiting for permission to begin is not a characteristic of leaders (Chowdhury, 2000).

Lesson four stresses the need for leaders to focus on the future. "Being forward-looking is what differentiates leaders from other credible people. While credibility is the foundation of leadership, the capacity to paint an uplifting and ennobling picture of the future is that special something that truly sets leaders apart" (Chowdhury, 2000, p. 24). The overwhelming consensus among leadership experts is that without vision, little can happen.

Lesson five asserts that leaders are team players. It states that exemplary leaders are devoted to building relationships based on mutual respect and caring. "In a recent Pricewaterhouse Coopers study on corporate innovation in companies listed in the Financial Times 1000, the researchers report that trust was the number one differentiator between the top twenty percent of companies surveyed and the bottom twenty percent. [The top performers trust empowered individuals to communicate and implement change in order to turn strategic aims into reality] says investigators" (Chowdhury, 2000, p. 26).

Lesson six emphatically drives home the point of establishing credibility with the phrase "Do what you say you will do." Leaders are judged by how they spend their time, how they react to critical incidents and the questions they ask. "When it comes to deciding whether a leader is believable, people first listen to the words, then watch the actions. A judgment of credible is handed down when the two are consonant" (Chowdhury, 2000, p. 28). Leaders need to become conscious of the messages they are sending and be able to set a good example for others.

Lesson seven deals with the aspect of caring. It points out that leaders do not do their best work in isolation and dispels the myth of the "cold-hearted" boss. The Center for Creative Leadership studied the process of executive selection. In examining the critical variables for success for the top three jobs in a large firm, they found the number one success factor is relationship building (Chowdhury, 2000, p. 30). ".....when people work with leaders who care about them and encourage their hearts, they feel better about themselves their self-esteem goes up. These leaders set people's spirits free, often inspiring them to become more than they ever thought possible. And that, indeed, may be the ultimate mission of a leader" (Chowdhury, 2000, p. 31).

THE PROFILE OF THE TWENTY-FIRST CENTURY LEADER

In researching the concepts proposed by leadership experts, there exist several different characteristic/traits of leaders and varying concepts about leadership. They independently bring different meanings of characteristic traits found in today's progressive leaders clouding interpretation of what makes a good leader in today's progressive business. Those studying leadership and reviewing the literature, find it difficult to summarize leadership traits and concepts that are consistent throughout the literature. In synthesizing the research from the various leadership experts of today, there exist commonalities among the various models, paradigms, and theology. The authors were chosen for analysis based upon their different perspectives on leadership theory. Though many other leadership theorists

exist, most of their theories are captured among the work of the authors selected. Kotter's Model of Competitive Capacity and Model of Mental Habits of Lifelong Learning, Collins' Level Five Leadership Hierarchy, Goleman's Six Leadership Styles, Timmons' Entrepreneurial Leadership Paradigm, Senge's Three Types of Leaders, and Kouzes' and Posners' Seven Key Lessons of Leadership all share commonalities that contribute to forming the profile of today's progressive leader.

In comparing, contrasting, analyzing, and synthesizing the research of top experts in the leadership field as identified in this paper, the researcher assimilated commonalities (evaluated for inclusion by the researcher by meeting the criteria that the trait/element had to be supported in the research of four of the six leadership theories described in this paper). The researcher assimilated the literature to synthesize a compilation of the most crucial elements/characteristics that form the profile of progressive leaders (Table 3) who must learn to lead people differently from their predecessors as we enter an era of high technology and innovation in a fiercely competitive global marketplace.

The leadership traits/elements identified in Table 3 intertwine traditional leadership traits such as risk taking, motivation and competitive drive. In synthesizing the works of the leadership experts, nine key concepts were identified. The nine key concepts are identified in the left hand column with the corresponding supporting literature cited in the right hand column.

It also incorporates new concepts such, integrity, credibility, humble self-reflection, teamwork, consensus, and value creation enhancement. As cited in the literature these new concepts have evolved as the business world has rapidly changed coupled with a cultural shift toward a growing importance of credibility, integrity, accountability, and empathy in American society. Collectively, they profile the characteristics that clearly separate progressive leaders from managers.

<p>Table 3a. Traits and leadership styles of the twenty-first century leader assimilated by the author that integrates the current research, paradigms, theory and concepts of today's leadership experts. The leadership traits appear grouped by entity with the corresponding research reference parallel to it in the research reference column.</p>	
Leadership Traits/Elements	Research Reference
<p>(1) Competitive Drive</p> <p>Motivation to Excel</p>	<p>Kotter's Model of Competitive Capacity Timmons's Entrepreneurial Leadership Paradigm Collin's Level Five Leader Goleman's Six Leadership Styles</p>
<p>(2) Competitive Capacity/Comfortable with Change (Ability to deal with a changing, competitive, and fast-moving environment.)</p> <p>Creativity, self-reliance and ability to adapt. Change Catalyst Change needs to take place in order to keep the momentum of change going.</p>	<p>Kotter's Model of Competitive Capacity</p> <p>Timmons's Entrepreneurial Leadership Paradigm. Goleman's Six Leadership Styles Kouze's and Posners' 7 Key Lessons of Leadership.</p>
<p>(3) Risk Taking</p> <p>Tolerant of risk, ambiguity and uncertainty.</p>	<p>Kotter's Mental Habits That Support Life Long Learning Timmons's Entrepreneurial Leadership Paradigm Senge's Three Types of Leaders (Executive Leader) Collin's Level Five Leader</p>
<p>(4) Openness to New Ideas</p> <p>Forges consensus through participation.</p>	<p>Kotter's Mental Habits That Support Life Long Learning Senge's Three Types of Leaders (Executive Leader) Goleman's Six Leadership Styles Kouze's and Posners' 7 Key Lessons of Leadership</p>

Table 3a. Traits and leadership styles of the twenty-first century leader assimilated by the author that integrates the current research, paradigms, theory and concepts of today's leadership experts. The leadership traits appear grouped by entity with the corresponding research reference parallel to it in the research reference column.

Leadership Traits/Elements	Research Reference
<p>(5) Integrity and reliability, builder of trust, practices fairness Caring and Self-Reflective - Looks in the mirror, not out the window to apportion responsibility for poor results, never blaming other people. Developing others, empathy, self-awareness. These leaders set people's spirits free, often inspiring them to become more than they ever thought possible. And that, indeed, may be the ultimate mission of a leader</p>	<p>Timmons's Entrepreneurial Leadership Paradigm Collins' Level Five Leader Goleman's Six Leadership Styles Kouze's and Posners' 7 Key Lessons of Leadership</p>

Competitive drive and motivation to excel is found in Kotter's Model of Competitive Capacity in his research of 115 students from the Harvard business Class of 1994 in which two elements stood out: competitive drive and lifelong learning (Kotter, 1996). Motivation to excel is identified as one of Timmons' six themes desirable and acquirable attitudes and behaviors outlined in the Entrepreneurial Paradigm. "Stimulates the group to high performance standards" can be found in level four of Collin's Level Five Hierarchy of leadership. "Drive to achieve" is outlined in several of the leadership styles identified by Goleman in the underlying emotional competencies category of the leadership styles grid.

Table 3b. Traits and leadership styles of the twenty-first century leader assimilated by the author continued.	
Leadership Traits/Elements	Research Reference
(6) Collaboration, team leadership, communication Internal networkers, connectivity among leaders to sustain significant change. Leaders are team players.	Goleman's Six Leadership Styles Senge's Three Types of Leaders Internal networkers Kouze's and Posners' 7 Key Lessons of Leadership Timmon's Entrepreneurial Leadership Paradigm
(7) Credibility is the foundation of leadership. Leaders are judged by how they spend their time, how they react to critical incidents and the questions they ask.	Kouze's and Posners' 7 Key Lessons of Leadership. Kotter's Model of Competitive Capacity Collin's Level Five Leader Timmons' Entrepreneurial Leadership Paradigm
(8) Leadership is a process, not a place. Kouzes' and Posner's research shows that leadership is an observable, learnable set of practices.	Kouze's and Posners' 7 Key Lessons of Leadership Goleman's Six Leadership Styles Collins' Level Five Leader Kotter's Model of Competitive Capacity.
(9) Mobilizes people toward vision Ability to motivate a group. Stimulates the group to high performance standards.	Goleman's Six Leadership Styles Collins' Level Five Leader Kouze's and Posners' 7 Key Lessons of Leadership Senge's Three Types of Leaders (Local Line Leaders)

Competitive capacity and the ability to adapt to change are identified in Kotter's diagram of the Relationship of Lifelong Learning, Leadership Skills and the Capacity to Succeed in the Future. The model includes competitive capacity defined as the capability of dealing with an increasingly competitive and fast-moving economic environment (Kotter, 1996).

Timmons' Entrepreneurial Paradigm outlines creativity, self-reliance, and the ability to adapt to change as one of the six themes desirable and acquirable attitudes and behaviors of leaders adding the ability to learn quickly with lack of fear or failure. Goleman's Six Leadership Styles identifies change catalyst in both the authoritative and coaching styles. Kouzes and Posner's Seven Key Lessons of Leadership includes: "Change needs to take place in order to keep the momentum of change going" (Chowdhury, 2000) in lesson three which is supported by their work of two decades of analysis of thousands of cases, surveys and empirical studies.

Risk taking is identified by Clark in the "Yin and Yang of Level Five Chart" published in the *Harvard Business Review*, identifying characteristics of a level five leader: "Demonstrates unwavering resolve to do whatever must be done to produce the best long term results" (Collins, 2001, p. 73). The Level Five leader is an empirical finding based on Collins' research from 1996-2000 outlined earlier in this paper. Senge also identifies risk taking in his definition of the executive leader which evolved from his research of the Society of Organizational Leaders. This involved twenty United States-based enterprises, mostly Fortune 100 companies. Timmons' research identifies tolerance of risk, ambiguity and uncertainty as one of the six themes of desirable and acquirable attitudes and behaviors using these words to describe the attitude or behavior: calculated risk taker; risk minimizer; risk sharer; and tolerance of uncertainty and lack of structure (Timmons, 1999, p. 221). Kotter identifies willingness to seek new challenges as part of the lifelong learning component identified in The Relationship of Lifelong Learning, Leadership Skills and Capacity to Succeed diagram (Kotter, 1996). Kotter also cites habits of lifelong learners that evolve into attributes of today's twenty-first century leaders: "Risk-Taking: Willingness to push oneself out of the comfort zone (Kotter, 1996, p. 183).

Openness to new ideas is identified in Kouzes and Posner's Seven Key Lessons of Leadership in lesson four that stressed the need for leaders to be receptive to new ideas and "being forward looking is what differentiates leaders from other credible people" (Chowdhury, 2000, p. 24). Kotter cites openness to new ideas; willingness to view life with an open mind as part of the mental habits that support lifelong learners that evolve into the attributes

of today's progressive leaders (Kotter, 1996). Openness to new ideas is also prevalent in Senge's Executive Leader Style and is evident in Timmons' Six Themes-Desirable and acquirable Attitudes and Behaviors in which he describes the leader as a "non-conventional, open minded, lateral thinker" (Timmons, 1999, p. 221) under the theme of creativity, self-reliance and ability to adapt to change.

Integrity and reliability, builder of trust, and practices fairness is evident in Timmons' Entrepreneurial Leadership Paradigm under the leadership theme along with treat others as you want to be treated (Timmons, 1999). These characteristic have become paramount as the American people have witnessed first-hand corruption in business illustrated by unethical conduct of the Enron Organization followed by Tyco and Arthur Anderson Company. Caring and Self Reflective: "Looks in the mirror, not out to apportion responsibility for poor results, never blaming other people" is cited in Collins' Level Five Leader characteristics (Collins, 2001, p. 70). Goleman incorporates developing others, empathy, self-awareness in describing the Coaching Leadership Style. These characteristics form the foundation of credibility identified as the seventh commonality listed in Table 3 by the researcher. Kouses and Posner state "When it comes to deciding whether a leader is believable, people first listen to the words, then watch the actions. A judgment of credible is handed down when the two are consonant" (Chowdhury, 2000, p. 28) in Lesson Six of their seven key lessons emphatically driving home the point of establishing credibility. This is supported by Kotter's Model of Competitive Capacity, Collin's Level Five Leader, and Timmons' Entrepreneurial Leadership Paradigm driving home that credibility is the foundation of leadership. Leaders are judged on how they spend their time, how they react to critical incidents and the questions they ask. This, in turn, establishes their credibility as perceived by the follower and affects the ability of the entrepreneur to lead others.

Collaboration, team leadership, and communication are identified in Golemen's Six Leadership Styles describing the underlying emotional competencies of the Democratic leadership style. Internal Networkers are described by Senge in his three types of leaders as the leader that strives for connectivity among leaders to sustain significant change. Lesson Five of

Kouze's and Posner's research asserts that trust and team building dovetail and are interdependent. In their Pricewaterhouse Coopers study the team identifies trust and communication as hallmarks of the top 20% of companies surveyed. "Team builder and hero maker; inspires others. . .not a lone wolf" are identified in Timmons' Leadership Theme (Timmons, 1999, p. 221). It is clearly evident throughout the literature cited that team leadership, collaboration and communication are hallmarks of progressive leaders. The autocratic divide and conquer approach to leadership has become extinct in progressive firms.

It is often debated if leadership is a divine gift at birth or if leadership is something that can be learned. As identified in Table 3, number 8, leadership is a process not a place. Kouzes' and Posner's research supports that leadership is an observable, learnable set of practices. Their research dispels the rumor that leadership was anointed on a few and that it can be learned. Goleman's research of 20,000 executives indicates that leaders with the best results do not rely on one leadership style they intermix styles as the circumstances warrant (Goleman, 2000). Collin's research depicts a hierarchy that managers progress through to become great leaders in which successful achievement at one level leads to the progression up the hierarchy. Kotter proposes lifelong learning as a key component to leadership. The literature supports that leadership is a process that is learned combined with human characteristics/traits inherent in good leaders.

Senge addresses the leader's ability to motivate a group in identifying the Local Line Leader. These leaders stimulate the group to high performance standards (Chowdhury, 2001). Goleman's Six Leadership Styles also addresses motivation in identifying the Affiliative and Pacesetter leadership styles. The style that works best for Affiliative Leadership: "To heal rifts in a team or to motivate people during stressful circumstances" (Goleman, 2000, pp. 82-83). "To get quick results from highly motivated and competent team" is identified as the style that works best for Pacesetter leadership style. (Goleman, 2000. pp. 82-83). Kouze's and Posner's Seven Key Lessons of Leadership include research from the Center of Creative Leadership that studies the process of executive selection. In examining the crucial variables for success of the top three jobs in a large firm, they found

the number one success factor is relationship building. "...When people work with leaders who care about them and encourage their hearts they feel better about themselves and their self-esteem goes up. These leaders set people's spirits free, often inspiring them to become more than they ever thought possible" (Chowdhury, 2000, p. 31). The ability to motivate others, as supported by the literature, is a hallmark of good leaders.

MOTIVATIONAL FACTORS OF FOLLOWERS

Since leadership is dependent upon the willingness of people to follow it makes sense to examine what motivates employees to follow strong leaders. Leadership is a two-way interaction. Not only does a leader need to possess the traits and qualities of a good leader, they must also understand what motivates employees to follow. One can have great leadership traits and characteristics; however possessing those traits may not motivate followers. Understanding the dual dynamics of what characteristics and traits form the profile of the progressive leader along with the motivational factors of followers to be lead, is key to forming a leadership style that can catapult a good manager into a great leader. Many of the motivational factors stem from the leadership qualities identified in this research. Others do not. Great leaders need to be cognizant of what compels people to be lead as well as possess the unique qualities, skills, education, and personality that motivate people to follow.

Societal factors have altered how employees respond to leaders. Brandt, Editor of *Chief Executive*, surveyed human resource executive and chief executive officers representing two hundred and forty major companies. Brandt states that Societal factors impacting how employees respond to leaders include: (a) A generation of downsizing and flavor-of-the-month management fads, which have left employees without faith in their companies' leaders. (b) A changing workforce demographic, with minorities and women representing a higher percentage of employees than ever before. (c) A decline in respect for authority, and greater willingness to question those who lead organizations. (d) A shift in employee expectations from

cradle-to-grave to opportunities for skill and expertise. (e) An increasing recognition that quality of life is as important, if not more so, than financial remuneration (Brandt, 2002, p. 12).

The twenty-first century leader must recognize that employees are now motivated differently than they were ten years ago. Employee's needs have changed with the increase in women in the work force and dual career families and other societal factors. Motivational factors need to be re-examined to assess what reward systems are valued by today's worker.

Laurie identifies seven vital action of leadership in the article entitled "Real Work of Leaders" published in *Executive Excellence* (March 2001). The seven factors identified by employees as factors that motivate them to be lead by others dovetail with the qualities/traits of the twenty-first century leader assimilated by the researcher in Table 3. These two elements are paired in Table 4 by the researcher to illustrate the characteristics/concepts that need to be inherent in new leaders in order to motivate people to follow.

Leaders must also overcome cynicism and restore the faith and confidence to attract and retain the best people. Chowdhury (2000) states, "The first action leaders must take is to establish and sustain personal credibility. Leadership is, after all, a relationship between those who aspire to be lead and those who choose to follow. The quality of this relationship strongly influences members' commitment to the organization, its people, its products and its customers" (p. 19).

Other organizational entities also motivate people to be lead. Some of these entities are outside of the direct control of the leader. Thompson and Strickland identify the following (through their research which reference articles in *Fortune* that surveyed the one hundred best companies to work for in 2000):

- (a) providing attractive perks and benefits,
- (b) having the best facilities
- (c) creating a work atmosphere where there is genuine sincerity, caring and mutual respect among workers and between management and employees
- (d) promotion from within whenever possible, and
- (e) being flexible in how the company approaches people and management in multinational, multicultural environments (2001, p. 398).

<p align="center">Table Four. Synopsis of Seven Essential Acts of Leadership adapted from Real Work of Leaders by Laurie. Source: <i>Executive Excellence</i> (March 2001). Corresponding leadership traits/concepts outlined in Table 3 of this paper. By the researcher</p>	
Seven Essential Action of Leadership Identified by Followers	Traits and leadership concepts of the twenty-first century leader as identified in Table 3.
<p>1. Leaders must never lose sight of the vision and must be familiar with operational duties to sustain the company's vision and work toward growth</p> <p>2. When guiding their companies into new territory, leaders must inspire allegiance by conveying a sense of shared common interest in the company to their workers. Leaders must communicate simply, fully and clearly how they view the company's ultimate aim. Only then can leaders expect employees to share in their perceptions and to support their plans for future growth.</p> <p>3. When leaders decide on a new course, they must identify opposing individuals and help each one understand the thought processes underlying the proposed change. Help people adapt to new ways of thinking and working by addressing concerns of ambivalent employees</p> <p>4. Reverting to former systems disheartens employees and promotes cynicism because it signifies a betrayal of principles. The leaders clarify of purpose, combined with the capacity to communicate that purpose so that it becomes a shared, is the best way to gain adherence to a common set of principles.</p> <p>5. Dialogue advances learning. Leaders must clarify their positions by focusing on discussions of issues at hand. Each employee must feel his or her voice is has been heard.</p> <p>6. Leaders need to regulate the level of distress in employees when major changes occur in the company.</p> <p>7. Followers like empowerment and accountability. They look for a leader that will give them the freedom to make decisions and the opportunity to be held accountable</p>	<p>(9) Mobilizes people toward vision.</p> <p>Ability to motivate a group. Stimulates the group to high performance standards.</p> <p>(6) Collaboration, team leadership, communication</p> <p>Internal networkers, connectivity among leaders to sustain significant change.</p> <p>Leaders are team players.</p> <p>(2) Competitive Capacity/Comfortable with Change (Ability to deal with a changing, competitive, and fast-moving environment.)</p> <p>(9) Mobilizes people toward vision</p> <p>Ability to motivate a group. Stimulates the group to high performance standards.</p> <p>(4) Openness to New Ideas</p> <p>Forges consensus through participation.</p> <p>(2) Competitive Capacity/Comfortable with Change (Ability to deal with a changing, competitive, and fast-moving environment.)</p> <p>(5) Integrity and reliability, builder of trust, practices fairness.</p>

Corporate culture and extrinsic motivational rewards are key elements in nurturing the employees' motivation to be lead. Leaders need to be cognizant that external factors within the organization can affect their ability to lead and participate in corporate policy making to develop a working environment conducive to their leadership style.

Donoghue cites an American survey that outlined the reasons people in leadership positions have been terminated by their employers. The survey showed the ninety percent of the four thousand interviewed were forced to leave their jobs because they did not get along with other people. Wotherspon, a team leader for TMP Worldwide (formerly Morgan and Banks Consulting) states:

People want to know what is expected of them. It is important that the expectations are really clear, that there is a level of choice around what and how they do their job and they are also involved in decisions that impact them. Everyone is motivated by something-even those doing the most boring, mundane tasks. And they can take pleasure if it is linked to a higher purpose. As leaders we have to respect everyone in every role and be aware of communicating the vision so everyone feels part of that higher purpose (Tasker, 2001, p. 37).

Donoghue states, "Leadership is really about mastering communication, coaching, encouraging and inspiring others to achieve outstanding performance. Unfortunately, research has shown that leaders fail because of ego problems, insecurity, a critical personality and a wrong sense of purpose" (Tasker, 2001, p. 38). Leaders can possess all the unique qualities that define them as a leader but be ineffective. Great leadership requires not only the qualities and skills to be a leader but also the attributes that followers seek in their leader. A good understanding of what compels people to be lead combined with leadership traits and abilities (Table 3) is what distinguishes good leaders from great leaders.

CONCLUSION

As the business world changes responding to external environmental factors of the twenty-first century such as the computer information revolution, a global economy, political dynamics, and technological advances, so must the leaders that will manage them. The old general leadership categories of autocratic, democratic and free reign have become as extinct in today's high-technology business world as the typewriter and the mimeograph machine. As the labor force changes to look for a new type of leader they can respect and follow, potential managers must be receptive to a new profile of characteristics that redefines today's progressive leaders. The dynamics of a high-technology global economy fueled by progressive innovation paired with a labor pool that demands respect from their leaders, dictate a strong leadership role.

In essence, a progressive leader has been redefined. In the book, *Managing High Technology and Innovation*, Levy (1998) states:

At the eve of the twenty-first century, the world is marching ever faster toward what may be the high-technology revolution. This revolution promises to bring radical changes in most of our business activities including how twenty-first century managers lead their people. Its strong impact will be much more dramatic than that of the industrial revolution at the turn of the twentieth century (p. 1).

Throughout the literature regarding leadership, there exist several different tables that identify characteristic/traits of leaders. There also exist several different concepts about leadership. When studied independently, they bring different meanings of characteristic traits found in today's progressive leaders as well as varying opinions of what constitutes a good leader. Those studying leadership and reviewing the literature, find it difficult to summarize leadership traits and concepts that are consistent throughout the literature. In synthesizing the research from the various leadership experts of today, there exist commonalities among the various models, paradigms, and theology. This paper analyzes the theories of top leadership experts chosen for their varying approaches to leadership. The

author reviews their literature for commonalities and synthesizes their work to create a profile of the twenty-first century leader. Kotter's Model of Competitive Capacity and Model of Mental Habits of Lifelong Learning, Collins' Level Five Leadership Hierarchy, Goleman's Six Leadership Styles, Timmons' Entrepreneurial Leadership Paradigm, Senge's Three Types of Leaders, and Kouzes' and Posners' Seven Key Lessons of Leadership all share commonalities that contribute to forming the profile of today's progressive leader.

By comparing, contrasting, analyzing, and synthesizing the research of top experts in the leadership field as identified in this paper, the researcher assimilated commonalities (evaluated for inclusion by the researcher by meeting the criteria that the trait/element had to be supported in the research of four of the six leadership theories described in this paper). The researcher assimilated the literature to synthesize a compilation of the most crucial elements/characteristics that form the profile of progressive leaders (Table 3) who must learn to lead people differently from their predecessors as we enter an era of high technology and innovation in a fiercely competitive global marketplace.

Since leadership is dependent upon the willingness of people to follow, the author examines what motivates employees to follow strong leaders. The author then synthesizes the concepts and examines the leadership characteristics previously identified in the research to examine if they dovetail with what motivates people to follow bringing together both leadership traits that redefine progressive leaders and the essential action of leadership identified by followers. The research addressed in this paper advances the study of leadership by analyzing the work by a myriad of authors, comparing and contrasting the literature for commonalities within the works and theories, and defines those commonalities so that others can learn from consistent leadership concepts prevalent throughout the literature. The research can be used by organizations to identify characteristics and traits of leadership and determine if their own managers have the necessary skills and characteristics to lead their respective firms as businesses face dynamic changes already prevalent with the turn of the millennium.

Entrepreneurs can learn from the research by analyzing the characteristics and traits identified by the author in Table 3 and possibly
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re-evaluate their leadership style to incorporate those traits. Entrepreneurs can also review Table 4 to learn how the quality/traits of the progressive twenty-first century leader assimilated by the researcher in Table 3 dovetails with the seven factors (cited in the research by Laurie) identified by followers as factors that motivate them to be lead. One can have great leadership traits and characteristics; however possessing those traits may not motivate followers. Understanding the dual dynamics of what characteristics and traits form the profile of the progressive leader along with the motivational factors of followers to be lead is key to forming a leadership style that can catapult a good manager into a great leader. The author of this paper assimilates the key leadership concepts prevalent throughout the literature on leadership and synthesizes them into a profile (Table 3) and then dovetails the research with essential actions of leadership identified by followers providing organizations and managers with a tool that reshapes a new profile of the progressive leader in the twenty-first century.

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ENTREPRENEURSHIP EDUCATION: SALVATION OR DAMNATION?

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ABSTRACT

Many researchers, and policy makers, across Europe emphasise entrepreneurship education as the way to a future new welfare society. Why? The aim of this article is to discuss critically entrepreneurship education, starting in contemporary European research on entrepreneurship. Earlier research defines entrepreneurship as a temporary process of innovation, only possible in capitalistic societies. In more recent research entrepreneurship is located within the entrepreneur, to a limited number of traits typical for the entrepreneurial personality despite its surroundings. Environmental or cultural factors are treated as either to promote or inhibit entrepreneurial behaviour/personality. The locus to specific traits of the individual is the logic behind the, normative and quite naïve, favouring of entrepreneurship education. Entrepreneurship education, characterised by learning by doing, practice-orientation, and so on, is viewed as the way to foster the right kind of individuals; individuals with the specific traits who form a kind of inner resources that can be profitable on the global market. In this perspective, entrepreneurship education seems to be a part of the ongoing neo liberal oriented restructuring process, which is sweeping through Europe, and the writings on entrepreneurship education can be understood as a specific political/ideological activity.

INTRODUCTION

This article is one part of an ongoing EU-funded research project, Learning Entrepreneurship, at Department of Education, Mid Sweden University. The project involves empirical studies and research overviews, and this article belongs to the latter. The aim of this article is to critically discuss writings on entrepreneurship education, and the discussion is based on primary findings from an overview of research on entrepreneurship education and entrepreneurship.

The main focus is European, but since research in the field is a widespread phenomenon, this demarcation is not strictly adhered. A majority of the research in this field is conducted within other disciplines than the science of education. Therefore our discussion can be described in terms of a picture that we draw from research in the field, and then examined from a point of view within the science of education.

THE FIRST SKETCH

During the latest decades, orientation towards free market economy with decreasing public sector and increasing private ownership has been on the European agenda of policy making. The European Union, with its fundamental idea of Europe as one free market, is a central promoter in this. At the same time, research on entrepreneurship has exploded since the late 1980s (Audretsch, 2000). Another way to describe this is that during the last decades, the public and the academies have realised the important contributions of the entrepreneurs to economic growth and the standard of living (Brockhaus, 2001). This research reflects a increasing interest in entrepreneurship as a source of employment, innovation, growth and global competitiveness.

Research has also legitimated efforts to promote entrepreneurship in the eyes of the public (Swedberg, 1998), and the growing popularity and increasing status of the entrepreneur have triggered researchers to find the key to entrepreneurship (Morrison, 1998a). In other words, researchers in the field of entrepreneurship have been generally positive to the phenomenon
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studied, and the explicit ambition of the researchers can be exemplified as "... to encourage entrepreneurial efforts worldwide to create jobs, improve the economic well-being of all social strata and promote public policy that will encourage these efforts." (Landström & Sexton, 2000a, Xiv).

So, scientists, along with policymakers, are "... convinced that entrepreneurial effort is a key element in sustained economic development." (Henrekson, Larsson & Sjögren, 2001, 19). Beside the obvious connection to economics, i.e. traditional (small) business start-ups, entrepreneurship is viewed as important to professions like lawyers and doctors (Nieuwenhuizen & van Niekerk, 2001). Also in other spheres like music, literature, art, sports and research, entrepreneurship is seen as of fundamental importance: "Research without entrepreneurship is doomed to stagnation in the long run." (Henrekson, Larsson & Sjögren, 2001, 19).

To ensure the position of entrepreneurship, present political activities are estimated as insufficient: "But without highly educated, creative individuals with an entrepreneurial mindset and access to enterprise skills, no government strategy for business creation will succeed." (Yendell, 2001, p. 305). In other words, it is assumed that the way to realise the promising potential identified in entrepreneurship is education, entrepreneurship education. Since entrepreneurship is viewed as source for success on the global free market, entrepreneurship education, then, becomes the obvious one and only way: "The importance of entrepreneurial education is derived from the importance of the entrepreneur to our economic system." (Ulrich, 2001, p. 147).

Through entrepreneurship education an entrepreneurial culture will emerge, it is postulated, but one problem is that the educational policy is underdeveloped in this aspect (Stevenson & Lundström, 2002). The arguments at hand are always, in one way or another, in favour of entrepreneurship education, originating from an economic rationale: "If we can use enterprise programs to predict successful entrepreneurs with a view to identifying candidates for further support, grant aid or financial investment, then the risk factors associated with small business start-ups could be significantly reduced, and state or private investment could be rationalized to ensure the optimum return." (Henry & Titterington, 2001, 376).

DRAWING...

In order to understand the logic behind these optimistic views of entrepreneurship education we now turn to a closer look at writings on entrepreneurship and entrepreneurship education, and what outcomes the prescribed entrepreneurship education is supposed to bring forward.

ENTREPRENEURSHIP

When reading research on entrepreneurship, one often comes across the name Joseph A. Schumpeter, an Austrian-born economist active during the first half of the nineteenth century. Schumpeter is still referred to by many as the main figure in literature on entrepreneurship (Swedberg, 1998). Schumpeter describes entrepreneurship as a process of innovation, the carrying out of new combinations of already existing productive means. Entrepreneurship is a temporary function (Schumpeter, 1994). No one is an entrepreneur forever but just when the innovation is carried through (Swedberg, 1998).

The entrepreneurship function is a moment of breaking the daily routines of how things are done. This is possible only if others do not react in the same way in the same situation; the entrepreneurship function generates a kind of monopoly profit (Schumpeter, 1994). In a capitalistic system this profit is economic (Sandberg, 2001). Every social context has its own way to fulfil the entrepreneurship function, not necessarily derived from individuals and far from always from a single person. The entrepreneurship function can also be fulfilled by an organisation, an institution or a department (Schumpeter, 1994).

Even though Schumpeter regularly is mentioned or referred to in more contemporary research, "...scholarly work on entrepreneurs and entrepreneurship has not, to put it mildly, always adhered strictly to Schumpeter's concepts. The result has been a considerable amount of confusions and discussions at cross purposes." (Sandberg, 2001, p. 24). One indication of this is that the absence of a generally accepted definition of entrepreneurship is pointed out as a problem (see for instance Watson, 2001; *International Journal of Entrepreneurship, Volume 8, 2004*

Friis, Paulsson, & Karlsson, 2002; Gartner, 2001). The one thing in common for all definitions in use is the commercial nature, it is argued (Landström, 2000; Kostkinen & Virtanen, 1998).

In spite of the contemporary variation of definitions there is another similarity. The major part of the research treats entrepreneurship as located within the entrepreneur, to a limited number of traits or behaviours typical for the entrepreneurial personality despite its surroundings (Morrison, 1998a). "At its core, entrepreneurship is comprised of unique human behaviours. The challenge for the field has been to identify the behaviours that distinguish entrepreneurship from other general management activity." (Arbaugh & Camp, 2000, 309). In this view, entrepreneurship is related to an individual person, through which entrepreneurship best is explained (Hansemark, 1999). "An increasing number of studies refers to the personal characteristics of the entrepreneur as the key to the success of the firm in early stages of its life." (Bellini, Capaldo, Raffa & Zollo, 2001, 419).

Even though, some argue, research on entrepreneurial personality yet has a long way to go, some factors are identified (Skaug, 2000). Examples of such factors are fantasy, creativity, responsibility, flexibility and skills in problem solving, decision-making and the exploiting of opportunities (Henry, & Titterton, 2001; Johannisson, Madsén, & Wallentin, 2000; Glas, 1998). However, concerning this kind of research there are some problems identified: "Innovation and creativity as criteria for entrepreneurship lead to the difficulty of measurement and detection of entrepreneurship." (De Clercq, Cerijns & Ooghe, 2001, 453).

There have also been more fundamental critiques on the low validity (Hansemark, 1999), or even impossibility (Swedberg, 1998; Landström, 2000), in research aiming at identifying so called entrepreneurial traits within the individual. One example is Gratzner (2001) who states that in spite of the increasing search for specific traits it is hard to imagine any individual factor as a model of explanation of entrepreneurial activity: "There is therefore every reason to make a closer study of the relation between business failures and macro economic, social-cultural institutional and moral factors." (p. 193). Other examples are Ottosson's (2001) underlining of other important factors as the state, financing possibilities and infra-structure, or Kostkinen

& Virtanen's (1998) view of entrepreneurship as "...a sign of structural change in social and market characteristics." (p. 145).

Another kind of critique of the mainstream location of entrepreneurship within the individual is based on arguments involving the social/societal consequences of entrepreneurship, for instance that entrepreneurship is gendered (Ljunggren, 2002). As Morrison (1998a) argues, most of the different definitions used are of idealistic character, based on assumptions that entrepreneurship is morally sound and socially responsive. However, as the argument goes, entrepreneurship might be a threat to social order, and to economic and societal systems.

Entrepreneurship involves both winners and losers, and unruly behaviour - all outcomes are not positive. Morrison (1998a) also claims that the concept of freedom of choice, associated with the entrepreneur, must be questioned, since certain circumstances, for instance unemployment, can force people to become entrepreneurs.

Even though researchers argue "... that variables explaining entrepreneurial performance include the environment, entrepreneur, resources, and management methods." (Mugler, 2000, p. 152), the individual stands out as central for the entrepreneurship process (see for instance Kostkinen & Virtanen's, 1998). When environmental or cultural factors occur, they are commonly treated as either to promote or inhibit entrepreneurial behaviour/personality (Glas, 1998; Gartner, 2001). Even when bigger entities such as organisations are treated, the possibilities to entrepreneurship rely on individuals: "By creating opportunities for entrepreneurial behavior of their employees, organizations and not only individuals can become entrepreneurial." (Henrekson, Larsson & Sjögren, 2001, 11).

ENTREPRENEURSHIP EDUCATION

Traditional education is marked as only a transformation of knowledge and skills while entrepreneurship education, in contrast, is held up as the model for changing attitudes and motives (Hansemark, 1999). Beside obvious advantages, like patronising business start-ups (McMullan
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& Gillin, 2001), entrepreneurship and entrepreneurship education has a wider market potential (Welsch & Kickul, 2001), which must be noticed: "Entrepreneurship has a unique and important role in business research and education. Consider the growing importance of this in educational settings." (Hitt & Ireland, 2000, 48). A well-conducted entrepreneurship education offers huge productivity gains, and can thereby be described as 'Taylorism of the Mind' (Guedalla, Herlau, Armer & Qasier, 2001).

Even if the content and form of entrepreneurship education is partly problematic, children are seen as entrepreneurial by birth (Landström, 2000). Therefore entrepreneurship education is to begin at the youngest age possible (Stevenson & Lundström, 2002). Entrepreneurship education demands a certain amount of time, single courses are not enough, and should optimally be integrated in all regular teaching at all levels of the educational system (Landström, 2000).

Concerning how to conduct entrepreneurship education, the lack of knowledge about effective teaching techniques for entrepreneurial educators is underlined as a problem, caused by that research on how to teach entrepreneurship is underdeveloped (Brockhaus, 2001). However, prescriptions are made: "Entrepreneurship education to be effective should be active, allowing students to demonstrate their learning through skills attained and attitudes developed." (Martin & Laing, 1998, 135). There is a consensus on that students can be successfully endowed with an entrepreneurial culture if their learning are experiential and problem based. Some examples are Duchénaut (2001): "...more than any other the entrepreneurial model requires an interactive pedagogy, leaving the initiative to the student." (p. 142), and Carland and Carland (2001): "The key, we feel, is the transfer of responsibility for learning from the instructor to the student." (p. 101). In entrepreneurship education, entrepreneurship is visible, things happen, the individual does not just think and talk, the learning is self-made through concrete action (Johannisson, Madsén & Wallentin, 2000).

So, then, what insights is this problem-based and experiential learning supposed to bring forth? "The introduction of entrepreneurship in schools is consequently about further enforcing already existing pedagogic starting points. The entrepreneurial approach to learning is more student-centred and action-oriented, allowing students to work on cross-curricular projects and

to learn entrepreneurship concept by playing games or running companies." (Stevenson & Lundström, 2002, 269). In addition to these concepts, some technical skills are viewed as necessary (Duchénaut, 2001) besides the practical know-how of how to start, run and develop business (Hansemark, 1999). Others argue that the development and learning process of the entrepreneur must be highlighted (Kostkinen & Virtanen, 1998), or that entrepreneurship education ought to cultivate both the language of management and personal communication (Lundström, 2000).

Regardless of the 'what' and 'how' of entrepreneurship education one can identify two dimensions, exemplified by Stevenson & Lundström's (2002) writings on the economic and the education school of entrepreneurship education. The economic school is about: "...what entrepreneurs do - create business, jobs, wealth and those things that contribute and comprise the economy. The 'education school' says that enterprise has a broader meaning and application, with initiatives, responsibilities and problems requiring individuals to act in an 'enterprising' manner." (Stevenson & Lundström, 2002, 273).

...THE MAIN PICTURE

A main picture of entrepreneurship and entrepreneurship education is thereby emerging from the research overview. This picture tells us that entrepreneurship is the entrepreneurial personality or, more specific, an individual with certain traits and behaviours. Entrepreneurship is viewed clearly positively and important, and thereby worth every effort to promote and to get everybody to realise its importance. In this, the growing interest to foster and develop individuals with the right kind of traits and behaviours, that is entrepreneurial ones, stands out as crucial. Entrepreneurship education is the cutting edge, the means to secure the future utopian society: "This new interest is more than just a fad and accurately reflects an emerging economic environment created by a confluence of changes in the corporate world, new technology and emerging world markets. As educators, we will undoubtedly have increased opportunities to influence aspiring entrepreneurs, as well as positively impact economic development, but are we ready to meet the

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challenge?" (Fiet, 2001, p. 79). The natural next step is therefore arguments in favor for entrepreneurship education.

Beside knowledge and skills in business and enterprise, entrepreneurship education is mainly about a formation of certain beliefs, values and attitudes, with the aim to get students to "... positively consider entrepreneurship as an attractive and real alternative to paid employment or unemployment. This represents a long-term strategy, an investment in the nation's future, aimed at effecting a significant cultural change." (Martin & Laing, 1998, 136). Entrepreneurship education is the way to build this entrepreneurial culture by fostering the right kind of individuals; individuals with the specific traits who form a kind of inner resource that can be profitable on the market. It is the rationale of the free market, decorated in educational concepts, that is fundamental to entrepreneurship education and it's consisting views on learning, knowledge and man.

SAME PICTURE - ANOTHER PERSPECTIVE

Now we want to take a step back and look at the picture from some distance, that is to leave it's parts in order to focus the broader outlines of the whole picture. The first that strikes the eyes of the spectator is the favourable approach to entrepreneurship held by researchers in the field. They have really recognised "... the value of, and need for, a truly entrepreneurial culture." (Glas, 1998, p. 108). Research on entrepreneurship stands out as an important task: "As an academic discipline it is our wish that this book will make a difference in the economic development and well-being in Europe and North America." (Landström & Sexton, 2000b, 443). Promoting entrepreneurship is conceptualised as more than a choice of a normative attitude; it is a responsibility (Hurley & Kuratko, 2001).

The first glance at the picture also reveals that this normativity is situated within the positivist paradigm (Ljunggren, 2002), with emphasis on measurement of the effectiveness of entrepreneurship and entrepreneurship education (often number of business start-ups as sole criteria). Further, mainstream research is characterised by shady empirical results, lacking theoretical base (Landström, 2000). This lack of theory is one primary

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criticism against research in this field (Watson, 2001), and Gartner (2001) argues that the lack is related to an unawareness of the basic assumptions research is founded on.

In the picture, there is a shift from the earlier, Schumpeterian, conceptualisation of entrepreneurship as a temporary process of innovation, to definitions of entrepreneurship as certain traits and behaviour of the individual. Schumpeter did not prescribe education, while contemporary mainstream research argues in favour of entrepreneurship education. Why? What does the connection between entrepreneurship and education mean? What causes the normativity of the research?

Perhaps the normativity has to do with the shift? Entrepreneurship education seems impossible if entrepreneurship is a function of carrying out new combinations, a moment of breaking routines possible only if others go on as usual, as Schumpeter (1994) states. How to educate a temporary function? This question gets even more complicated since no one knows in advance who or what organisation that will fulfil it (or what the function is), or when this will be done. In that case, perhaps today's locus of entrepreneurship to specific traits and behaviours of the individual is the logic behind the favouring of entrepreneurship education? In other words, entrepreneurship education to be possible requires a conception of entrepreneurship as the entrepreneurial personality; a conception of an individual with certain traits and behaviours that can be formed, transferred and transformed.

Anyway, entrepreneurship education is worth further problematising. One paradox, touched upon by Morrison (1998b), is that education conforms while entrepreneurship is about non-conforming individual behaviour. Individualism as a criterion of, or closely related to, entrepreneurship might therefore make entrepreneurship education an obstacle for entrepreneurship. If education homogenises, as Durkheim (1975) states that education is mainly about, educated individuals are more homogenised than before the education started. So, if individuals act and react more in the same way after entrepreneurship education than before, where goes the individuality that constitutes entrepreneurship? The same question goes for the entrepreneurial culture that entrepreneurship education is supposed to bring forth. After all, culture is a social/collective phenomenon, and not an individual. If an

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entrepreneurial culture emerges, will entrepreneurship disappear? This raises questions on what entrepreneurship really is about.

However, in the picture we are facing, entrepreneurship education seems like uncomplicated input-output models (examples of models in the literature are TBA (Fiet, 2001) and KUBUS (Guedalla, Herlau, Armer & Quasier, 2001)). The problem identified with entrepreneurship education is that there is not enough of it. The only research suggested is how to make entrepreneurship education more efficient. Within the science of education similar research has, for quite some time, been criticised for a number of reasons: an ideological base, assumptions of a simple and direct relation between teaching and learning, a subjectivistic or behaviouristic model of explanation and the absence of lasting insights on the efficiency wanted (see for instance Callewaert & Lundgren, 1976).

Therefore the normative approach to entrepreneurship education also seems naïve. One example is the methods prescribed for entrepreneurship education (learning by doing, experiential, problem-based, and so on). In the history of education the same method prescriptions show up, aiming at fulfilling widespread explicit purposes. However, put into practice the results are others than those promised (c f. Kallós, 1978). The use of the prescribed methods could hardly guarantee fostering entrepreneurship since, as Blankertz (1987) reveals, such normative and naïve prescriptions are unhistorical and neglects the complexity and variability of existing conditions for education and learning. This raises questions on what entrepreneurship education, besides promoting business start-ups, really is about (after all, there are other factors such as unemployment or belonging to a ethnic minority (Hendreksson, 2001) that promote business start-ups, so-called forced entrepreneurship).

One question is what kind of identity entrepreneurship education is supposed to form. Is it the identity Bernstein (1997) calls De-Centred Market identity? This identity, arising out of a focus on consumables, is about having an exchange value in the market. In that case, writings on entrepreneurship education perhaps is understandable as a parts in: "...the process of producing for the first time a virtually secular, market driven official pedagogic discourse, practice and context..." (Bernstein, 1997, p. 177). That would mean a new concept of knowledge, and of its relation to those who

create it and use it (Bernstein, 2000). This new concept marks a fundamental divorce of knowledge from persons, there is no relation between the knower and what is known: "Knowledge should flow like money to wherever it can create advantage and profit. Indeed knowledge is not like money, it is money." (Bernstein, 2000, p. 86). Then, what counts as knowledge and worth knowing in entrepreneurship education?

The writings on entrepreneurship education are a part of the societal production of an order of meaning, that transforms to pedagogic communication and practice in educational settings (see Bernstein, 2000). This communication and practice are, beside the creation of specialised skills, always about a moral creation of order, relation and identity. What are the values and moral beliefs that entrepreneurship education is supposed to inculcate? No matter what kind of education, pedagogic communication and practice are always regulative due to a certain order of meaning. In entrepreneurship education, as well as other kind of education, pedagogic communication and practice: "...acts as a symbolic regulator of consciousness; the question is, whose regulator, what consciousness and for whom?" (Bernstein, 2000, p. 37). These questions, and the other ones above, are of relevance for further analysis of writings on entrepreneurship education. They are also worth to highlight in empirical studies of different types of actually existing entrepreneurship education (Entrepreneurship education is going on all over Europe, supported by policy. Common at the university level are courses or programs. At lower levels entrepreneurship education often is integrated parts in ordinary education. There are also other organisations, outside regular educational systems, that provide entrepreneurship education).

The same goes for questions concerning entrepreneurship education as a part of the ongoing neo liberal oriented restructuring process (Walford, 2000; Whitty, Power & Halpin, 1998), which is sweeping through Europe and its educational systems (Andersson & Nilsson, 2000). Perhaps the writings on entrepreneurship education, in this perspective, are understandable as a specific political/ideological activity? Either way, entrepreneurship education as salvation, as it stands out in the writings, or damnation, as is questioned in the title of this article, is a complex set of

problems for empirical research within educational settings, under actual conditions.

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ATTRACTIVENESS AND IMAGE OF ENTREPRENEURSHIP: AN EMPIRICAL STUDY

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ABSTRACT

This article reports on an empirical study about factors which increase the attractiveness and image of entrepreneurship and suggests practical guidelines for programs aimed at increasing entrepreneurship. The research reported found seven factors relevant to increasing the attractiveness of entrepreneurship: holistic entrepreneurship education, lower fear for failure, stronger independent initiative and responsibility characteristics, better social security for entrepreneurs, stronger desire to get rich by enterprising, better image of entrepreneurship in the media, and lower taxation and payments for entrepreneurs.

INTRODUCTION

The entrepreneurship research has identified a number of factors affecting the emergence and success of new enterprises. Many of these factors, at least indirectly, also relate to the attractiveness and image of entrepreneurship. Factors can be divided into personality and environmental characteristics (Table 1). Personality factors presented in the literature include: a) risk-taking propensity to gain profits, b) locus of control (i.e. control over one's own [internal] and other's [external] actions), c) need for autonomy and independence, d) initiative, e) innovativeness and creativity, f) self-confidence and self-determination, g) tolerance for failure, h) tolerance for ambiguity, i) need for achievement, j) previous employment, and k) ability to learn. Environmental factors include: a) cultural acceptance, b)

availability of capital, c) economic climate, d) education system, e) labour market conditions, and f) simplicity of administrative procedures in starting a business.

Table 1: Emergence and success of new enterprises		
Factors affecting emergence and success of new enterprises		Author
Personality	Risk-taking propensity to gain profits	Brockhaus, 1980; Casson, 1982; Meredith et al., 1982; Mazzarol et al., 1999; Bridge et al., 1998; Lambing & Kuehl, 2000; Hyrsky, 2001
	Locus of control (i.e. control over one's own [internal] and other's [external] actions, Rotter, 1966)	Brockhaus, 1982; Bridge et al. 1998; Mazzarol et al. 1999;
	Need of autonomy and independency	Meredith et al. 1982; Bridge et al. 1998;
	Initiative	McClelland, 1961; Bridge et al. 1998; Lambing and Kuehl, 2000;
	Innovativeness and creativity	Tibbits, 1979; Casson, 1982; Timmons, 1985; Bird, 1989; Barrow, 1998; Bridge et al. 1998; Lambing & Kuehl, 2000; Hyrsky, 2001;
	Self-confidence and self-determination	Meredith et al. 1982; Bridge et al. 1998; Lambing & Kuehl, 2000;
	Tolerance for failure	Timmons, 1985; Lambing & Kuehl, 2000;
	Tolerance for ambiguity	Schere, 1982; Barrow, 1998; Mazzarol et al. 1999; Lambing & Kuehl, 2000;
	Need for achievement	McClelland, 1961; Meredith et al. 1982; Deakins, 1996; Mazzarol et al. 1999;
	Previous employment	Storey, 1982; Matthews and Moser, 1995; Mazzarol et al. 1999;
Ability to learn	Deakins, 1996; Littunen, 2000	

Factors affecting emergence and success of new enterprises		Author
Environment	Cultural acceptance	Gartner, 1985; Bull & Winter, 1991; Bridge et al. 1998; Lambing & Kuehl, 2000;
	Availability of capital	Cross, 1981; Storey, 1982; Zinger et al. 2001
	Economic climate	Eurobarometer Entrepreneurship 2000
	Education system	Gartner, 1985; Romanelli, 1989
	Labour market conditions	Pennings, 1982; Mason, 1989; Watson et al. 1998
	Simplicity of administrative procedures in starting a business	Eurobarometer Entrepreneurship 2000

While the literature is rich in terms of describing characteristics of the successful entrepreneur, there is not much knowledge on factors that impact the general image of entrepreneurship or the attractiveness of entrepreneurship as a career alternative. This article attempts to empirically explore what factors most impact the image and attractiveness of entrepreneurship as a career path.

This article, first, explains the method of the current study. Next, it reports the findings of the study, and in the same context, discusses the findings in the light of earlier literature. Then, it suggests practical guidelines for programs aimed at increasing entrepreneurship. After that, it summarizes the main conclusions of the study and offers suggestions for further research.

METHOD

This article is based on an empirical study using theme interviews and qualitative analysis conducted among Finnish entrepreneurs (see e.g.

Ackroyd & Hughes, 1981; Dey, 1993; Gummesson, 1991; Marshall & Rossman, 1989; Taylor & Bogdan, 1984; Tesch, 1990). Several aspects of entrepreneurship were examined including factors affecting the attractiveness of entrepreneurship as a career alternative and the general image of entrepreneurship.

Thirty entrepreneurs were interviewed in semi structured theme interviews. These interviews were tape-recorded and transcribed. The interview included several themes, such as (1) obstacles of entrepreneurship, (2) solutions to obstacles, (3) recent positive and negative factors related to entrepreneurship, (4) function of market mechanism, (5) factors affecting choice about entrepreneurship as a career and image of entrepreneurship, (6) factors facilitating the start-up phase of a company, (7) factors helping company survival during first years of operation, (8) factors enhancing company's expansion, (9) and locally executed public interventions to enhance entrepreneurship. The list of themes represents the structured dimension of the interviews. However, the purpose was not to restrict the discussion to these themes, but rather to make sure that all themes were discussed. In each interview, several new and interesting themes emerged which were not on the list. This represented the unstructured dimension in the interviews, and such a dimension is also important in theme interviews (Fontana and Frey, 1994).

Altogether, about 500 open-ended questions/themes were raised by the interviewer in the interviews. The data were analyzed in terms of systematic coding and categorization of descriptions and statements given by the interviewees, as well as the formation of a synthesis, which grasps these empirical evidences (Wolcott, 1994; Alasuutari, 1995; Silverman, 1995; Coffey & Atkinson, 1996). No further interviews were conducted once the saturation point of data had been reached. The data were analyzed superficially between the interviews and profoundly after they had all been conducted.

The analysis included an open and selective coding phase. In the open coding (Glaser, 1978, p. 56) or initial coding phase, the emphasis was on identifying and grouping qualitative evidences related to the attractiveness of entrepreneurship. This coding phase resulted in an initial categorization of the qualitative evidence. In selective coding (Glaser, 1978, p. 61) or

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focused coding phase, the purpose was to make a deeper analysis of each initial category developed in the open coding phase. All the qualitative evidences related to certain initial category were reviewed and analyzed together. The nature of initial categories were either explained which resulted in final categories (as they are brought forward this report) or they were abandoned due to a lack of or contradiction in evidence.

EMPIRICAL FINDINGS AND DISCUSSION

Six factors were found to increase the attractiveness of entrepreneurship. They are:

1)	Holistic entrepreneurship education,
2)	Lower fear for failure and stronger desire to get rich,
3)	Stronger independent initiative and responsibility characteristics,
4)	Better social security benefits,
5)	Better image of entrepreneurship in the media, and
6)	Lower taxation and payments for entrepreneurs.

Holistic entrepreneurship education

The role of holistic entrepreneurship education was emphasized in the data. Holistic entrepreneurship education refers to education dealing with and preparing for entrepreneurship. This training should take place at all levels of education. The interview material suggests that entrepreneurship education should particularly increase the spirit and willingness for entrepreneurship, not just teach how a company functions. Entrepreneurship education should begin at the junior grades of the basic school. It should also be part of vocational as well as university education. Entrepreneurs should play a role in providing this education by visiting schools to explain the nature of

practical entrepreneurial work. Both students and teachers should get practical experience in small enterprises. In order to improve the negative image of being entrepreneur, the education should put forward the positive attributes of entrepreneurship.

Some authors make a distinction between "entrepreneurial education" and "entrepreneurial training" (e.g. Hynes, 1996). Entrepreneurship education is the process or series of activities which aim to enable an individual to assimilate and develop knowledge, skills, values and understanding that are not simply related to a narrow field of activity, but which allow a broad range of problems to be defined, analyzed and solved-while entrepreneurship training is more planned and systematic effort to modify or develop knowledge, skills, etc. through learning experiences to achieve effective performance in an activity or range of activities (Garavan, Costine & Heraty, 1995). The term holistic entrepreneurship education used here covers them both.

The finding related to effectiveness of holistic, multidisciplinary and multiform entrepreneurship education is strongly supported by the literature-entrepreneurs are made, not born (Garavan & O'Conneide, 1994; Hynes, 1996; Gibb, 1997). The finding is further supported by the fact that entrepreneurship education has grown remarkably in the USA (Vesper, 1985, 1990; Solomon & Fernald, 1991). The meaning of lifelong learning has been addressed in entrepreneurship education (Ashmore, 1989). Entrepreneurship education has typically following goals: a) acquiring knowledge related to entrepreneurship, b) acquiring skills and techniques to analysis of business situations, c) identifying and stimulating entrepreneurial drive, talent and skills, d) undoing the risk-adverse bias by many analytical techniques, e) developing empathy and support for unique aspects of entrepreneurship, f) devising attitudes towards change, and g) encouraging new start-ups and other entrepreneurial ventures (Garavan & O'Conneide, 1994). The methods used in entrepreneurship education include, for example, reading, lectures, case studies, group discussion, presentations, problem solving, simulations, team work, projects, brainstorming, personal goalsetting, career planning, consultancy (Hynes, 1996), learning by doing, making of judgments under pressure, and use of practitioners (Henderson & Robertson, 1999).

Lower fear for failure and stronger desire to get rich

The empirical data show that the fear for failure is one of the main reasons why people do not choose entrepreneurship as a career. The consequences of bankruptcy may be dramatic and sustainable for an individual. Failing as an entrepreneur is perceived to cause, not only economic loss, but a sense of shame and possibly social exclusion. The empirical data show that if entrepreneurs get rich from their business, they often attempt to hide their success because they do not want to make other people envious. This finding is supported by both Vehkaoja (2002) and Kauppi (2002). In other words, one of the fundamental economic motives of entrepreneurship (getting rich) may cause a negative side effect of becoming less acceptable in the community. Also, as discussed earlier, many people seem to appreciate secure life with less risk (see also Kurvinen, 2001).

This finding relates to a fundamental aspect of entrepreneurship, risk taking, and it is in line with the entrepreneurship literature. Risk-taking propensity is defined as the perceived probability of receiving the rewards associated with success for a proposed situation, required by an individual before he will subject himself to the consequences associated with failure (Brockhaus, 1980). The alternative situation provides less rewards but also less severe consequences. This kind of risk/return-based definition according to Brockhaus (1980), describes the situation that faces the potential entrepreneur when he decides to establish a new business venture. However, it should be noted that according to the risk/return paradox, risk and return are not necessarily positively correlated (see more e.g. Bowman, 1980; Fiegenbaum & Thomas, 1988). Entrepreneurial literature also suggests that risk bearing is a major distinguishing characteristic between the function of a manager and those of an entrepreneur (Unni, 1990).

The general public often sees entrepreneurs as risk takers, not risk analyzers or risk-minimizers. The current finding is in line with the literature on entrepreneurship that emphasizes the role of risk management. As found in this study, risk management capability is an essential antecedent of successful enterprising and also increased attractiveness of entrepreneurship. Indeed, successful entrepreneurs do not necessarily take greater risks than others, they just manage them better. Lowering fear for failure calls for

understanding systematic risk management. Indeed, entrepreneurship education is one mechanism for undoing an individual's risk-adverse bias (Garavan & O'Connell, 1994). According to Moore & Gergen (1985), risk taking involves both making the decision to take a risk and developing a strategy to minimize it. Quantitative risk management calculations consist of identifying the sources of risks to be quantified, estimating probability of a risk occurrence and its impact (both optimistic and pessimistic), and calculating probability times impact value for each risk source (c.f. Chapman & Ward, 2000). Risk sources (or just "risks" here) may include volume related market risk, price related market risk, technical risk, financial risk, cost estimation risk or completion risk, schedule risk or delay risk, operating risk, organizational risk, promotion risk, political risk, environmental risk, integration risk, and force majeure (Jaafari, 2001).

Furthermore, risk management includes developing a treatment for different risks i.e., risk response planning. Hillson (2002) groups risk responses according to their intended effect on the risk being treated and uses four risk management strategies: 1) Avoid: referring to eliminating the uncertainty by making it impossible for the risk to occur, for example by executing venture in a different way; 2) Transfer: referring to identifying another stakeholder better able to manage the risk, to whom the liability and responsibility for action can be passed; 3) Mitigate: referring to reducing the size of the risk to make it more acceptable, by reducing the probability and/or the unwanted impact; 4) Accept: referring to recognizing that residual risks must be taken, and responding either actively by allocating appropriate contingency, or passively by doing nothing except monitoring the status of the risk. According to Hillson (2002), risk management includes identifying new risks, ensuring proper implementation of agreed responses, review of effectiveness, and monitoring changes in overall risk exposure.

Stronger independent initiative and responsibility characteristics

The empirical material suggests that an important factor affecting the propensity to begin as an entrepreneur is an individual's ability and willingness assume to independent initiative and responsibility for the others,
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such as employees and customers. The ability to take responsibility brings along a freedom that is appreciated by most entrepreneurs, but independent initiative and responsibility are not necessarily emphasized and taught. Also, there are people who are capable of initiative and can take responsibility under coercive circumstances (necessity entrepreneurship), but do not feel comfortable in this situation and prefer to be an employee when circumstances allow.

Mariani (1994, p. 4) explains that young entrepreneurs "who have run their own business demonstrate responsibility, drive, and initiative." According to Lambing and Kuehl (2000, p. 17), "successful entrepreneurs take the initiative in situations where others may not." According to Stein Ed., (1996), initiative means an introductory act or step or a leading action. Being responsible means being answerable or accountable, as for something within one's power, control, or management. Møller (1994) brings forward several prerequisites of employees' initiative, including: competence development, willingness to take risk, acceptance of creative mistakes, reasons rather than rules, will and courage. Hawk (1990) talks about increasing peoples' initiative and in this context refers to promoting an individual's permission to make mistakes as part of learning process. People may feel responsible when they have clear goals, something for which they can take responsibility, and feel that they can influence the situation on the way toward achieving the goals (Møller, 1994). People are willing to take responsibility when they see it as an opportunity for further personal development. Responsible people do not allow other people to make decisions for them, they make a decision and accept the consequences of that choice and do not shift the responsibility on to others (Møller, 1994).

Better social security benefits

Data suggests that many people prefer working as an employee rather than an entrepreneur because employees enjoy better social security benefits. Interviewed entrepreneurs wished they had better social security, particularly in the case of illness or unemployment. Lack of formalized annual leave was also discussed as a drawback for entrepreneurs.

Karjula (1999) discusses these concerns within the context of Finland where social security, retirement allowance, and taxation system do not consider entrepreneurs' circumstances. When pension scheme and social security are perceived to be too complicated, this causes obstacles for emergence of new entrepreneurship (Karjula, 1999). According to Kesti (1999), entrepreneurs' have to take care of their own social security, which is partly due to bureaucratic negligence. In the same vein, Kanninen (1999) discusses why the Finnish society does not encourage entrepreneurship and argues that social security makes it more attractive to work as an employee rather than be an entrepreneur. Kurvinen (2001) says that despite many improvements, entrepreneurs' and their families' social security is still significantly weaker than employees' social security, and this decreases propensity to start an enterprise. According to Entrepreneurship program 2000 of the Federation of Finnish Enterprises, profit seeking and related risk taking are part of entrepreneurship, however this should not mean that if an entrepreneur fails his or her social security is insufficient.

Better image of entrepreneurship in the media

The role of media was found to be very important for the image of entrepreneurship. However, the media tends to make headlines on negative issues related to entrepreneurship such as bankruptcies, frauds, failures, and trials. Positive aspects of entrepreneurship are seldom dealt with in the media. To make entrepreneurship more attractive, the media should send different signals on entrepreneurship. Based on the data, the media should tell success stories and various positive aspects related to this career alternative.

The above findings are supported by the results of a study by Henderson and Robertson (1999, p. 236) which found that "generally positive images of entrepreneurship are hampered by a lack of identifiable role models, poor media presentation of individuals or small firms, and lack of encouragement from important influencers on career". Like the present study, their (ibid.,) study concludes that media often portray business people in an unflattering light. In order to promote entrepreneurship Henderson and *International Journal of Entrepreneurship, Volume 8, 2004*

Robertson (1999, p. 244) conclude that media should be used to tell people success stories and various positive aspects related to this career alternative: "Above all in increasingly media-oriented society a helping hand could come from more sympathetic but influential media portrayals of entrepreneurial role models."

Lower taxation and payments for entrepreneurs

Several interviewees stated that entrepreneurship would be more attractive if various taxes and payments of entrepreneurs and SMEs were lower. On the other hand, opinions were mixed and some interviewees said that taxation is at the right level and focus should be turned to other factors. Traditionally, Finland has been a country of high taxes and good social security. This does not, however, apply to entrepreneurs. Although they have high taxes and other payments, they have not enjoyed high social security as mentioned earlier.

Pietarinen (2001) and Vääräniemi (2002) indicate that poor social security and high taxation are weakness of entrepreneurship in Finland and Kohi (2001) points out that particularly at lower income levels, entrepreneurs have a higher tax burden than employees.

SUGGESTED GUIDELINES FOR IMPROVING ATTRACTIVENESS AND IMAGE OF ENTREPRENEURSHIP

This article has, so far, empirically identified six factors relevant to attractiveness of entrepreneurship as a career alternative and the general image of entrepreneurship. These factors were also discussed in light of the existing literature. Based on these empirical findings and support from the literature, Table 2 provides practical guidelines for improving the attractiveness and image of entrepreneurship. These guidelines summarize findings and are intended to help programs promoting the image of entrepreneurship.

Table 2: Attractiveness and image of entrepreneurship - practical guidelines for programs aimed at increasing entrepreneurship	
Factor increasing attractiveness and image of entrepreneurship	Practical guidelines for programs aimed at increasing entrepreneurship
Holistic entrepreneurship education	<ul style="list-style-type: none"> Remember that entrepreneurs are made, not born.
	<ul style="list-style-type: none"> Entrepreneurship education should be included at all levels of education (junior grades of basic school, vocational education, universities).
	<ul style="list-style-type: none"> Entrepreneurs should be involved in education in order to create practical perspective to entrepreneurial work.
	<ul style="list-style-type: none"> Advantages of being an entrepreneur should be explained in the education.
	<ul style="list-style-type: none"> Increasing the spirit and willingness for entrepreneurship should have a high priority, not just giving information on how a company works.
	<ul style="list-style-type: none"> Education should involve acquiring knowledge related to entrepreneurship, acquiring skills and techniques to analysis of business situations, identifying and stimulating entrepreneurial drive, talent and skills, undoing the risk-adverse bias by many analytical techniques, developing empathy and support for unique aspects of entrepreneurship, devising attitudes towards change, and encouraging new start-ups and other entrepreneurial ventures.

Table 2: Attractiveness and image of entrepreneurship - practical guidelines for programs aimed at increasing entrepreneurship	
Factor increasing attractiveness and image of entrepreneurship	Practical guidelines for programs aimed at increasing entrepreneurship
	<ul style="list-style-type: none"> Multiple pedagogical methods should be used, such as reading, lectures, case studies, group discussion, presentations, problem solving, simulations, team work, projects, brainstorming, personal goalsetting, career planning, consultancy, learning by doing, making of judgments under pressure, and use of practitioners.
Lower fear for failure	<ul style="list-style-type: none"> Do not talk about "risk taking," instead refer to managing, analyzing, and minimizing risks.
	<ul style="list-style-type: none"> Methods for systematic risk management should include identifying sources of risks, estimating the probability and the impact of a risk occurrence should be part of systematic risk management. Avoiding, transferring, mitigating, and accepting are examples of consequent risk treating strategies.
Better ability for independent initiative and responsibility	<ul style="list-style-type: none"> Methods for enhancing individuals' independent initiative and sense of responsibility should include individual's personal (competence) development, acceptance of creative mistakes, clear goals, and feeling of being able to influence things.
Better entrepreneur's social security	<ul style="list-style-type: none"> The difference between entrepreneurs' and employees' social security levels should be considered.
	<ul style="list-style-type: none"> Social security system should be simple to understand.

Table 2: Attractiveness and image of entrepreneurship - practical guidelines for programs aimed at increasing entrepreneurship	
Factor increasing attractiveness and image of entrepreneurship	Practical guidelines for programs aimed at increasing entrepreneurship
Stronger desire to get rich by enterprising	<ul style="list-style-type: none"> ● The idea of "American Dream" should be examined and evaluated in the culture in question, and developed to fit the culture, and then launched to public. This adjusted version of the idea of getting rich by enterprising may be very different from its traditional popularized version.
Better image of entrepreneurship in the media	<ul style="list-style-type: none"> ● Publication of success stories on entrepreneurship in the media should be facilitated.
	<ul style="list-style-type: none"> ● Creating positive entrepreneurial role models should be facilitated.
Lower taxation and payments of entrepreneurs	<ul style="list-style-type: none"> ● Such taxation models should be developed which facilitate survival of start-ups without causing market interference and unfair position to existing companies in competition.

CONCLUSIONS

The purpose of this study was to identify factors increasing the attractiveness of entrepreneurship as a career alternative and overall image of entrepreneurship. The study was conducted in terms of theme interviews among entrepreneurs. Several factors were identified as impacting the attractiveness of entrepreneurship as a career alternative including: holistic entrepreneurship education, lower fear for failure and stronger desire to get rich, stronger independent initiative and responsibility characteristics, better social security benefits, better image of entrepreneurship in the media, and lower taxation and payments for entrepreneurs. This article also suggested practical guidelines for programs aimed at increasing entrepreneurship.

Future research might include a quantitative study to test the various factors identified in this study. More cross-cultural comparative research is also needed related to attractiveness of entrepreneurship. Exploratory research may help identify or develop approaches exploiting business networks to increase attractiveness of entrepreneurship, and thus number and growth of SMEs. For example, theories of virtual organizations (e.g. Mowshowitz, 1997; Christie & Levary, 1998) should be bridged to the research on emergence and growth of small enterprises.

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FRANCHISEE INTEREST IN THE RESULTS OF AN ACADEMIC STUDY OF FRANCHISOR-FRANCHISEE RELATIONS

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ABSTRACT

This study uses a need-based perspective to explain franchisee interest in the results of a study of franchisor-franchisee relations conducted among franchisees under the aegis of a major university. Participating franchisees who wanted a summary of the results to be mailed to them perceived greater conflict in their relationship with the franchisor and valued the franchisor's expertise more than franchisees who did not evoke an interest to receive the results. The results suggest that academic research is sought by small businesses if it is relevant to their needs.

INTRODUCTION

Business scholars have long been interested in knowing whether academic research is valued and sought by practitioners (Kelly, 1987; Rynes, Bartunek & Daft, 2001; Ankers & Brennan, 2002; Cornelissen & Lock, 2002; Kelemen & Bansal, 2002). Many studies indicate that a significant gap exists between the creation of business knowledge by academics and its utilization by practitioners (Abrahamson, 1996; Hackney, 2002; Keleman & Bansal, 2002). These findings have motivated business scholars to study the causes and consequences of this gap and identify ways to bridge it (Greyser, 1978; Rynes, Bartunek & Daft, 2001; Keleman & Bansal, 2002).

Similar to research in other business disciplines, a key goal of academic research in entrepreneurship is to provide useful recommendations for practitioners. A key objective of academic and professional associations of entrepreneurship is to promote academic research that will benefit entrepreneurial practice. For example, the foremost objective of the Association for Small Business Entrepreneurship is “to provide a means for the exchange of information and guidance concerning teaching, research, extension, and other activities designed to aid small business.” Recently, Davidsson (2002) discussed issues related to the relevance of academic entrepreneurship research for practitioners. Given this context, studies that examine whether academic research is sought by small-business owners are of interest to entrepreneurship academics.

The present paper uses a need-based perspective to explain franchisees’ interest in the results of an academic study of franchisor-franchisee relations. Specifically, franchisees who participated in a study of franchisor-franchisee relations were given an option to have a summary of the results mailed to them. This paper explains how franchisees who expressed a desire to receive the results of the study differ from those who did not. First, the research hypotheses are developed and then the survey characteristics are described. Next, the results are presented and finally the implications of the study are discussed.

HYPOTHESIS

Human behavior is shaped by underlying needs. Unmet needs compel individuals to engage in behavior that will enable them to satisfy their needs. This need-based perspective can explain small business owners’ interest in academic research. Following this perspective, a franchisee’s interest in the results of a study on franchisor-franchisee relations is a function of its need for such information. This paper uses the level of conflict in the franchisor-franchisee relationship and the franchisee’s valuation of the franchisor’s expertise as proxies for a franchisee’s need for the results of a study on franchisor-franchisee relations.

Conflict is manifest in any exchange relationship. It is defined as one party's perception that the other party is impeding its goal attainment (Gaski & Nevin, 1985). An operational perspective defines the extent of conflict in an exchange relationship as being a function of the frequency and intensity of disagreements between the exchange parties (Anderson & Narus, 1984). While some conflict is good for the relationship, beyond a certain level conflict can be harmful. When faced with conflict in its franchise relationship a franchisee is likely to try and end this conflict. Accordingly, a franchisee should be receptive to information that might enable it to better manage the conflict in its franchise relationship. By this token, the greater the level of conflict in the franchisor-franchisee relationship, the greater the franchisee's interest would be in the findings of a study on franchisor-franchisee relationships. In other words, franchisees who have relatively harmonious relations with the franchisor are less likely to be interested in the results of a study of franchisor-franchisee relations than franchisees whose franchise relationships are not as harmonious.

The lesser the franchisee's expertise in running the business, the greater the franchisee's interest would be in the findings of a study on franchising. Potential entrepreneurs choose the franchising option instead of starting an independent business because of the multiple advantages that franchising offers. One key advantage that franchisees get from joining a franchise system is the business expertise provided by the franchisor. The advantage of the franchisor's expertise is, however, not lasting (Oxenfeldt & Kelly, 1968-69). When franchisees are new they are likely to need the close supervision and training provided by the franchisor, but over time they gain the expertise and confidence to operate their business on their own. The greater the expertise and confidence that franchisees have at running the business of their own, the less likely they are to feel the need for the findings of a study on franchising.

To test the need-based perspective of franchisee interest in academic research the working hypotheses for this study are:

H1	Franchisees who request a summary of the results to be mailed to them perceive greater levels of conflict in their relationship with the franchisor than franchisees who do not request the results of the study.
H2	Franchisees who request a summary of the results to be mailed to them value the franchisor's expertise more than franchisees who do not request the results of the study.

DATA COLLECTION

SURVEY

Franchisees belonging to a well-known and fast growing franchise packaging, mailing, and business communications franchise system were surveyed. Surveying franchisees belonging to only one system made it possible to control for variables like industry and franchise type, and thereby enabled a more powerful test of the hypotheses.

A mailing list of the names, business addresses, and telephone numbers of franchisees was purchased from a franchise consulting organization. The survey questionnaires were mailed to 1,515 franchisees. To personalize the survey, the salutation in the survey letter contained the title (Mr./Ms.) and the franchisee's last name. In the questionnaire the name of the franchisor was specifically mentioned in a few places to ensure greater respondent involvement. The title (Mr./Ms.), the full name of the franchisee, and the address were typed on each envelope. The envelopes had postage stamps pasted on them, instead of being franked. After three weeks, a follow-up letter with a spare questionnaire was sent to nonrespondents.

In all, 436 responses were received. Eighty-eight survey packets were returned unopened because the business had closed or had moved. This is a common problem with commercial mailing lists. The total response rate for the effective mailings of 1,427 was 30.55%. The usable responses were 396 excluding refusals and incomplete surveys.

SURVEY TITLE PAGE AND COVER LETTER

The survey was in the form of a booklet, comprising legal size ivory colored paper folded lengthwise at the center. The booklet format of the questionnaire provides a professional appearance. The cover page of the survey booklet had the following title: A National Study of Franchisee-Franchisor Business Relations. A statement indicating the purpose of the survey was placed at the middle of the cover page. This statement read, "This study is intended to help us develop a better understanding of franchisee-franchisor business relations. If you own multiple outlets, please respond with respect to your oldest unit. Your response will be kept confidential. Thank you for your help." The name and address of the source (business school and university) were given at the bottom of the cover page.

The survey was accompanied with a cover letter that described the nature of the survey and made an offer to share the results of the survey. The relevant portions of the cover letter are given below:

As you are aware managing a franchise business and planning effective business strategies is a challenging task. The marketing department at the University of xxxxxxx recognizes the difficult and sometimes complex nature of the franchise business and is trying to find ways that will help franchisees, such as yourself, successfully manage their businesses. To achieve this objective we need additional insights into the franchisees' business environment, especially their business relations with their franchisors.

The only way we can gain a complete understanding of the franchise business is by getting inputs from different franchisees.....We would appreciate you taking a few minutes to complete the enclosed questionnaire and then returning it in the enclosed postage prepaid envelope.

We assure you of complete confidentiality. The questionnaire has identification numbers on it for mailing purposes only. The results of this study will be reported in the aggregate; specific company names will not be connected

with individual responses. If you would like to receive a summary of results please write "summary of results requested" along with your name and address on the back of the return envelope.

The title page of the survey and the accompanying cover letter clearly convey that the study is being conducted by an academic institution and that the purpose of the study is to seek a better understanding of franchisor-franchisee relations.

MEASURES

Two conflict measures were used. The first was a seven item conflict measure (CON) and was adapted from Gaski and Nevin (1985). The second was a summary measure (CONS) of the frequency and intensity of partner disagreements and was adapted from Anderson and Narus (1984). The franchisee's valuation of the franchisor's expertise measure was adapted from Gaski's (1986) expert power scale. The items comprising the two multi-item scales had five response categories ranging from strongly agree to strongly disagree. The final scale score was the sum of the individual items divided by the number of items in the scale.

Factor analysis revealed that the multi-item measures of conflict measure (CON) and franchisor expertise (EXP) are unidimensional. The scales had very high reliability evidenced by coefficient alpha values of 0.90 and 0.91. The measurement items are listed in the Appendix.

RESULTS

Out of 396 respondents, 220 respondents requested a summary of the results to be mailed. Separate variance t-tests were conducted to determine whether franchisees who requested for a summary of results differ in their perceptions of the level of conflict characterizing their franchise relationship

from franchisees who did not request for a summary of results. The results are given in Table 1.

	Results Requested Franchisees			Results Not Requested Franchisees			Test Statistics	
	N	Mean	S.D.	N	Mean	S.D.	t-value	p
CON	219	18.61	6.97	171	17.15	6.55	2.108	.036
CONS	219	3.70	1.54	175	3.39	1.48	2.009	.045
EXP	217	16.62	4.68	171	15.30	5.02	2.656	.009

Table 1 shows that franchisees who requested the results perceive significantly ($p < .05$) higher levels of conflict than franchisees who did not request the results across both the multi-item conflict measure (CON) and the summary conflict measure (CONS). Accordingly, H1 is supported. The two groups of franchisees also significantly differ with respect to their valuation of the franchisor's expertise ($p < .01$). This result provides support for H2.

DISCUSSION

Small businesses are an important driver of the American economy and account for a significant percentage of the total workforce. Typically, these businesses do not have the same resources as larger established enterprises and therefore their failure rate is high. Accordingly, there is a need for research that can help small business owners manage their business effectively. However, like in other business disciplines, academic research in entrepreneurship has had a tendency of not being appealing to practitioners (Ireland & Van Auken, 1987).

In this study, we found that franchisees who showed an interest in the results of an academic study on franchise relations perceived greater conflict in their relationship with the franchisor and valued the franchisor's expertise

more than franchisees who did not show any interest. This result suggests that franchisees are likely to be interested in academic research if it addresses problems that they face in running their businesses. Accordingly, for small business research to be sought by practitioners, researchers should identify and study the problems that small businesses face. Interaction sessions between academics and practitioners at the meetings of professional associations can facilitate the process by which academics can find out the problems of practitioners (Rynes, Bartunek & Daft, 2001). The Marketing Science Institute, an organization that is jointly run by marketing academics and marketers from leading organizations, regularly announces a set of priority topics for academic research based on input from its corporate members. Such an approach can be adopted by entrepreneurship associations.

This study assumed that the higher the degree of conflict in the franchise relationship, the greater the need the franchisee has for looking at the findings of a study of franchise relations. While this assumption is compelling, a possible limitation of our study is that there might be other competing explanations of our empirical results. Another limitation is that the results are based on data collected from only one franchise system.

This study concludes that entrepreneurs will be interested in academic research if it addresses the problems that they are facing. Future research needs to investigate whether the findings of academic research, that focuses on topics of interest to entrepreneurs, are found useful by entrepreneurs.

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APPENDIX

Measurement Items

Multi-Item Conflict Measure (CON)

1. Sometimes our franchisor prevents us from doing what we want to do.
2. Our franchisor's policies reduce our profits.
3. Our franchisor makes it difficult to do our job
4. Our franchisor has been very fair to us.
5. We disagree with many of the things that our franchisor does.
6. Our franchisor doesn't seem to have our franchise's best interests at heart.
7. Our franchisor's policies make things difficult for us.

Summary Conflict Measure (CONS)

Considering both the frequency and intensity with which you disagree with your franchisor on business issues and policies, please check the one statement in the set of statements below that best overall captures your franchise business's working relationship with XXXXX.

- _____ it is ideal and free of any conflict
- _____ it is smooth and comfortable one
- _____ it is polite one
- _____ it is workable
- _____ it is somewhat tense and strained
- _____ it is clearly tense and strained
- _____ it is "on the rocks"

Franchisor Expertise Measure

1. We respect the judgment of our franchisor's personnel.
2. We get good advice from our franchisor
3. The people from our franchisor's organization don't know what they are doing.
4. Our franchisor is an expert in its field.
5. Since our franchisor is familiar with its business, we accept what our franchisor tells us.
6. Our franchisor has a lot of experience and usually knows best about managing franchise activities.

ANALYSING THE EFFECTIVENESS OF FRANCHISEE TRAINING PROGRAM: EMPIRICAL OBSERVATIONS FROM FINLAND

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ABSTRACT

The Finnish franchisee training program is a unique training given to prospective franchisees by a third party. The program aims to find people interested in franchising and to give them the essential skills and knowledge a franchisee needs. Additional goal is to help the trainees to choose a franchise. In total, more than 200 trainees graduated from the first ten programs held in 1999-2001. The graduates comprise the samples of the current study. The data were collected in two separate phases. The study explores the potential differences of the samples. The purpose of the research is to analyze the effectiveness of the franchisee training program by describing the career shifts of the trainees.

BACKGROUND

In a franchising relationship, the franchisor is responsible for arranging initial and ongoing training for the franchise owners. However, most of the young or smaller size franchisors do not have enough resources to arrange versatile and in-depth training for their franchisees. The Finnish franchisee training program is an answer to this need. It is a unique training given to prospective franchisees by a third party. The program aims to find people interested in franchising and to give them the essential skills and knowledge a franchisee needs. Additional goal is to help the trainees to choose a franchise. The organizing parties behind the programs are the

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government owned Employment and Economic Development Centres and a private consultation company specialized in franchising. The training program enables franchisors to concentrate on system specific training, while it strives for providing the participants with a realistic view of the time, financial and skills demands of franchise ownership and self-employment. Therefore, the program serves both franchisors and prospective franchisees.

The first program was organized in 1999 in Helsinki. Subsequently, the programs have also been arranged in two other major cities, Tampere and Turku. In total, more than 200 trainees graduated from the first ten programs held in 1999-2001. The graduates comprise the samples of the current study. The data were collected in two separate phases. Mailed questionnaires and phone interviews were used to gather quantitative and qualitative data. In the initial phase 2001, all 100 graduated participants of the first five training programs were surveyed. The study concerning the first five training programs is published in Torikka & Tuunanen (2003). In the latter phase 2003, all graduated participants (N=114) from the programs 6-10 were sampled. The present study explores the potential differences of the samples gathered in these two phases. Moreover, the analysis pertains to the achieved results of the training programs. Consequently, the effectiveness of the training can be evaluated and verified.

The purpose of the research is to analyze the effectiveness of the franchisee training program by describing the career shifts of the trainees. Past literature has shown that the effectiveness of education and training is a multifaceted phenomenon and therefore difficult to measure. Desirable effects of the training may emerge later and in various ways.

Scholars of different disciplines, say pedagogy, economics and psychology, have shown that the effectiveness of education is a multifaceted and controversial phenomenon. For instance, as Orser and Hogarth-Scott (1998) have found, the assessment of education and the perceived value of its outcomes may be dependent upon the stakeholders (i.e. trainers, delivery agents, public policy-makers, business owners and employment equity groups) vested interest in the education. Furthermore, according to Vaherva (1983) the primary or immediate, secondary and even tertiary effects of education can be examined. The effects of education can be seen in the functioning of those educated and the surrounding society and they last as
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long as the following generation. On the other hand, Garavan and O' Cinneide (1994) point out that factual knowledge and limited skills acquired in the classroom are not enough to consider entrepreneurship education and training to be effective. Instead, new ventures should be stimulated, they should be successful and the entrepreneur should be able to pursue even greater success.

RESEARCH DESIGN

The present research data were gathered in two phases and therefore, there are two samples, I and II. The study explores potential differences of the samples and the analysis pertains to the achieved results of the training programs. The effectiveness of the program was measured through changes in the trainees' professional employment status and trainees' intention to purchase a franchise. Moreover, participants' overall satisfaction with the program was measured, since satisfaction is frequently used as a first level measure of the effectiveness of education indicating participants' reactions to the training (Kirkpatrick, 1983; Vaherva, 1983; Robinson & Robinson, 1989; Mikkonen, 1997).

The background and contact information of the participants were gathered in collaboration with the organizing parties. All graduated participants of the first ten training programs were chosen as informants. The first two surveyed programs were carried out in Helsinki in 1999 and the following three in 2000 in Turku, Tampere and Helsinki respectively. These five programs comprised the first sample of the study. The second sample included the five programs arranged in 2001. Three of them took place in Helsinki and one each in Turku and Tampere.

In the initial data gathering phase all 100 graduated participants of the training programs 1-5 were surveyed. Ninety usable responses were received and hence, the response rate was 90%. In the latter phase, all graduated participants (N=114) of the programs 6-10 were sampled. Eighty-six acceptable responses and a response rate of 75% were obtained. At both times, quantitative and qualitative data were gathered through mailed questionnaires and phone interviews.

In both phases, all graduated participants of the chosen five programs were sampled simultaneously even though the training programs were arranged at different times and in different cities. Consequently, depending on the time of training, informants were surveyed 6-24 months after they had completed the training. This issue should be regarded as a methodological limitation of the study, since the results i.e. effectiveness of the training, may depend upon the length of the time passed from the completion of the program. To find out whether the samples were similar, an investigation on the possible differences in the backgrounds of the trainees was done. Potential differences between the samples could limit the comparability of the results i.e. effectiveness of the training. The analyses showed no significant differences between the two samples. The organizing parties had employed similar lines of recruitment for all ten programs. A cross-sectional design of the study may also be regarded as a limitation. Longitudinal research is needed to be able to verify the second and third level effects of education or training.

RESULTS

This part of the paper addresses the main findings of the study. The effectiveness of training was measured through three items i.e. career decision making, entrepreneurial intention and satisfaction towards the training. In following the results are reported in that order.

By examining changes in the trainees' professional employment status, it is possible to measure some effects of the program. First, trainees were asked about the impact of the program on their career choices made after passing the program. Nearly 60% of the Sample I respondents stated that the program had an effect on their decisions while the corresponding figure among Sample II respondents was 74%. Every fifth (21%) of the Sample I respondents and every fourth (26%) of the Sample II respondents felt the program had a strong or even very strong effect on his or her career decision. In addition, more than one third (37%) of the Sample I and almost half (48%) of the Sample II participants viewed the training having moderate or slight effect on their career decision-making. The effect was measured by
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a scale ranging from one to five - "the training had no effect on my career decision" to "the training had a very strong effect on my career decision". The T-test showed a significant difference (.001) between the samples. The training had a stronger effect on graduates' career decisions in the Sample II.

A detailed analysis of the changes in trainees' professional statuses is illustrated in Figure 1. Identical information is given in Table 1. The arrows in the Figure 1 present career paths when a career shift took place. In order to separate the two samples, the numbers describing Sample I are in brackets. Sixteen different career paths emerged in both samples and in total fifty-five shifts in Sample I and fifty-four shifts in Sample II occurred. A couple of the paths stood out since so many people followed them. Conversely, in several occasions career choices were rather individual and the paths varied a lot.

The illustration shows that those 25 persons, 12 in Sample I and 13 in Sample II who bought a franchise after finishing the program had very dissimilar entry statuses: Six persons in both samples had either a full or part-time job at the time of entering the training, three people in Sample I and four in Sample II were searching for job, two in Sample I and one in Sample II owned a small business and one person in Sample I and two persons in Sample II were full-time students.

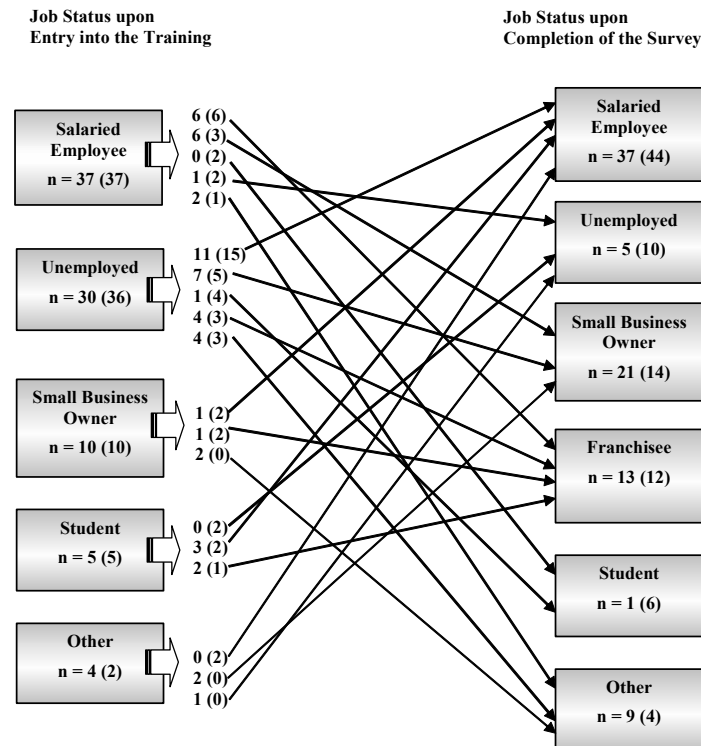
No career shifts happened in 35 cases (39%) in Sample I and 32 cases (37%) in Sample II. In 23 of these cases in Sample I and in 22 in Sample II the trainee was a salaried employee. Twelve small business owners, six in Sample I and six in Sample II continued operating their businesses also after the program. Interestingly, in two occasions in Sample I and one in Sample II, a small business ownership was discontinued during the training and the trainee found a salaried job. One sixth (16%) of the unemployed people belonging to Sample I and every tenth (10%) belonging to Sample II remained unemployed also after the training.

The second measure employed in analyzing the effectiveness of the training programs was trainees' intention to purchase a franchise. In Sample I, one fifth (20%) of the participants indicated that they were seriously interested in buying a franchise in the future. In similar vein, a group of equal size (21%) expressed being not interested in it. Interestingly, 59% of the trainees were still unsure of their future decision. In Sample II, there were more of those, who were uninterested in buying a franchise (15%) than those

who were interested (12%). But, the figures were evidently much lower than in Sample I. On the other hand, the number of trainees who could not indicate their future decision was even greater than in Sample I, namely, two thirds (69%).

Job Status upon Entry into the Training		Job Status upon Completion of the Survey					
		Salaried Employee	Unemployed	Small Business Owner	Franchisee	Student	Other
	I II	I II	I II	I II	I II	I II	I II
Salaried Employee	37 37	23 22	2 1	3 6	6 6	2 0	1 2
Unemployed	36 30	15 11	6 3	5 7	3 4	4 1	3 4
Small Business Owner	10 10	2 1	0 0	6 6	2 1	0 0	0 2
Student	5 5	2 3	2 0	0 0	1 2	0 0	0 0
Other	2 4	2 0	0 1	0 2	0 0	0 0	0 1
Total (N)	90 86	44 37	10 5	14 21	12 13	6 1	4 9

Figure 1. Trainees' Career Shifts



* Sample I in brackets

Participants' satisfaction was measured via two scales. First one, overall satisfaction, was quantified by asking how did the training meet participants' initial expectations (see Table 2). A five-step Likert -type scale ranging from "Surpassed my expectations considerably" to "Fell short of my expectations considerably" was employed. Eighty-two percent of the Sample I respondents rated the program at "3" or above (met or surpassed expectations.) More than one third (36%) felt the program exceeded their expectations slightly or considerably. Only every sixth (18%) trainee rated

the training as falling short of his or her expectations. The mean score of the overall satisfaction in Sample I was 3.26. To compare, in Sample II, nine out of ten (92%) respondents told the program had met or surpassed their expectations. Additionally, 46% felt that the training exceeded their expectations slightly or considerably. Less than every tenth (8%) trainee perceived that the training fell short of his or her expectations. The mean score of the overall satisfaction in Sample II was 3.52 and consequently, there was a slight difference (Sig. .056) between the samples in favor of the second sample.

How did the training meet your initial expectations?				
Scale	Alternatives	I	II	I + II
		%	%	%
5	Surpassed my expectations considerably	11	14	13
4	Surpassed my expectations slightly	25	32	28
3	Met with my expectations	47	46	46
2	Fell short of my expectations slightly	14	8	11
1	Fell short of my expectations considerably	3	0	2

The second scale pertaining to trainees' satisfaction was intention to recommend the program to others. The scale was dichotomous having the options: "Yes, I would recommend the program" or "No, I would not recommend the program". Nine out of ten (90%) of Sample I respondents opted for recommending the training for potential participants. Participants' overall satisfaction and their post-course intention had a strong and significant correlation (Contingency Coefficient .605; Sig. .000) with each

other. Ninety percent of those who were satisfied with the program were likely to recommend it. Similarly, the respondents of Sample II appreciated the program and almost all of them (98%) were ready to recommend the training for potential participants. In contrast to Sample I, in Sample II the overall satisfaction of the participants and their post-course intention had a low and non-significant correlation (Contingency Coefficient .242; Sig. .152) with each other. Surprisingly, there were six graduates who expressed that the training fell short of their expectations but still they were ready to recommend it. Ninety-nine percent of those who were contented with the program were likely to recommend it.

DISCUSSION

A clear majority, nearly 60% of the respondents of Sample I and 74% of the respondents of Sample II confirmed the program had an effect on their employment and career choices. Nearly one sixth of the respondents (n=12) purchased a franchise and eight informants started their own, independent businesses of the Sample I respondents. Moreover, six people continued running their existing businesses. Almost an equal amount (n=13) of respondents started a franchised business and fifteen informants established their own, stand-alone company in the Sample II. As in Sample I, six persons continued running their existing businesses. To summarize, the figures indicate that more than one fourth (29%) of the informants of Sample I and over one third (39%) of the respondents of Sample II were involved in entrepreneurial activities at the time of the study. The results also showed that the programs 6-10 were even more successful than earlier programs in fostering entrepreneurial activity among the participants. However, Sample II included less of those who intended starting a franchised business in the future compared to Sample I. Also, there were even more of those who were unsure about their upcoming career decision in Sample II. Nonetheless, the study explored potential differences of the samples. Results of the training programs were parallel and no remarkable differences were recorded between the samples.

Even though a majority of all the respondents (82% of the Sample I and 92% of the Sample II respondents) were pleased with the program, satisfaction is not necessarily a straightforward indicator of the effectiveness of the training. However, it is often used as a first level measure of the effectiveness of education. By the same token, it is recommended to evaluate for one thing, what have the participants learned and second, have any changes in their behavior occurred and have they been able to apply the learned skills in practice. The bottom-line effects of the training are results of the first three levels - satisfaction (reactions), learning and behavior. Measuring or evaluating the bottom-line effects is demanding, time consuming and requires following the whole process and determining the expected or desired outcomes already beforehand. (Vaherva, 1983; Mikkonen, 1997) On the other hand, the assessment of education and the perceived value of its outcomes might differ depending upon the stakeholder (Orser & Hogarth-Scott, 1998). In this cross-sectional study, the effectiveness of the program was gauged through direct changes in the participants' professional employment status.

When discussing the effectiveness of the franchisee training program, an important question remains to be answered: What is the actual impact of the program on new business formation? Would those trainees, who started their own business after the training, started a business without the training? Basically, individuals selected for the program might have from the outset been more interested and suitable for small business ownership. This is an issue that has been raised in connection with many employment and entrepreneurship education programs. Studying those trainees who became entrepreneurs might shed some light on this subject.

The effectiveness of the franchisee training program is well worth studying. Some of the facts supporting the importance of researching the issue are the following: The need for new franchisees continues to be the most severe growth barrier for franchise chains in Finland. Franchisors face problems in finding and recruiting proper franchise owners for their systems. Indeed, while entrepreneurship is appreciated in the society, only few people will set up a business. Generally taken, the situation is the same in whole Europe except the southern parts of the continent (cf. Green Paper: Entrepreneurship in Europe). In Finland, recently formed government has set

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the promotion of entrepreneurship as a top priority in its program. For this purpose, the Ministry of Trade and Industry has launched an implementation plan for the Entrepreneurship Policy Programme. This program is to remove the obstacles to entrepreneurship and to utilize the potential provided by entrepreneurship for boosting growth and improving employment. The program consists of five sub-sectors. Two of the five are "education and training of entrepreneurs and business consultancy" and "start-up, growth and internationalization of enterprises".

In order to allocate the scarce public resources in a best possible and productive way to promote entrepreneurship, the actions made should be evaluated and their results explored. Franchisee training program is one of the government funded measures to foster entrepreneurship. To develop the program and to assess the inputs-outputs relationship, it is essential to gauge the effectiveness of the training. Objective information on the outcomes of the program is therefore valuable to the government and other small business policy makers as well as to franchisors and prospective franchisees.

Furthermore, to be able to examine also the second and third level effects of the training the investigation should be longitudinal. For instance, career choices are rather complex and involve long-term decision making processes. In addition, opening of many franchised outlets might be delayed, say for a year or two, if a proper site locations cannot be found. The present study will continue as a longitudinal investigation with the existing respondents. The aim is to deepen the information by utilizing qualitative methods and more sophisticated questionnaires.

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