

# **Understanding Entrepreneurial Behavior in SMEs: A Case of Two Finnish Heavy Equipment Companies**

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Entrepreneurship  
Master's Thesis  
November 4, 2015

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# ABSTRACT

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From my real life experience and as a student studying in the University of Jyväskylä, I have developed an interest on the importance of becoming either a philanthropist or industrialist. This actually led to my inquiry into the world of a social and business enterprise in relationship to how they impact the society. The study of Entrepreneurship therefore has broaden my ideology on business and this has led to knowing about the conflicting views of its definition and what makes a successful entrepreneur? The following research work will examine how Entrepreneurial behavior interpretes to the growth of a business enterprise and what are the behavior(s) that encourages exploration and exploitation employed by owners/managers in a firm. In the introduction part of this work, the theoretical background is given along with a definition of the study scope and emphasis placed on earlier studies on entrepreneurial behavior and review of theories.

Keywords: Entrepreneurship, Entrepreneurial behavior, Growth, Entrepreneurial process, Entrepreneurial orientation.

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## ACKNOWLEDGEMENTS

Entrepreneurial behavior is a concept that has been in the centre of research topic discussion in economic psychology. This thesis explains what behavior(s) encourages exploration and exploitation employed by owners/managers in a firm. Following the introductory chapter are five other chapters that shows my effort to better understand entrepreneurial behavior. However, this thesis would not have happened without the support I got or needed.

This is why I would like to first of all show my gratitude to Almighty God for granting me the strength, wisdom, knowledge and understanding for conducting this thesis.

Similarly, it is pertinent to appreciate the effort of my loving and adorable wife, Mrs Omolola Akala for her patience, understanding and contribution in one way or the other towards the success of this programme.

I also wish to mention the efforts of the staff of COMPANY A and COMPANY B who by their cooperation and assistance have made this work a success. And finally, I equally want to use this medium to appreciate the invaluable assistance, guidance and patience of my Supervisor, Prof. Juha Kansikas, who despite his official duties and other engagements had adequate time to supervise my thesis thoroughly to a logical conclusion.

Jyväskylä 4.11.2015

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## 1 INTRODUCTION

Entrepreneurship happens to be getting popular and fast rising to be the largest employer of labor in many developed nation's economy most especially family firms thus, it's a focus in economic growth and development (Baumol 1968, Carsson 1982). According to OECD (1998:41), entrepreneurship creates job and wealth. And one of the most central problems of entrepreneurship research is the definition of entrepreneurship and entrepreneur and Delmar (1996) said this is because it is inter-related to so many social science fields (economics, history, psychology, sociology, geography) and with each coming with a definition that suits it.

Many studies in the past have tried to tell about the factors and processes that enhances the performance of a business unit. However, due to the growing nature of entrepreneurship, world events and technology advancement, there are few works that have investigated the impact of entrepreneurial behavior of organization on the performance of businesses (Bird & Schjoedt, 2009). The growth of the small and medium companies/firms can be attributed to the effects of the competition existing in the immediate environment in which the local market exist. In effect, the behavior of an entrepreneur(s) on the matters of growth and expansion could be explained with two (2) opposing views: A lot of the entrepreneur(s) are faced with demands in the different situations while anxiety makes others creates an impact on their businesses. Morrison et al, (2000) proposed that the procedure and activity of entrepreneurship is deeply rooted inside the society and culture, person and intuition. It is more holistic and should not be seen as a mere economic function which is pragmatic and ideal. But the key argument is what triggers the success of an entrepreneur? While Kuratko, Ireland, Covin, & Hornsby (2005) maintains that entrepreneurial behavior can be described as an agent of social change and that enhances innovation within an established organization. However, Bird, Schjoedt, & Baum, (2012) emphasizes the need to focus more attention on researches that addresses detailed and noticeable human behavior in an enterprise and firm creation or emergence. Hitherto, Stopford and Baden-Fuller (1994) wants a focus on issues

on the possibilities and ways the features or hallmark of behavior combined with a particular entrepreneur(s) can affect the business unit. In view of this, it becomes imperative for both small and medium sized enterprise to embrace and study human resource in order to achieve optimum use of resources effectively and efficiently. The word "ENTREPRENEUR" has its origin during the 17<sup>th</sup> and 18<sup>th</sup> century in the French economics (Dees, 1998). And Watson (DNA of entrepreneur) had scientifically explained entrepreneurship using the DNA (deoxyribonucleic acid in humans or organism which is a hereditary material) by evaluating the nature of economics and commerce and posited a question "if entrepreneurs are born or made?" He is of the opinion that an enterprise is an economic building block that enables an individual to undertake an economic activity. Thus, an entrepreneur can be described as that individual that manages, takes and seeks opportunity and assumes risk in the enterprise (Watson). Having mentioned that, entrepreneurial opportunities is said to be enormous and individuals just need to recognize them only if they are willing to exploit them. Obviously, entrepreneurship research has gotten to a level where the behavior of individuals or as a team should become an important thing and in addition, the study of entrepreneurial behavior is important to entrepreneurship and firm creation. Shane & Venkataraman (2000, page 218) then defined Entrepreneurial behavior as the "*discovery, evaluation, and exploitation of entrepreneurial opportunities*". Therefore, more studies should be conducted to understand the main reason for the use of the terms discovery, evaluation, or exploitation (Kuratko, et al., 2005), in regards to a going concern (enterprise) which has started operations. Thus, we are involved in trying to seek answers to these demanding problems: what entrepreneurial behavior is all about. Secondly, to identify what behavior of owners/managers promotes exploration and exploitation in a firm. In spite of the debate amongst academicians that the attention of entrepreneurship study should be on identifying and exploiting of opportunities (Venkataraman, 1997; Shane and Venkataraman, 2000; Hitt et al, 2001) and emphasis placed on entrepreneurial behavior, (Bird & Schjoedt, 2009) opined in their work that it is a work in progress. Therefore, to go a bit further in that direction, both theoretical and empirical research that consider all aspects of entrepreneurial behavior are encouraged therefore this thesis makes a contribution to this field by improving our knowledge.

## **1.1 Background of the study and statement of Problem**

We cannot under-emphasize the fact that SMEs clearly play a very important part in the economic growth or development of a country. Therefore, entrepreneurs and their attitude(s) or actions in coordinating and managing individual business entity are thus, required to brace up to the occasion by finding a solution to the impact of the global economic problems or uncertainties. This research work then tries to find answers to how Employees can also develop a career in a firm where there is limited or no hierarchy

and also employees who already works in an enterprise and wants to leave or quit the job for reasons like retirement or choose a new careers path after identifying an opportunity outside the firm and can then become entrepreneurs.

### **1.1.0 Purpose of Study**

There is an increasing demand for the study and development of entrepreneurship as a result of world events and technology advancements. According to Schumpeter (1912), entrepreneurship is involves stimulating economic progress through innovation and action. This process includes: exploration and exploitation activities which includes; opportunity seeking, risk taking, personal traits e.t.c. In view of this, the purpose of the study is divided into two although inter-related and centers on the entrepreneurial behavior and growth of a SME. First is an explanation about entrepreneurship and understanding the role of entrepreneurial behavior in SMEs. And secondly, to understand how individual differences on the part of owners/managers promotes entrepreneurial behavior among their employees. Therefore, looking at these concepts from a scholarly angle, it is pertinent to blend the comprehensive knowledge of entrepreneurship and entrepreneurial behavior to be able to outline and consolidate on the findings and study in details. And from the angle od a practitioner, organizations that are keen in promoting entrepreneur amongst employee(s) would be aware of the processes employers use and how to manage the organization.

### **1.1.2 Research questions**

This work helps in understanding entrepreneurial behavioral role in making decisions, planning, and control of the Small and medium scale enterprise. And accordingly, the study came up with the following questions that can help the study meet up with its aims and objectives.

1. What is entrepreneurial behavior?
2. What are the behavior(s) that encourages exploration and exploitation employed by owners/managers in a firm?
3. How do entrepreneurial behavior in each case SME interprete to business performance?

### **1.1.3 Limitations of the Study**

This work was carried out with some setbacks or hiccups, but I didn't get discouraged, thus, with determination, focus and planning it became a success. Firstly, one of the setbacks was that the researcher was not financially bouyant at the time he commenced the work. While the limitation of this work is that it revolves around entrepreneurial behaviors in relation to achieving organizational performance using COMPANY A and COMPANY B as case studies and has no financial or academic commitment attached to it for its application

Despite the limitations mentioned which is associated to the study, its discussions which are properly analyzed and interpreted in this thesis gives us an understanding of what COMPANY A and COMPANY B is doing and expected to do for the organization in the future to project its product and services into untapped Market.

### **1.1.4 Structure of the Thesis**

This project begins with an introduction into entrepreneurship and entrepreneurial behavior in a firm, then, I intoduced the research design which includes; (purpose, research question) and thesis structure.

The following chapters deals with literature reviews on entrepreneurship and entrepreneurial behavior and next is the Industry analysis indicating the case studies and some attention on existing literatures about entrepreneurial behavior in the context of this case studies.

Subsequently there is an explanation on the methodology which entails case study as a scientific method, sampling technique, respondents, data collection and instrument, and the data analysis. The data analysis is divided into two; which is the within company-case analysis of the firms and cross company case analysis to compare the cases.

The last Section of this thesis includes conclusion and implications of the research.

## 2 LITERATURE REVIEW

Chapter two of this work introduces us to the definitional issues concerning the field of Entrepreneurship.

### 2.1.1 Defining the Entrepreneur

The study of entrepreneurs and entrepreneurship is a growing field and this continues with the help of other disciplines and it can be said to be influenced by economists. Gartner (1990:28, 1988) in his work was of the position that entrepreneurship lacks a clear or distinct definition as there is a variety of beliefs and perceptions about entrepreneurship. He posited that to define who an entrepreneur is, focus would shift to the traits and personality characteristics of entrepreneurs therefore, he maintained that entrepreneurship researchers should be clear enough on the crux of the matter when discussing about entrepreneurship. In its constituents, uncertainty is a clear function and because the concept entrepreneurship is a concept that is inclusive of all levels of business enterprise but surprisingly, many studies have failed to really define what an entrepreneur is. Some scholars have also argued that the subject area has been taken away from the economist by the political scientist, sociologist and psychologist. Reason being that the neo classical economists is of the opinion that everyone has access to information to help their decision making process. This made decision making trivial as it was reduced to the use of mathematical rules. Having mentioned that, it is notable to mention here that Weber and Schumpeter happens to belong to the first set of scholars who have explained the activities of an entrepreneur in an enterprise and ever since, we have seen many others from different disciplines making contributions (Mondal, 2015)

However, the economic perspective shall be discussed first followed by the trait and behavioral approach to defining the field.

## 2.1.2 Defining the Entrepreneur using the Economic Approach

In defining the term entrepreneur, "*entrepreneur as a word, was generated from the French word entre (which means between) and prendre (which means to take)*", this explains an individual who in the capacity of an intermediary tries to do something. In other - words, it was used to qualify certain words like an agent or a deal broker used commonly nowadays. Entrepreneur as a word first came into effect as a phenomenon in France, a longtime before Adam Smith (known as the 'father' of economics), introduced his work "The Wealth of Nations" in 1776 described an entrepreneur as a capitalist Textbookequity (2011). Evans G. (1949), in his work described an entrepreneur using three (3) types: the "managing" entrepreneur who engages in the daily managerial activities, the "innovating" entrepreneur who converts means of production into creative outcome and the "controlling" entrepreneur who is involved in the continuous running and control of both Innovating and managing Entrepreneurs. Swoboda and Graz (1983), described an entrepreneur by using the following Schumpeters entrepreneurial functions and feature with the following;

1. That it is not a must that the entrepreneur should be the owner of the business and that they are of 4types namely; "*the employed manager, the founder, the sole owner and the leader*".
2. Entrepreneurial procedures or processes should not be seen as a factor of production.
3. The reason for establishing a business is not profit oriented but by the "*joy of creating*".
4. Sometimes the entrepreneur is not a risk bearer. He only assumes risk when he has invested into the business.
5. An entrepreneur duty doesn't involve creating only new business ideas but more concerned with implementing ideas or possibilities. He sees some factors like logical reasoning and knowledge can sometimes make or mar the business.

MacDaniel B (2014) described the scholars belonging to this school of thought and this includes Richard Cantillon 1725, Adam smith 1776, Jean Baptiste say 1803, John Stuart Mill 1871, Joseph Schumpeter 1934.

### 2.1.3 Defining the Entrepreneur using the Behavioral and Trait Approach

Gartner (1988), in explaining this approach, sees an entrepreneur as one with that set of personality which involves a permanent form of existence meaning that the behavioral approach sees the entrepreneur as part of a complex procedure of a new firm creation. This concept according to Gartner, views an organisation as a primary source of investigation and the (actor) is seen as part of procedures or process undertaken by the organization to grow or develop. Basically, the personality characteristics is said to be a supplement or subordinate to the entrepreneur's behavior. The table below tries to organize concisely major literatures on Entrepreneurship and entrepreneurs:

Table 1: Definitions and characteristics of Entrepreneurs and Entrepreneurship

AUTHORS	TYP E	DEFINITION	CHARACTERIS- TICS
Brockhaus (1980)	E	Entrepreneur(s) is seen such that he's the main investor and the manager of a business organization that has no job in another firm.	Risk Taking
Cole (1959)	N	The purposeful activity/decision making of an individual/group of individuals, undertaking to create or maintain a profitable business entity for the produc-	



		tion or distribution of economic goods and services.	
Dauids (1963)	E	Founders of New Businesses	Education, Number of Children, religion, sports and club affiliations.
Hornaday and Bunker(1970)	E	A successful entrepreneur(s) was described as a person(s) who kick-starts a business unit where no other has before, and one with atleast 8 employees and been in business for atleast 5years.	Need for achievement, Autonomy, aggression, recognition, leadership, Independence, family background, power and innovative tendencies
Lachman (1980)	E	An entrepreneur is viewed as someone who introduces new production factors in the production of the first sets of brand in that market environment.	
McClelland (1961)		Defines an entrepreneur as that being who calls the shot over the means of production and produces not just for him/herself but also to sell or exchange it for a fee or service. In reality, some perfect examples are; trad-	Belief in achievement, optimism, affiliation, power, conscientiousness, asceticism, achieved status, market morality.

		ers, independent artisans and firm operators.	
Schumpeter (1934)	N	Entrepreneurship is explained as, totally, doing things which are new or awkward to an ordinary day to day business activities. It can be seen as a concept under leadership.	

(N) Normative (E) Empirical

Source: Gartner (1988, pg 11-32) "Who is an Entrepreneur?" Is the wrong Question

From the above table we would devise a working definition for this work. Thus, An entrepreneur is said to be that person who creates and manages his/her firm for a primary objective of profitability and growth. The entrepreneur is driven basically by creative behavior and resolve to use strategic management procedures in the firm (Carland, Hoy, Boulton, and Carland, 1984).

Meanwhile, Austrian School emphasized on the need for information by an entrepreneur and his/her ability to interpret this information in a way that allows for allocation of resources correctly and efficiently. Butressing that point, Austrian economist Schumpeter (1934), sees the entrepreneur as a game changer by creating or producing through new means of production. This new combinations includes; the procedures, the product and the creativity seen within the firm. While the means of production includes; all equipments, buildings, materials to be used, labour, capital/finance and information. This approach is a pointer to the fact that entrepreneurs should be competitive and always strive to stay ahead of competitors. But once they are relaxed and slow down, they are not different from every day manager, in Schumpeter's words, they are no longer considered entrepreneurial. Therefore, the attitudes to a firm's growth and achieving this growth are important parts of the concept of entrepreneurship.

Beyond the definitional issues of entrepreneurship, there is an additional problem in understanding entrepreneurship and this comes from the heterogeneity of Entrepreneurs. This heterogeneity comes from the different type and nature of the entrepreneur's experience. These differences in business ownership experience led to the following uniqueness in busi-

ness owners: **Habitual** entrepreneurs - They have ownership in many businesses, either sequence (known as serial entrepreneurs) or concurrently (also known as portfolio entrepreneurs. **Nascent** - i.e., individuals considering entrepreneurship), **Novice** entrepreneurs are individuals who are just starting a firm (Ucbasaran et.al 2008; Ucbasaran 2004). This new issue led MacMillan (1986) to posit that habitual entrepreneurship should be central in our study in order to understand Entrepreneurship.

## 2.2 Entrepreneurial Process

The entrepreneur according to Bygrave (1994), is a person who sees an opportunity and starts a firm to make it happen. Thus, with this definition he made it clear that entrepreneurial procedure entails all the functions, activities and actions that is related to seeing opportunities and starting a business to pursue the opportunities. These processes are explained or summarized under sub-headings also there is a model of entrepreneurial process below so as to make it as simple as possible. Bygrave (1994), examines the entrepreneurial process and views these three (3) factors - personal, sociological and environmental as been responsible in shaping up a new venture. He also maintained that these factors have a great influence in most human behavior and entrepreneurial trait. In addition, while trying to make sense of the discussion above and creating a link to the work, Endres and Woods (2003), reviewed three theories that determines entrepreneurial success or failure, this theories uses the same definition of the entrepreneur as a someone whose main objective is to seek gain while making coordinated decision under uncertainty. The table below gives a guide to the principal differences each theory views an Entrepreneur as differently to Non-entrepreneurs.

Table 2: Entrepreneurs and Non-Entrepreneurs

	Differences in entrepreneur's behavior	
<b>Theory</b>	<b>Opportunity Discovery</b>	<b>Opportunity Exploitation</b>
<b>Neoclassical</b>	<i>Yes: Totally deliberative optimizer that is more favorable to risk</i>	<i>No: Totally allocates means to ends.</i>
<b>Austrian</b>	<i>Yes: It is not deliberate but there is the presence of</i>	<i>No: Totally allocates means to ends</i>

	<i>alertness</i>	
<b>Behavioral</b>	<i>No: Limited, deliberative satisficer though a particular cognitive constraints produce opportunities.</i>	<i>Yes: They use within the range specific search</i>

Source: Modern theories of entrepreneurial behavior (Endres and Woods, 2003, pg 112)

### 2.2.1 Entrepreneurial Qualities

Modern Organizations do undergo different kind of changes or renewal in form of services, technologies, products, or strategies and economies are constantly changing as well. These changes have taken different forms or terms namely; downsizing, rightsizing, or a transformation. But the bottom line is that we cannot overlook the fact that there are great changes happening in the business environment worldwide. The type and level of change occurring in today's ever dynamic market environment agitates for organizations with a cutting edge having an up to date form of leadership. This "entrepreneurial leadership" takes the shape of the following dimensions: getting involved in business-oriented risks; using change and creativity to get a competitive advantage; and trying to compete aggressively against other corporation or business (Gupta, Surie and Macmillan, 2004). The entrepreneur according to Gartner (1988), must have some special qualities like judgement, perseverance, and the general knowledge of the business and world at large. The job of the entrepreneur or owner then requires the ability of leadership, and leadership in effect is a subset of management. This two must not be mixed. Alternatively, leadership may be viewed as getting people to do things willingly, on the other hand, management is viewed as a way, process or method of getting things done through people so as to achieve a set organisational goals. Entrepreneurial leadership is thus regarded as "a form of leadership that gives birth to a creative situation used in putting together and arranging a group who are bound by the vision to discover and exploit a particular creation of value." Gupta, Surie and Macmillan (2004).

Consequently, so many research works in this field of study has attempted finding an explanation about the characteristics that differentiates entrepreneurs and their businesses apart from others. Ruvio et.al (2010) argued that vision guides entrepreneurs' behaviour but it's dependant on the type of venture while the work identified six dimension of explaining an entrepreneurial vision. This includes; communicative, inspirational, realistic,

conservative, flexible and general. Entrepreneur vision was defined in their work as a futuristic picture of the new firm, that is meant to galvanize entrepreneur(s) and their followers (investors and employees to be) in view of that future that is wanted. Chell (1985; 2008), a social psychologist, who has talked about many psychological trait-based approaches to entrepreneurship came up with some psychological features that expresses that entrepreneurial intention and the ability to recognize opportunities have a strong link to entrepreneurial behavior. In her work she mentioned that the most talked about traits and they are; the need for achievement, locus of control and risk taking propensity and further added a new entrepreneurial traits which includes; having a proactive charisma, self efficacy, perseverance and intuitive decision making spirit. In essence, the environment in which the entrepreneur performs is very important because Entrepreneurship is about how individuals are dynamic in relation to changing business situations. Casson (1982) also draws upon psychological concepts in his work on what constitutes entrepreneurial behavior, he stated 'judgment' as one of the elements that differentiates a successful entrepreneur from a big size of business owners or entrepreneurs.

From the discussion above, I have tried to make it simple by looking at entrepreneurial qualities below with a special attention on those traits that have been researched or talked about in the field of entrepreneurship. These traits includes; the need for achievement (McClelland, 1961; Komivies, 1972), the locus of control (Rotter 1966, Brockhaus, 1980a; Liles,1974) and the risk-taking propensity(Brockhaus, 1980b; Liles,1974; Bosley and Udell, 1982; Mancuso, 1975).

### **2.2.1.1 Entrepreneurial Traits**

#### **Need for Achievement ('n-Ach')**

McClelland (1961) cited by Shane et.al (2003) and Shaver and Scott (1991) posited that people who with a huge need for achievement are more likely than those with a small need for achievement to involve themselves with exercises with a high level of individual responsibility for results. It then requires that personal skill and effort, a modest level of risk, and having a crystal report on performance. Furthermore, McClelland pointed out that these attributes are embedded in entrepreneurial roles than other kind of careers; thus, it is likely that people with a huge need for achievement will have a likelihood of going after entrepreneurial jobs than other types of roles. However, McClelland's work faced criticisms from other researchers as his position regarding economic growth (He opined that improving upon one's need for achievement could boost the chances of a business accomplishment leading to economic advancement) while his findings valid-

ity was questioned, reason been based on the followings; partial choice of data, data investigation, and data clarification (Schatz, 1971); and also for not giving enough attention on the impact of social factors while attaching more importance on one psychological element in the equation on economic advancement (Frey, 1984). However, McClelland used the thematic apperception Test (TAT) to analyze the need for achievement, this was also condemned because of a small prognostic validity, flat test-retest authenticity, originality and dearth of consistency (Stanworth et al, 1989; Johnson, 1990) all cited by Ucbasaran (2004).

### **Locus of control**

Rotter (1966) cited by Ucbasaran (2004) and Shane et.al (2003) explains that this is a situation whereby a person sees the result of a case to be maybe inside or above his/her own management and comprehension. He opined that individuals having an internal locus of control might probably go after entrepreneurial roles just because they have a general likeness for roles in which their conduct have a direct effect on outcomes whereas Individuals who have an external locus of control is of the conception that the result of an event is out of their powers. Rotter related McClelland's theory of the need for achievement to the ideology surrounding internal locus of control where he posited that individual(s) having a huge level of need for achievement usually have a trust in their own capability to control the result of their efforts, and in the potency of their own behavior rather than rely or believe in external forces (e.g luck and destiny).

### **Risk-taking propensity**

Risk-taking somehow found its way via McClelland's (1961) initial research on entrepreneurs, where he argued that people with a huge need of achievement might probably have a modest risk-taking propensities, due to the fact that a top level of internal locus of control and a huge achievement desire produces small understanding of the chances of failing This position by McClelland is totally exciting for entrepreneurship research by reason of the fact that entrepreneurial process occurs when there is an action in the face of uncertainty (Venkataraman, 1997). And on the issue on how risk-taking propensity is measured, Brockhaus' (1980) study was criticized based on the fact that basically, the tool meant to assess risk-propensity (the CDQ) just talked about a particular element of risk, and it would be general risk-taking propensity. There are other elements of risk that is inclusive of anticipated chances of failure of a particular firm and the anticipated effect of failure (Mancuso, 1975) as cited by Ucbasaran (2004).

## 2.2.2 Entrepreneurial behavior

Entrepreneurship as a field of research or study explores cognitive structure which motivates people or individuals to become an entrepreneur (Krueger, Reilly, & Carsrud, 2000), and cognition have been defined as “ a know-how framework that is used for appraisals, prudence or decisions associated with opportunity evaluation, business startup, and expansion” (Mitchell, et al., 2002, p. 97).

The model below describes a typical entrepreneurial behavior model taking into focus how both demographic and psychological factors mixes with attitude in a situation which gives birth to a behavior. The process of course starts with creation of a venture or firm and then involvement of entrepreneurial resources or strategies as well employing the necessary skills to manage it.

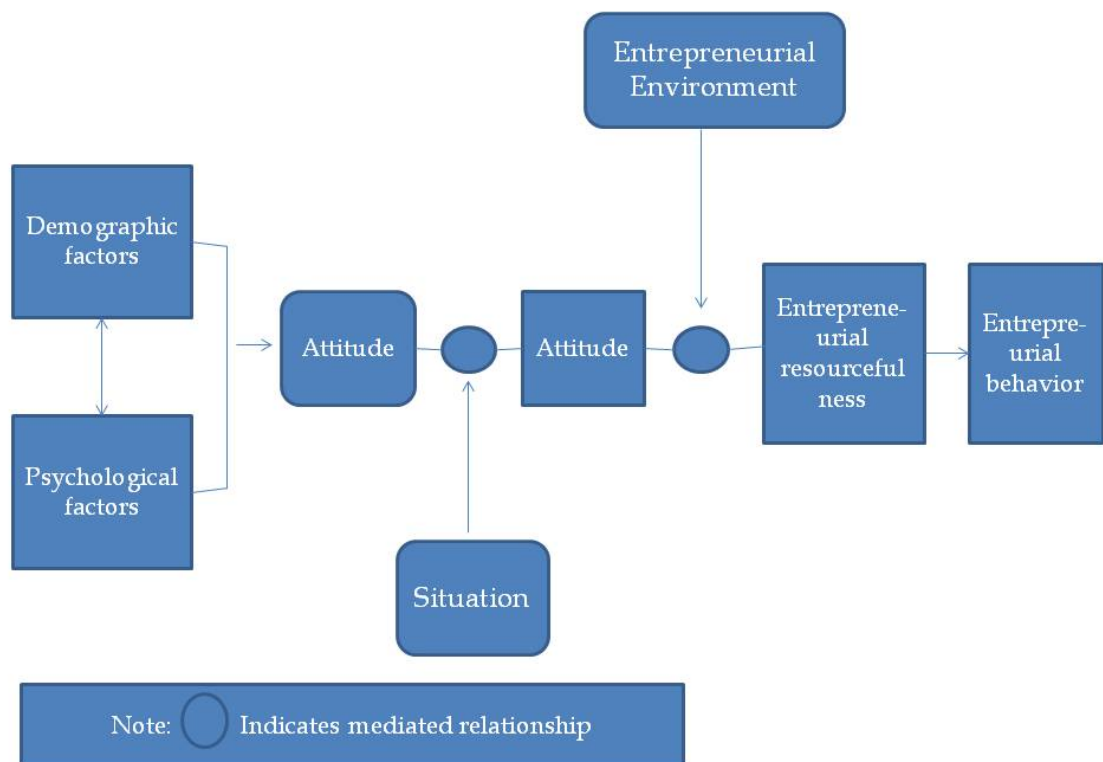


Figure 1: Model of entrepreneurial behavior by Misra and Kumar (2000)

Shane & Venkataraman (2000, pg 217-218), in describing Entrepreneurial behavior, used these three words (*discovery, evaluation, and exploitation*) of entrepreneurial opportunities. They maintained that motivational differences could have an effect on people's understanding of risk and opportunity taking when it comes to entrepreneurial decision making. And to

understand better the roles the terms discovery, evaluation and exploitation plays, we need to shed more light on them (Kuratko et.al 2005). This definition also doubles as a working definition for the term Entrepreneurship. Furthermore, in describing what Entrepreneurial behavior is all about, Belousova et. al (2010) opined that another sets of complexity arises: “corporate entrepreneurship” and “Intrapreneurship”. Amo (2006) cited by Belousova et. al (2010) proposes a clear distinction to the two types of employee innovation behavior. Amo (2006) described *Intrapreneurship* as process started by an employee to fulfill personal interest while *Corporate Entrepreneurship* is started by the management to achieve competitiveness and align company’s strategy. Hence, Belousova et. al (2010) views both concept as synonyms because it lacked a clear cut difference and thereby described “*Corporate entrepreneurship as the sum total of legal and illegal, independent and dependent roles of staffs/subordinates of all cadres within a firm*”. In this regard, Corporate entrepreneurship takes the path of either Organizational change (Venturing and Innovation) and Corporate renewal.

Furthermore, as a matter of this unclear differences, Ireland et al. (2009) says that entrepreneurial behavior is easily spotted in the employee group level unlike at the managerial level that is saddled with the responsibility of setting the organizational vision. On the Contrary, entrepreneurial orientation is of the view that it is in behaviors of senior level managers that entrepreneurial activities can be seen in the organization (Covin, et al., 2006; Lee & Peterson, 2000). Thus, the works of various authors as analyzed above shows that actions and attitudes are observed at different lines of management. Misra and Kumar (2000), created a system of entrepreneurial behavior through the combination and improving of exiting literature. The model consist of the following factors; the *background factors that comprise of (both demographic and psychological features), attitude, situation, intention, entrepreneurial environment, entrepreneurial resourcefulness and entrepreneurial behavior.*

The background factors were divided into two categories:

**The Demographic characteristic** - the variables examined here to create an outline for an entrepreneur and it includes features like; family background, age, educational status of parent, sex, marital status, etc.

**The Psychological Characteristics** - This tries to identify the psychological characteristics of entrepreneurs. And this inquiry includes; the need for an entrepreneur to triumph, power, having control, ability to take risk etc.

**The Entrepreneurial Environment-** This environment focuses on the integration of external factors which affects entrepreneurial behavior. This includes; cultural, economic, political and social factors which increases a person’s propensity to go for an entrepreneurial activity and it involves also assistance and training available to the entrepreneur.

**Entrepreneurial resourcefulness** on the other hand is the capability to pinpoint opportunities that abound around us and guide behavior to effectively and efficiently pursue an opportunity in an organization. This in-



clude: cognitive competence (innovativeness, risk taking, information analyses), Affective competence (perseverance, desire for competition, capacity to control feelings of withdrawal and depression), and response-oriented competence like (been able to lead, been able to influence outside agencies, been able to control resources and having the wherewithal to establish networks).

Having gone through all the components of the design, Misra and Kumar (2000), asserts that entrepreneurial behavior is a subset of entrepreneurial resourcefulness. Whereby, entrepreneurial behavior is described as *the sum total of processes, task including the operations related to seeking of opportunities and the establishment of firms*. This involves all mindful behavior put into the process of searching for opportunity, recognizing opportunity, sense-making, creating organizations, launching of a product or service, exchange and growth.

### 2.2.3 Opportunity identification & Opportunity taking

The activities of firm creation include seeking and analyzing information. Kirzner (1979), opined that an entrepreneur main goal is to look for and explore opportunities by taking gain of economic weakness through the understanding of an information or knowledge not known to others.

#### Opportunity identification or discovery

In the field of entrepreneurship, the question or the reason why entrepreneurs recognize opportunities than non-entrepreneurs is at the forefront (Baron, 2004, 2007; Kaish and Gilad, 1991; Shane, 2003) and the reason giving for this includes; differences in individual, mental capacity, and social networks. For example, the study or work on individual or psychological differences has found that prosperous entrepreneurs and prosperous business managers have similar personality traits (Brockhaus and Horwitz, 1986; Busenitz and Barney, 1997). These attributes includes "*locus of control and risk taking, the need for achievement, tolerance for ambiguity, and the need for conformity*". Subsequently, some studies showed that entrepreneurs tilt towards the cognitive attributes, like the audacious and representativeness ideology. But surprisingly these things actually seem not to impact upon opportunity recognition directly, however it motivates entrepreneurs in the continuous pursuing of new business ideas, which could lead to the creation of a venture (Busenitz and Barney, 1997). While social network theorists are of the view that the quantity of information obtained or garnered is as a result of the make up of one's social relationships, and how fast someone can garner the information needed in discovering entrepreneurial opportunities (cited by Dyer et.al 2008). In explain-

ing the discovery of entrepreneurial opportunities, we would look at three (3) schools of thought by Shane (2000) one by one amongst different assumption.

### **Neo classical theories**

Neo classical theorist, for example, (Khilstrom and Laffont 1979) suggested equilibrium theory of entrepreneurship. This equilibrium theory assumes that the market place is made up of agents whose come together to make a decision on prices to maximize the market. This means that this framework is not magical and it is not a state or form that allows people to recognize opportunities which others can not see, this theory explains entrepreneurship by identifying people who wants to become an entrepreneur. Therefore, its assumptions are; everyone can take note of entrepreneurial opportunities and essential characteristic instead of information about opportunities determines what makes up an entrepreneur.

### **Psychological theories**

This school of thought proposes that Entrepreneurship is a part of a set of characteristics owned by certain people and not others. These attributes are: the need for achievement (McClelland 1961), risk taking (Brokhaus and Horowitz 1986), self-efficacy (Chen.et al 1998), locus of control, and tolerance for ambiguity (Begley and Boyd 1987). The theory then assumes that the essential characteristic of people instead of knowledge about opportunities forms a major deciding factor of what makes up an entrepreneur and this system anchors on people's abilities and motivation to get into operation.

### **Austrian theories**

This school of thought believes that equilibrium approach fails to offer a good understanding of the market process. The Austrian school assumes that the market comprises of people who possess different information (Hayek 195). It then conclude that; someone cannot know or identify all entrepreneurial opportunities; information on opportunities instead of essential characteristics of humans highlights who an entrepreneur is; and this surprisingly anchors on some elements totally different from the ability and willingness of people.

From the above discussion it would be important to get a working definition of opportunity identification or recognition for this study which is taken from the works of Dyer et. al (2008) which is in three (3) folds:

- (1) Opportunity recognition occurs when we align a familiar product along an existent demand in order to exploit an identified opportunity;
- (2) Opportunity discovery occurs when there is a familiar supply while there is a hunt for an unfamiliar demand, or when a familiar demand agitate for an unfamiliar supply;
- (3) And on opportunity creation, there is no supply and demand in existence before entrepreneurial action (an entrepreneur creates the two). The

term opportunity recognition is used to describe all (3)three actions involved in the start-up of a creative firm, and in as much as speaking technically, the innovative entrepreneur(s) in question would generally be involved in discovery of opportunity or opportunity creation as he is always going to bring something new into the market.

## Opportunity taking or Exploitation

Shane and Venkataraman (2000, pg 217) described entrepreneurship as a concept which tells *“how, by whom and with what influences opportunities to produce goods and services discovered, evaluated, and exploited.* In light of this, entrepreneurial opportunities starts when that place of activity involving brand new products, services, materials to be used up and processes are announced or offered to be sold at a particular amount that is more than the production cost” (Casson, 1982; Shane and Venkataraman, 2000, p.220). Having said that, Opportunity exploitation is viewed as a central process in producing a business or firm that can be reckoned with in the entrepreneurial process, but as a matter of fact, there has yet been little factual or theoretical development of this topic in the field of study (Choi and Shepherd, 2003). Entrepreneurial opportunities therefore, exist and all we need to do is recognize them. And in particular, Entrepreneurial opportunities occur when an existing organizations do not take advantage of a knowledge fully and firms or organizations with so much of untapped knowledge automatically turns into a breeding place for entrepreneurial opportunities, that might lead into spin-offs according to (Agarwal et al., 2004; Franco and Filson, 2000). Thus, exploitation, involves being aware of a valid creativity (this creativity includes the good or service, process involved, or administrative issues), meaning that firms are aware of a present need and demand (R. Duane Ireland and Justin w. Webb, 2006). This explains situations where a firm/company that identifies and meets these market opportunities early matching it with good quality of its products and services enjoys a competitive advantage by gaining market share and forming entry barriers. Zoltán J. Ács, David B Audretsch (2010) also opined that exploitation involves taking steps to gather resources needed to pursue an opportunity, which is different to the mental activities of recognition and evaluation. This tells that the process depends on the entrepreneur and opportunity to be pursued.

(Kang and Uhlenbruck, 2006) mentioned in their work that exploitation includes refinement, choice, production, efficiency, implementation, and execution.

### 2.3 Entrepreneurial Orientation

Miller (1983) describes an entrepreneurial organization as a going concern which is into goods or service market creation, shoulders risk and ahead of competitors in proactive innovations. With this working definition, entrepreneurial orientation was coined and worked upon by many scholars. And it is seen as a process or activity which is considered under three (3) dimension: Innovativeness, proactiveness and risktaking (Wiklund and shepherd, 2005, Miller 1983,) but Lumpkin and dess (1996) considers five(5) by adding autonomy and competitive aggressiveness. Innovativeness involves a ventures ability to plan and implement new ideas and methods that leads to new products or service. Proactiveness involves having an insight into what the future looks like while anticipating it.

### 2.4 Performance and Growth

The concepts of Entrepreneurship and small business are kind of similar but definately not the same. Nevertheless, the concept of entrepreneurship involves a situation that focuses on opportunities instead of resources (Stevenson and Gumpert, 1991) and we can experience or see this occur first hand in both small and large businesses. While a small business involves a situation whereby entrepreneurs introduce products and methods that's new so as to change the industry and also refers to Individual/people who owns and run a business unit as a means of living (Wennekers and Thurik, 1999).

Schumpeter, (1934) in his work "*the theory of economic development*", highlights the character of an entrepreneur as one who starts an economic advancement, stimulating or provoking incumbent firms by announcing new creative products or service which renders current technologies and products archaic.

Having said that, a business performance according to Delmar (1996) is regulated or guided by the response of the environment (market) in relation to the behavior of the entrepreneurs. That is to say in other words, the organization ultimately will perform creditably well if the goods or services offered by the organization are demanded. Therefore, we can conclude that business performance is the end result of how the entrepreneur performs and the reaction of both internal (the employees attitude to various decisions) and external environment ( for example; if there is a variation in customer relations)

## 2.5 Concepts, definitions and scope

In understanding the activities of entrepreneurs and how they effect the organizational as a whole, reviews of theories were done. First of all, there is a discussion about the core concept of entrepreneurs and then behaviors of entrepreneurs. All these involves things or steps taken in order to launch a firm or company and also at the organizational level as it could ultimately lead to entering untapped zones which is not peculiar to the current sphere of competence and subsequently needs a certain level of learning.

Basically, the study of entrepreneurial behavior focuses on the explanation, prediction, shaping and changing of behavior at both single person and group level. However, (Bird & Schjoedt, 2009) in their work shows that more work needs to be done on it making it an important aspect in the terrain of entrepreneurship and firm creation. In this work theories and empirical research that highlights and explain all aspects of entrepreneurial behavior are well talked about and used to meet the goals of this thesis.

**Entrepreneur:** is someone who manages, coordinates, and assumes the risk for a firm or business venture.

**Entrepreneurial behavior:** is concerned with explaining those sets of behavior by humans involved in identifying and exploiting opportunities via the creation and development of new businesses or firms.

**Entrepreneurship:** is concerned with stimulating economic progress through innovation and action. This process includes: Exploration and exploitation activities.

**Business Performance:** is concerned with those tools that measure the ability to run and expand a business effectively

### **3 ENTREPRENEURIAL BEHAVIOR (INDUSTRY ANALYSIS)**

According to Bird (1989), entrepreneurial behavior means that behavior that is seen in an organization that entails different processes undertaken by individuals in the creation of new firms instead of the activities undertaken by the people managing the firm (Bird, Gartner, and Starr 1992). To be specific, Entrepreneurship focuses on exploration and exploitation of opportunities with the combination of old and new resources to obtain competitive advantage (Zahra, 2005). In this light, entrepreneurial behavior is vital in other for organizations to react to and flow with economical and environmental changes like; actions of competitors, preferences of the consumer and technological advancements.

#### **3.1 Behavioral Shapes In Firms**

According to Covin and Slevin (1991), behavior gives meaning to entrepreneurial process. This process is coined “ entrepreneurial orientation” (Lumpkin and Dess, 1996; Lumpkin and Dess 2001) and this gives meaning overtime to other strategic orientation like Market orientation and technology orientation which is to be embedded early in an organization’s life cycle to gain that competitive advantage (Schindenhutte et. Al 2007). The concepts are highlighted below:

##### **3.1.1 Entrepreneurial Orientation**

Irrespective of whether a firm chooses to pursue a market or technology orientation as a behavioral strategy (Schindenhutte et. Al 2007)., All firms somehow have a level of Entrepreneurial orientation either high or low which could be different among industry (Covin & Wales, 2011). Looking

at Lumpkin & Dess 1996, Dimension of Entrepreneurial orientation where EO is described as an organization strategic orientation that contain certain entrepreneurial processes, plans and decision making strategy:

### **Innovativeness**

Drucker (1985) made a case for innovation as been integral to entrepreneurship while Hitt et al. 1997; and Darroch, (2005) linked innovation to achieving firm performance. Innovation involves a ventures ability to plan and implement new ideas and methods that leads to a different commodity or service (Lumpkin and Dess, 1996, Zahra 1993). It involves a firm engaging in activities through research and development to offer new goods or services in the face of technological advancement over competitors.

### **Proactiveness**

Proactiveness involves having an insight into what the future looks like while anticipating it (Lumpkin and Dess, 1996) and it was linked to business performance (Lumpkin and Dess 1997). This perspective is future oriented feature of a market-leader that anticipates demand for the future and its environment which is or not related to present production line while forgetting old operations (Venkataraman, 1989). Considering this definition which is focused on product market (Miller 1983), an innovative firm is one which promotes over and over again an innovative behavior.

### **Risk taking**

Risk taking is seen as an important element of EO, because during a particular point, firms would experience some level of both internal and external uncertainty (Mintzberg, 1973; Lumpkin and Dess 1996) and Rauch et. al (2004) linked risk taking to business performance. Miller and Friesen, (1978) describes assuming risk as that level to which owners or entrepreneurs are able to make resource commitments. It is that action that is taken when going into an unknown environment or committing resources in the face of uncertainty.

### **Competitive Aggressiveness**

This refer to the ferocity of an organization's strategies to outwit competitors in the industry (Lumpkin and Dess 2001), while these include the efforts of the a company in consolidating its market position, aggressively going into a competitor's market domain and investing aggressively on marketing, production and quality capabilities (Macmillan and day 1987)

## **Autonomy**

Autonomy can be described as those sets of independent activities or decision taken by managers or owners to develop and nurture a new idea (Lumpkin and Dess 1996). They also opined that is a vital organizational culture which varies according to the industry, size of the company, management style in the firm, and ownership structure.

However, after Lumpkin and Dess (1996) gave us this five EO constructs, they agreed that the EO constructs can happen in different situations, Covin & Covin, (1989) sees it as a universal phenomenon that could work well in an organisation irrespective of their independence to achieve firm performance (ferrier 2001; Covin & Covin 1990; Lumpkin & Dess 2001). EO with this analysis, can be viewed as a strategic decision making that offers a platform for a firm to establish its purpose and vision while gaining a competitive advantage.

### **3.1.2 Market Orientation**

Schindenhutte et. al (2007) describes marketing orientation from three (3) view points. Firstly, using Narver and Slater (1990), they described a market orientation as a culture in the organization which focuses on a behavior that creates top value for buyers and at the same time top business performance.

Secondly, market orientation focuses on resources abilities which gives room for a firm to be able to compete with competitors by knowing market information ahead and also creating a relationship with the external environment. While the third view is behavioural in nature as it involves continuous gathering of information in relation to competitors and customer needs to create total customer value.

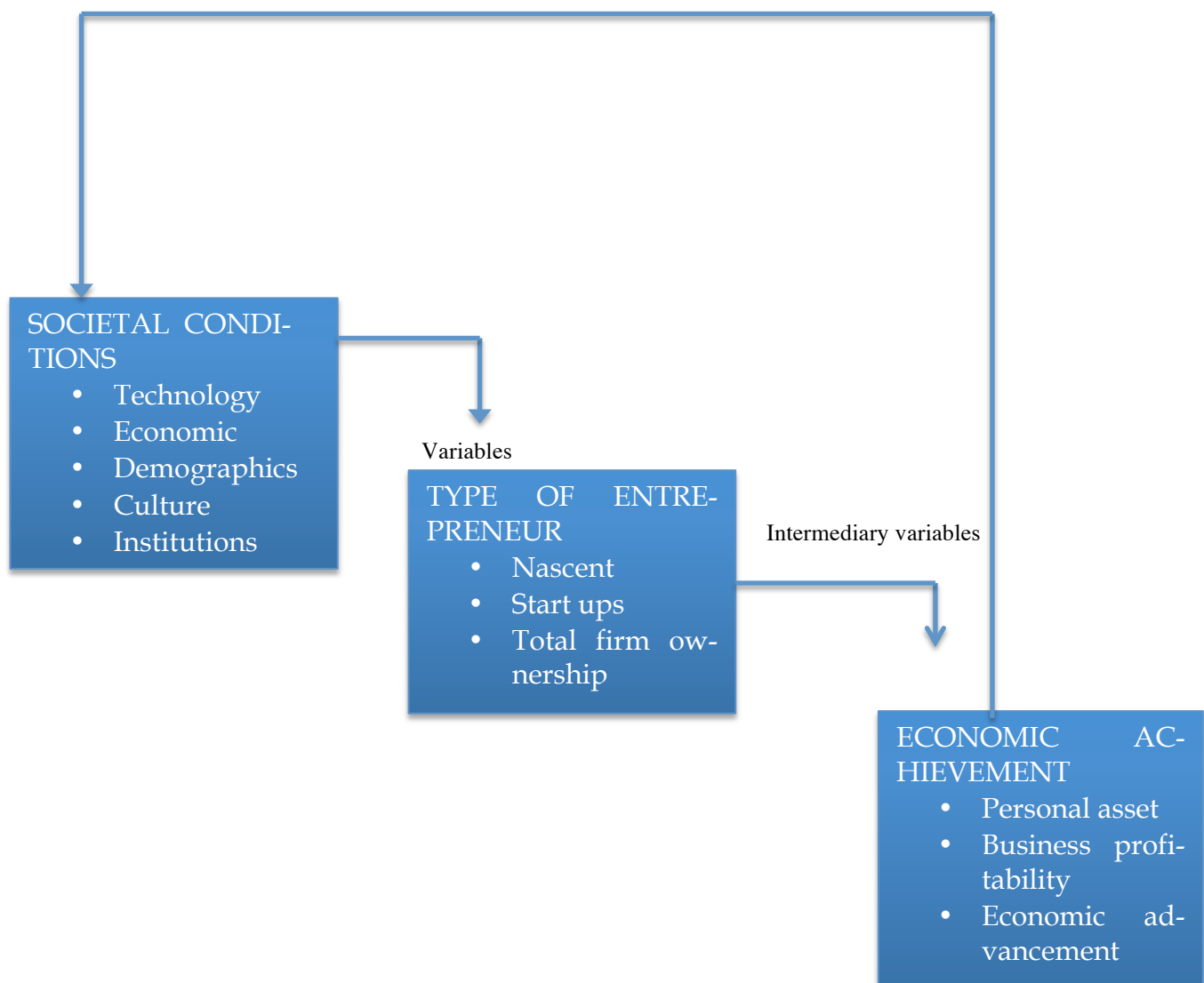
### **3.1.3 Technology orientation**

Schindenhutte et. al (2007), opined that under this circumstance, technology and creativity is placed above the customer. In essence, what this means is that, a strong presence of technology orientation creates new products instead of the other way round where markets determines innovations. Citing (Berthon, Hulbert and Pitt 2004), with a technology orientation in a firm, investments are done in a disjointed form with disruptive technology hoping that a new market will emerge.



Apparently now, the capability of a firm to have a competitive advantage is dependent on which direction a chosen strategic orientation gives optimal resources and dynamic capacities. Thus, the purpose of this part of the thesis is to x-ray the influence and link between entrepreneurship, entrepreneurial behavior and business performance while we take a look at it in a practical setting from our cases. And to buttress that, Zahra (2000) gave an explanation on how entrepreneurship offers an aid to organizations on how to improve its performance, acquisition of new businesses, profitability and growth. Also, Wennekers, Uhlaner and Thurik (2002) introduced a structure about entrepreneurial behavior which explains the sources and effects of entrepreneurship at the macro-level of analysis, these are described below;

Figure 2: A Structure of Entrepreneurial Behavior



Source: Wennekers, Uhlaner and Thurik (2002)

N:B – Intermediate Variables (Entrepreneurial behavior, Entrepreneurial orientation, Technology orientation, Market Orientation, Entrepreneurial resourcefulness)

This work focuses our attention on the righthand-side of the diagram: pointing out and explaining the relationship between different components of entrepreneurial behavior and economic performance at the distinct person, company and macro levels. (See Figure 2).

## COMPANY A

This company is an effective and powerful heavy equipment production company involved in the manufacturing of hydraulic generators, power washing units and compressors. The company was founded in 1986 and it is situated in a city called Ylöjärvi, in the Pirkanmaa region of Finland. The company started as a typical one-man company and grew into a market leader of the world in all its production line. And in over the 20year history of the company, it has witnessed an exponential growth: with an annual the turnover increasing to about 20% over the years. The company's building which was constructed in the year 2001, was renovated and expanded in 2005 because there was a need to have an extra space to accommodate in designing, developing, assembling, testing and storing more than 200 different products in its production line.

It's products are used in the production or generation of *power, high pressure or compressed air, etc for different manner of operations in the area of construction, mining, leveling, recycling, service, installation and maintenance, environment, forestry, agriculture, transportation, shipping, airport, rental, fire fighting, defense, oil field, offshore, process industry etc.* The company's clients amongst others includes: one of the leading companies in the production of scaffolding: Bronto Skylift, Manufacturers of mining machines Sandvik Tamrock & Normet and Wirtgen, the manufacturer of road construction machines. (Dynaset.com)

### Competitive Environment of the products

Looking at the nature of business activities nowadays, the business performance and competitiveness of companies, be it large, medium and small, largely falls upon the expertise and improvement capacity and ability of the personnel assets to perform for those corporations. Thus, the importance and monetary value can only be visible or rise as competition becomes aggressive. Nevertheless, all kinds of capability based development processes are the obvious things which fascinates corporations. In the re-

gion of Pirkanmaa (Tampere) where the company is located, an association named Tampere Business Campus (TBC) is there. Tampere Business Campus (TBC) operates as an autonomous body that actually consists of companies that have their firms in that region. TBC was founded to promote companies to boost their expertise development mechanism and also to introduce the best system relating to personnel resource development. TBC programs are totally built on mutual trust and how to share practice and know-how amongst the member companies. Some of the companies are under TBC are: *AGCO Sisu Power Oy, Avant, Tecno Oy, Dynaset Oy, Enmac Oy, Fastems Oy, AbGlaston Oyj, Cargotec Finland Oy, Metso Minerals Oy, Nokian Renkat Oy.* (tampere.fi)

## Pointers to Success

Company A has expanded outside Finland and have contact points in the UK, Australia and China, while its production line have been sold straight to over forty(40 )countries. And currently, approximately 90% of the company's production are sold abroad: in such that about 70 percent are done straightaway and other 20 per cent is done through local Finnish manufacturers who uses Company A's products in the sale of their products abroad. This is all possible because of Dynaset's quality standard and innovativeness

Among many other things and achievement, in 1994 Company A was presented with "*The Most Innovative Enterprise of the Year*" organized in Häme, a region of Finland. From 2000, the company received a certification with the highest credit rating and in 2004, the founder won "*Entrepreneur of the Year*" in the Pirkanmaa region of Finland. In year 2005, COMPANY A received a certificate which is in honor for great success and extraordinary operation in the Productive Idea competition.

While in June 2006, COMPANY A had the company's 20 year festivities and the founder was rewarded with "*The Golden Entrepreneur Cross*" award by the Finnish Entrepreneurs Association. In 2008, Company A won an award for the regional entrepreneur of the year.

And financially, in 2005, the turnover of the business was at the region of 6.5 million euros, with a personnel of 33 workers. Then COMPANY A product line Production was 2,500 but by the end of 2009, COMPANY A turnover hit an all time high of 8.3 million euros. This statement by the owner below says a lot about their business ideology;

*"Our success over time is linked to our within company product development activities. We produce the major parts for our products ourselves - we're in touch with the soul of hydraulics".*

**COMPANY B:**

COMPANY B history was linked with renowned name (Rxxxxx), which was established in 1978. Also the company management changed over time and at some point was part of Sandvik Mining and Construction. Meanwhile, the company's site which was constructed in 1996, was built to produce crushers and hydraulic hammer housings. But in 2002, the company was bought by Ramtec via a management buyout arrangement (MBO).

COMPANY B is a company based in Lahti, Finland. They are producers of high quality products used in demolition, pulverizing, sorting and loading at construction sites or recycling plants. The extensive product family consists of attachments for excavators and they include: demolition and handling grapples, screening buckets and crusher grapples.

Already they have distributors in some European countries such as Russia, Poland, etc. and its partners include VOLVO, CAT, KONE etc. However, they are looking to expand their market in to Africa.

An untapped market is Africa and they are already making contact with someone from Nigeria. The choice of Nigeria, stems from the fact that its a wealthy nation and its huge population size makes it a competitive market terrain. Meaning that the market potential is enormous and limitless in terms of profitability to make any product or firm a huge success.

**Competitive environment of the products**

COMPANY B uses ISO 9001:2008 quality standard to control and improve upon her performance while assuring that customer's demands are met. It's processes and production are always in line with the required environmental requirements. And to realize this, they use ISO 14001 environmental standard.

## 4 RESEARCH METHODOLOGY

In this chapter, a brief background of the research procedure is outlined. Thus, in light of the rising complexity associated with the nature of family business activities, decision making process demands an insightful and san organized approach and this implies that a research work in the business field is not any different from a day-to-day practical problem solving which is quite amongst most small, medium and large size companies.

### 4.1 Strategy of Inquiry

In research analysis, a researcher can actually solve a problem by using three (3) kind of methods and he/she has to decide which one best solves the problem. The method includes: quantitative method, qualitative method and mixed-mode research, that involves a combination of the two former methods (Creswell, 2009). We shall be taking a look at each one of them.

Quantitative research - It is a scientific research method which entails predetermined statistical analyses or interpretation, experimental designs/non-experimental e.g surveys, testing of theory. It is objective in nature and it is more involved in the assessment of data through causal relations and figures. It is associated with positivism theory, deductive theory and objectivism theory.

Qualitative research - It is a scientific research method that is subjective in nature while the objective or goal of this type of research is to usually have a first hand grasping of a development with the research data usually taken via a real environment, background, situation or settings. Some of the competence required to carry out qualitative research are: reasoning in an abstract manner, stepping back and critically analyzing situations, identifying and fending off partiality, getting a credible and dependable infor-

mation. It is associated with interpretivism theory and constructivism theory.

Mixed-Mode - It covers both methods above and it uses both pre-determined and emerging methods. It's sequential, concurrent and transformative.

The research methodology used for this work is a qualitative method as it offers us "an x-ray of so many viewpoints on knowledge which is a social process" Ghauri et.al (1995, pg 83). Qualitative research quality relies upon validity and reliability and quantitative is more on validity and objectivity. It's the most suitable to collect data for the purpose of our research because of its flexibility unlike the rigidity of quantitative interviews, since I wanted comprehensive answers so as to better meet with our descriptive goal and also to draw from a large pool of information. Bearing all this in mind, a semi-structured interview was considered and despite making use of semi-structured interviews, we also employed another qualitative method tool to get our data (in the form of: personal, public and organizational documents).

## 4.2 Worldviews on research

*PostPositivism* - In this worldview, a theory must be found and used for the truth. It's a strategic management approach in that you can plan and direct the future. Positivism assumes that findings attained through experiments and surveys are true. Hence, it is based on *World One*, taking objective and material things within its scope.

*Constructivism* - says that the world can't be seen as one single truth. *Constructivism* regards truth as a matter of a peculiar belief structure held in a particular situation. Constructivists see reality as consisting of the multiple realities that are already in the minds of people.

*Advocacy / participatory*- It's a radical view, pointing out a view or mission e.g (Political, Empowerment issue, Change oriented).

*Pragmatic*- says there's no such thing as the truth but no generalization. It needs triangulation and mixed mode design. It is pluralistic in nature, problem centred and more of a real world practice)

This research is qualitative, our view is on constructivism and phenomenology reason been that it allows for a deeper understanding of the concepts and subject been discussed and it also involves a social and historical construction leading to theory generation. For example the definition of entrepreneurship highlighted earlier as creative destruction as described

by Schumpeters is linked to this constructivism worldview. Where an entrepreneur will use totally new resources to produce new commodities or services. Hence, The comparative case study is applied through the use of past literatures. A qualitative research offers a chance of having an holistic view of a subject or discussion (see e.g Tikkanen 1996) and it also affords the researcher to have his/her perception and principles (like: what really is the form of reality; what is the relationship between the inquirer and known; how do we gain knowledge of the world). Denzin & Lincoln (1994).

In a qualitative research, quality differs to what is obtainable in a quantitative research. In quantitative research, researchers focus on the validity and reliability of the work. But nevertheless, quality is required in both researches just as Gummerrson 1991 describes quality of a research as *“acceptance of a scientific work hangs on or rest upon intellectual achievement and the ability to interact and take care of the social and political interaction with superiors, mates, and people who have influenced one’s career at some point or any-time”*.

### 4.3 Case study as a Research method

The case study is usually used in researches involving business and organizational issues, family studies, technology, and research on social problems. This offers description of an issues, it tests theories and generates one (Yin, 1994).

Case study as a research approach or method allows for the exploration and comprehension of difficult social issues and it is applied when there is a need for insights rather than statistical results (Feagin, Orum & Sjoberg, 1991).

Case studies have been widely used in the field of social science in the course of problem solving (Gibbert & Ruigrok,2010), as this approach is used to explore the “How” and “Why” of a question arising in a situation to have a comprehensive view (Noor, 2008) and situational environment (Yin,1994). Eisenhardt (1989), introduced an approach to building up theories from multiple case studies and it includes:

- A clear research question
- Selection of Population for the case study
- Selection of instrument
- Data analysis (Within and cross case analysis) and data collection

Eisenhardt and Graebner (2007:30) work explains better how to go about these by insisting on *“having a clear theoretical argument, clear presentation of tables and appendix, sampling cases, interviews that is limited in information biasness and theory building”*. And in this work the case shall be an exploratory one so as to explore those situations when trying to understand how individual differences on the part of owners/managers promotes entrepreneurial behavior among their employees. And in the course of the study, the researcher took some notes outside the normal interview session which came in handy during data analysis. While the data analysis is separated into two (2) parts: within case analysis and cross case analysis. This enable the researcher smoothen up statements and arguments made. It was easily done by presenting table to summarize statements and introduce or explain relationships between statements which fits into each case. Thus, the researcher had to compare findings and constructs with existing literature in the field for similarities and differences so as to improve upon our validity.

Finally, each of the two case companies consist of atleast interviews with the CEO's and atleast one of the staffs combines with sources obtained online

### 4.3.1 Research Design

Taking a que from Yin's work, a research design is a *“plan which explains getting from here to there”*, meaning that it is a spine that connects data collected, research questions and conclusion. It is of Five (5) types namely; Experimental design, cross sectional design, longitudinal design, case study design and comparative design.

**Experimental design** - this is usually used in quantitative research and also known as field experiment because it involves an experimental or control group.

**Cross sectional design** - This involves the collation of quantitative data via interview, surveys etc showing the relationship between two cases or variables.

**longitudinal design** - Is always used to find a particular difference between a case , situation, or context.

**Case study design** - it analyses a single case e.g entity, personality, or environment.

**Comparative design** - it analyses a multiple cases.

Eckstein (1975) cited by Bennet *described a case as a situation which is reported and interpreted basically as a single part on any applicable variable”* A



*case study is then described as a known part of a historical happening that the researcher selects for analysis, rather than a historical happening itself*'.

The researcher opted for the comparative case study as it involves two companies which actually share some similar characteristics and since it also involves just two (2) number of cases, the comparative case study will help us shed light on the research problems by exploring the case companies as a unit, also probing into the cultural practices and behaviors. In addition, in using the Case study methods, it offers that comparative advantage (Collier 1993), this advantages covers the process and measurement of qualitative variables for validity sake, emergence of new theories and blending of difficult constructs.

This chapter tries to explain case study, its comparative advantage and limitations while also noting that this method is complimentary to statistical methods.

#### **4.3.2 Selection criteria of informants**

While deciding on the choice of sampling process, firms which had the required elements were identified even though the purposive sampling technique is done in a qualitative style that gives us a comprehensive information about the thoughts, emotions, feelings, and disposition of the people interviewed. Using Delmar et.al (2003) purposive sampling technique, there are four (4) things to be focused on in fast-growing firms:

- Demographics relating to the firm
- What indicates growth
- How do we measure growth
- The time

On the demographics about the firm, an organisation's size, age and industry needs mentioning as according to (Henrekson & Johansson, 2009), they have an influence on research. This thesis analyses technology inclined entrepreneurial firms with employees not exceeding 100, with similar characteristics and industry conditions and the reason is because of the researchers knowledge of the industry and a probable working relationship in the future.

On the choice of growth indicator, Delmar et.al. (2003) definition which includes *employment, sales, market share, physical output and profits* would be used. However, when discussing the issue of growth or performance here, we need to offer a proper method of measurement of performance in terms of figures. Delmar et.al. (2003), also suggested the use of absolute or

relative growth measure, therefore we will take this into account by having a look at the employed figures at the start and end of a particular period. For example, Bagen, (2001) described high-growth firms with at least 15% increase in headcount per year, this we will also take cognizance of. And finally, on the Time period, annual growth rates between some period will be used, thus a certain period will be determined (Delmar et.al. 2003). In summary, our purposive sampling technique uses companies with the following criteria:

- In the Environmental/construction sector with employees less than 100
- Increase of about 15% in employee number per year
- Time period of about (4) four years

#### 4.4 Informants

The people who stood as respondents are the business owner or top supervisors who we think should understand better the whole process in the firms so as to provide us with the relevant information as this responses will be standing or used as the firm's response.

Table 3: Overview of the Sample

Cas e	Name	Business	Found-ers	Founda-tion	Interview-ee
A	COMPA-NY A	Environmental solu-tions(Hydraulic)	1	1986	CEO
B	COMPA-NY B	Mining and con-struction solutions	1/MBO	1978	COO, 1 E

## 4.5 Data collection and instrument

The data collection includes a description of the information or data collection, which of course involves the use of questionnaires and as an addition to the data collection, we also had personal interviews to obtain responses. In this study, the choice of participants was based on the researchers knowledge of the field and professional experience. The studied companies operated in the environmental sector and it consist of two family business. In the collation of information, both structured and unstructured questionnaires have been used. This enabled the researcher have adequate information needed and also improve upon the validity of the work. The technique used also involved direct observation and interviews. These data was collected with via interviews in their offices with the owner and with other senior manager(s) and of course in this type of interview, we don't expect the utmost truth. But it was conducted according to Berg, (2004) interview steps which focuses on the environment and the make up of the interview so as to allow for a high quality and contrast examination level.

The questionnaire is divided into two major parts:

Section 1 of the questionnaire was based on the Demographic and social economic data of the respondents.

Section 2 was made up of questions/statements that reflects opinion of the managers on entrepreneurial behavior and orientation in the organization.

The following shows the themes for the interview;

1. The business history of the firm
2. Entrepreneurial behavior, Management and control in the family business
3. Future prospects and possibilities
4. Entrepreneurial orientation experiences inside and outside the firm.

The questions were self-administered since the respondents whose views were sought for are the owners of the business and "Literate". The choice of instrument for data collection was informed by the advantage it offers researchers. As we have observed, this is not an institution sponsored study, meaning that only affordable finance by this research was committed to the research efforts. The questionnaire we used also made it possible for the subject o study (Participants) to standardize questions and statements.

## 5 EMPIRICAL RESULTS AND DISCUSSION

In this chapter, the empirical data concerning the case companies (COMPANY A and COMPANY B) will be analyzed for better understanding. This is done by first describing the structure of the company case (Firm demographics: Firm size, age and industry) which are both based in Finland. This is to enable us gain an insight to the cases environment, their current situation and the characteristics they possessed internally. Secondly, we analyzed the internal entrepreneurial behavior and resourcefulness characteristic of the case companies. Though we got different angles from the founder when they named several behaviors encouraging exploitation and exploration. They noted that different people and different context requires that things are handled differently too or better put, it requires a different behavior. We shall be giving a detailed explanation of some of the terms used in the interview.

Thus, majority of the concepts we have mentioned in the literature review have been linked to the responses of the case companies which has been narrowed down in the box below as this gives us an insight into what kind of leadership they have in each company and how this traits promotes.

**Table 4 Leaders behavior**

<b>Behaviors Encouraging Exploitation</b>	<b>Behaviors Encouraging Exploration</b>	<b>Competencies</b>
Clear goal and requirements	Cooperative development	Motivation of people is identified
Second thoughts on Problem solving	Requirements are spelt out	Different people with different Behavior
Discussing issues together		Context specific

Convincing Employees	Recognition of feedbacks	Context specific
	Group discussion of ideas	

**Table 5 Promotion of entrepreneurial behavior**

Entrepreneurial Trait	Company A	Company B
Need for achievement		
Locus of control		
Risk taking		
Tolerance		

**Table 6 Entrepreneurial Resourcefulness**

Entrepreneurial orientation	Company A	Company B
Innovativeness		
Risk taking		
Proactiveness		
Autonomy		

## 5.1 COMPANY A WITHIN CASE ANALYSIS

COMPANY A is into applications for all kinds of industries and its 29 years of age, and as an employee centred firm of over 40 employees, the company has a strong relationship at all levels and just like any entrepreneurial firm, they have that Finnish culture of a flat hierarchy, have an honest approach to dealings, and employees try to spend time together after work. All this was a pointer to the fact that the employees had a high level of motivation. The interviewer had an interview with 2 employees and the CEO who happens to be the founder, he had no major educational degree before he started his business.

COMPANY A has been successful over the course of the year because of the founder and employees technical know-how in the business.

*“We are a team filled with young and vibrant people, with different specialty in the technical know-how of the sector”*

	2012	2013	2014	2015	Growth
Headcount	33	40	44	51	22%

Because it operates a very competitive environment, the technical know how allowed for the high growth which generally can be an issue for manager because they really have to be able to cope with challenges of operation as regards increment in employees or projects.

*“You know because of the nature of our business and the industry, the number of our staffs changes which is also something to always look after”.*

**Table 7 Leadership Competencies**

<b>Cognitive Ability</b>	<b>Behavioural application</b>
Empathetic	Employ different behavior
Conscious of employees needs & xter-istic	Employ different coaching to workers
Good listener	Ability to integrate to different situa-tion
Communication skill	Each situation with different behavior
Handling employees problems	Different approach for each case

The Founder or CEO is always open to discussion with his employees so as to reflect upon opinions and feedbacks to the employees. This he applies into understanding employees situation and responsibilities. His leadership competence or style is described below by one of his staffs as been fair and democratic.

*“ I think he is a very nice man who listens to us and is fair in all his dealings. In-formation flow is really clear”.*

Under the leadership abilities of the founder of company A, His cognitive abilities and behavioural application was centred on his listening and communication skills as he tries to solve every problem differently.

**Table 8 Leadership Behavior**

<b>Behavior encouraging Exploitation</b>	<b>Behavior encouraging Exploration</b>
Open to new ideas	Open to new ideas
Allows freedom and responsibility	Allows freedom and responsibilities
Give feedback and discussion of issues	Consistent discussions
Create exciting ideas	Allows for knowledge transfer

As a technical oriented business, they specialize on certain high- quality products or solutions for companies and they also imbibe a social culture amongst its employees. Moreso, they deal with each other in all modesty and honesty, and the act of hanging out together after work, this is a pointer to why there is a high level of motivation in Innovative ideas brewing within the firm as the staffs are trained or developed while tasks are shared in relation to their skills and wishes.

*“ He likes to give feedbacks especially when we are not doing the right thing but he would never discourage you. He is really open if you have a basis to support your reason for acting in a way or arguments and then if he feels its attainable, he allows it stay” .*

This really worked for him and the business as they were able to build ideas and products internally. This really promotes entrepreneurial orientation(Innovativeness, autonomy, risk taking and proactiveness) in the firm.

**Table 9 Comparison with Literature**

<b>Behavior encouraging Exploitation</b>	<b>Literature backing it up encouraging Exploration</b>
Give feedback and discussion of issues	Specify Task
Allows freedom and responsibility	Autonomy
Open to new ideas	Shape culture
Search for information	Relating individual and knowledge

In the firm, Exploitation processes by the customer orientation model, as they are constantly adapting to the need of the customers which captures the current situation of the company. The success of the exploitation in the company attracts more exploitation in relation to available resources which leads to exploration.

*“We are inspired by customers and their needs, especially that we offer hydraulic solutions depending on the need or industry”*

Also, with Entrepreneurial orientation, in aligning existing literature with what is going on in the business unit, the Orientation in the firm reflects how they engage in new ideas and creating other procedures to production different from an existing one so as to outwit competitors and also sustain their place in the market place.

**Table 10 Promotion of entrepreneurial behavior**

The total behavior shown by the CEO to encourage exploitation and exploration are indicated below:

<b>Entrepreneurial Trait</b>	<b>YES</b>	<b>NO</b>
Need for achievement	<b>x</b>	
Locus of control	<b>x</b>	
Risk taking	<b>x</b>	
Tolerance	<b>x</b>	

*Employee 1 "The CEO is always (proactively) monitoring our work and dishing out feedbacks especially when there is a new design or solution"*

*Employee 2 "It is a good feeling to know that your job is loved by someone"*

*CEO "It is always good to sit down together and talk about potential solutions and improvement".*

The promotion of entrepreneurial behavior on the part of the business owner in company A is indicated by how he pushes and influences his employees. Extract of some responses by employees in Company A states or sheds light on how he controls his business, how he monitors the business, ability to venture into risk taking to promote ideas and his tolerance. Overall in the case of COMPANY A, this Interview with the employees and the CEO showed some behaviors encouraging exploitation and exploration which fits easily to our theoretical framework as the employees and the CEO are constantly talking to each other (transfer of information), while the founder allows for freedom of mode of operation and responsibilities (Autonomy) and openness to ideas, creating a friendly atmosphere (company culture). Also, we can see that there is a relationship with risk taking and business performance because as a matter of fact not every idea or project will end up a success but of course taking up risky ideas or



strategies may end up profitable in the future. Using Barringer and Blue-dorn cited by Brizek, 2014) variables that promotes entrepreneurial behavior: Opportunity recognition (Miller, 1983; Zahra, 1993); entrepreneurial actions by firms (Zahra, 1993); organizational flexibility (Gumpert,1985). For example in Company A, entrepreneurial action is displayed as employees appreciates it when the leader sit together with them and talk about solutions and improvements. And basically what entrepreneurial actions talks about here involves the measurement and rewards for innovation and risk taking behavior.

**Table 11 Entrepreneurial Resourcefulness**

<b>Entrepreneurial orientation</b>	<b>YES</b>	<b>NO</b>
Innovativeness	<b>x</b>	
Risk taking	<b>x</b>	
Proactiveness	<b>x</b>	
Autonomy	<b>x</b>	

Company A operates in a highly competitive technology driven environment, it had made its business an employee-centred one and because of this, there is a need for the technical abilities of the employees coupled with the integration of trends and knowledge coming from the works of customers to become competitive and grow the business. They then have imbibed into there culture the afore-mentioned concepts under entrepreneurial resourcefulness which has forstered a strong relationship amongst the employees which also brings about the high level of motivation that culminates into the level of creativity. Employees are coached and giving freedom to develop, allowed to search for new ideas and bringing it to the innovative table of the firm.

## **5.2 COMPANY B WITHIN CASE ANALYSIS**

COMPANY B is also a Finnish company focused on growth and innovation while putting quality and cost effective solutions into perspective with customers, it was established in 1978 but was bought via MBO (management by objective) in 2002. MBO is a situation whereby the management of a company buys the operation and assets of the company they

manage (investopedia.com). The company is headed by Veikko Jahunen the CEO and they have a global sales out where its products are sold.

	2012	2013	2014	2015	Growth
Headcount	20	25	31	38	28%

The headcount employees over the course of four years are indicated in the table above

**Table 12 Leadership Competencies**

<b>Cognitive Ability</b>	<b>Behavioral Application</b>
Conscious of employees needs and characteristics	Different approach to different case
Knowledge of human nature	Behavior depends on each worker
Identification of right worker	Employ different coaching to workers
Putting employees on right job	

In shaping the company culture, the management allowed cognitive and behavioral applications which allows for the knowledge of employees and also treat them differently depending on situation. In the interview done with the COO and 2 employees. The COO described the leadership competencies in the organization as;

*"We are cooperative in our approach as leaders, though we have hierarchies, we also try to be on same level with staffs and put them into consideration in whatever we do".*

**Table 13 Leadership Behavior**

<b>Behavior encouraging exploitation</b>	<b>Behavior encouraging exploration</b>
Allows freedom and responsibilities	Allows freedom and responsibilities
Give feed backs and allows for discussion of issues	Encourages creativity
Promotes team work	Training and development
Help develop employees	Idea development
Search for information	Discussion of ideas

The kind of organization culture put in place by the management requires that employees need to be put on their toes all the time and also meet up with requirements needed for high quality because of that, employees are constantly trained and developed.

*“ We are always busy because of the demand (management and employees), because when there is a demand, we have to build, check and test it...simply because we have set ourselves a level and project pressure is always there”.*

At some point into the interview, we noticed there are more of exploration behaviors than exploitation and the COO feels employees nowadays give not so much creative information.

*“ We could do more to improve upon our ideas”.*

**Table 14 Promotion of entrepreneurial behavior**

<b>Entrepreneurial Trait</b>	<b>Yes</b>	<b>NO</b>
Need for achievement	<b>x</b>	
Locus of control	<b>x</b>	
Risk taking	<b>x</b>	
Tolerance	<b>x</b>	

Overall in the case of Company B, these comprises of a leadership structure which shows more behaviors that encourages exploration simply because they had placed too much on exploitation and there is a need to balance it. Employees then, mentioned some behaviors that could encourage exploitation and exploration like monetary rewards, feedbacks and effectiveness and efficiency.

*COO “ because of our management structure, there is always a degree of good grip on things to be done”*

*Employee 1 “I would really like to get feedbacks on personal assignments”.*

*Employee 2 “We have different bosses who are experts in their fields, which I think complement each other”*

**Table 15 Entrepreneurial Resourcefulness**

Taking a Look at behaviors encouraging exploitation and exploration, all the behaviors like Autonomy, organization culture, sharing of task as described in the literatures are meant.

<b>Entrepreneurial orientation</b>	<b>YES</b>	<b>NO</b>
Innovativeness		<b>X</b>
Risk taking	<b>x</b>	
Proactiveness	<b>x</b>	
Autonomy	<b>X</b>	

### 5.3 CROSS CASE ANALYSIS

The two companies cases are analyzed in the following table:

**Table 16: cross case summary**

Cases	Business	Founder	Year	G/4years	EB	Interviwees
COMPANY A		1	1986	22%	EB	Founder, 2E
COMPANY B		MBO	1978	28%	Shared in Team	COO, 2 E

Looking at the cases, we found out that promotion of Entrepreneurial behavior is prevalent in one leader while the other company case indicated that entrepreneurial behavior is shared across the leaders (Management). Thus, this cross case summary will analyse and do a comparison of the two (2) cases in line with the research question.

### 5.4 What are the behavior(s) that encourages exploration and exploitation employed by owners/managers in a firm?

#### COMPANY A

<b>Behavior encouraging Exploitation</b>	<b>Behavior encouraging Exploration</b>
Open to new ideas	Open to new ideas
Allows freedom and responsibility	Allows freedom and responsibilities

Give feedback and discussion of issues	Consistent discussions
Create exciting ideas	Allows for knowledge transfer

## COMPANY B

Behavior encouraging exploitation	Behavior encouraging exploration
Allows freedom and responsibilities	Allows freedom and responsibilities
Give feed backs and allows for discussion of issues	Encourages creativity
Promotes team work	Training and development
Help develop employees	Idea development
Search for information	Discussion of ideas

From the above table and interview, the behaviors encouraging exploitation includes; giving of feedbacks, freedom, ideas and responsibility.

**Feedbacks** according to Conger (1986), is basically can be used to guide and equip employees. Hence, giving of feedbacks by managers can be seen to influence creativity of employees (Zhou,2003), group and organisational functioning (Ensley, Pearson & Pearce, 2003). Take it or leave it, most organisations now take feedback and with my case companies its not different. Reina & Reina (1999, p. 82) described feedback as a different form of communication skill that is important to the advancement of loyalty and it is linked with listening. Feedbacks are taken from both employees and customer (external environment) because it offers to business owners or leaders insights to how a business, service or product can be improved upon. Another positive thing feedback gives is that it helps to measure the satisfaction of customers and their experience so as to retain them. One important advantage it also offers is that it provides basis to make market or business decisions especially when it comes to adding or removing features from a product or service. Thus, in gathering employees feedbacks, a leader needs to determine what reason or challenge the business is faced with. Is it product development, downsizing, staff growth, merger and acquisition, market development? The CEO of Company A in one of the interview with him said *"You dont do business without the employees, because usually it motivates and engages them to do their work better"*.

While in Company B, the COO feels its an organisational culture thing and in his words he said *" When employees gives feedbacks about their work, coworkers, working conditions or environment it is related to their job satisfaction"*. This means that employees dont even like it when they are not noticed, no matter how big or small the firm is. This negative feeling of voicelessness can literally lower productivity or creativity rate.

**Freedom and responsibility giving** can be linked to Autonomy in the theoretical frame work. (Zheng et al, 2010) mentioned freedom and responsibility as being useful for exploration while control and process is useful for exploitation. Giving autonomy to employees at work could make them happier and productive. The CEO of Company A buttressed this saying *"people want a fulfilling job where there have the freedom to make decisions and own their positions"*.

While Company B COO said *"we value learning, training and flexibility on the job, so they provide employee with the freedom to manage their work, when and where to do the job to their satisfaction"*.

As challenging as the concept is, Freedom giving involves the ability of the managers or business owners to give employees the chance to exercise their own creativity on jobs, work from any location or any other flexible mode of operation or process.

**To give ideas** is seen as a behavior that encourages exploitation and can be likened to creativity or innovation as it stimulates innovation. Thus, business owners tend to depend sometimes on the ideas of employees to allow them produce their best results. For example, Company A CEO said *"I really value my employees ideas about how to expand the company though some are quiet about it but i need to encourage or motivate them to do so"*.

In COMPANY A, The most important behaviors are creating exciting ideas, allowing freedom and responsibilities in relation to transfer of knowledge. Moreso, the founder wields a strong influence on the organisational culture which allows employees have access to processes. Giving of Autonomy which is part of the theoretical frame work is seen in action here. The company have devised some strategies targeted at been competitive in the market place and that's why they have got varieties of products or solutions for companies or society to choose from.

While the case of COMPANY B can be described by the work of Gibson & Brickshaw(2004) by training and developing employees in order to exploit or explore. They have a high level of Entrepreneurial orientation though with a solid hierarchy, but production is more of project like and less risky. They often produce also different products but not so much of new entry products which is better described as more of a response based orientation to market or customer needs.

## **5.5 How do entrepreneurial behavior in each case SME interpret to business performance?**

There are so many factors associated with the growth of firms and these can come in form of competitive advantage, success and innovativeness (Hölzl & Friesenbichler, 2007). And this kind of organisations helps the development and creation of wealth of any national economy (Birch, 1979). Having mentioned that, according to many researcher and companies, the pointers to growth are increment in employees and customer base, profits and recommendation (Henrekson & Johansson, 2009) but despite these pointers or measures, growth can also be a challenge to the organisation has pointed out by one of the case companies. Thus, from our literature, the business environment is in focus in an attempt to understand the influence of Entrepreneurial Behavior on a firm leading to business performance or growth and in our cases its obvious that the level to which the firms pursues aggressively a technology market driven orientation which will interpret to how well they perform in the market space.

In Company A, the leader recognise and value the qualities the employees brings into the organisation, they give them the freedom to introduce new ideas, allows for experiment which could lead into innovation, delegation of responsibilities and clear role. In Company B, They provide regular training and development in areas that needs strengthening e.g creativity , they proactively try to bring in employees with entrepreneurial spirits, demand and expectations are clearly defined. Concisely, this means that without adequate or meaningful support from the leader or top management, employees could loose motivation, a newly started enterprise could fold up, uncertainty could cloud the future of the enterprise.

## 6 SUMMARY AND FINDINGS

Entrepreneurship according to (Stevenson and Gumpert, 1991) is an attitude that pays attention on opportunities instead of resources which occurs in either small, medium or big business organization. Now, talking about how entrepreneurial behavior works in an organization and individual differences on the part of owners/managers which promotes entrepreneurial behavior among their employees. This behavior, which earlier is described as “ *the discovery, evaluation and exploitation of opportunities so as to create future goods and services*” (Shane and Venkataraman, 2000). Generally, on business performance, motivation (Values, attitudes, perception and attribution) and cognitive abilities are two factors that determine it (Kanfer and Ackerman, 1989). While also noting that, an entrepreneur’s goal depends on the motivational processes. Meaning that a firm’s goal should be matched with its abilities which ultimately determines if it grows or remains small.

My position here is focused on that particular process which a company indulges in which reflects the core beliefs and behavioural patterns of top-management on employees’ entrepreneurial ideology. And according to Covin and Slevin (1991), behavior gives meaning to entrepreneurial process. This process is coined “ *entrepreneurial orientation*” (Lumpkin and Dess, 1996; Lumpkin and Dess 2001). This was highlighted by Gartner (1988) when he said focus should be on what entrepreneurs do rather than who they are in an organization.

Miller (1983) describes an entrepreneurial business as an organization which is into product market creation, takes up risk and is ahead of competitors in proactive innovations. Many researches have then been focused in tune to that definition. All these give us a pointer to reason that entrepreneurial orientation can have a positive performance due to the fact that many businesses face an uncertain future and that the need to search for new opportunities would always surface so as to fight low profit situations or dying businesses or a short product cycle (Wiklund, 1999; Zahra, 1991 and Covin, 1995). Having said this, many marketing literatures also



buttress the point that a lot of importance is put upon a proactive market driven behavior inside a firm and in a way we can decipher from this study the difference in the terms “ market driven (before innovation) and market driving (Outcome of innovation) approach

In view of this, we can deduce some conclusions from the results. Firstly, we go along with McClelland’s theory that implies that achievement and motivation is significantly related performance and job choice in the capacity of an entrepreneur. The nature of motivation from a manager to a subordinate on a task must be considered side by side of an individual’s ideology in resource capacity.

While the following section introduced to us a summary of the major results of the cases were looked into in regards to the three (3) research questions, the findings are thus explained in relation to the central research questions. While also considering that in theory, performance is gained or better explained by differences in motivation and individual ability and also we can see that motivational factors (Values, attitudes, interest, perception, intellectual ability and attribution) can promote or predict business performance.

## SUMMARY OF THE STUDY

**What are the behavior(s) that encourages exploration and exploitation employed by owners/managers in a firm?**

The first findings relates to Leaders behavior shown in the case studies which is summarized into the following:

<b>Behaviors Encouraging Exploitation</b>	<b>Behaviors Encouraging Exploration</b>	<b>Competencies</b>
Clear goal and requirements	Cooperative development	Motivation of people is identified
Second thoughts on Problem solving	Requirements are spelt out	Different people with different Behavior
Discussing issues together		Context specific
Convincing Employees	Recognition of feedbacks	Context specific
	Group discussion of ideas	

Of the two case studies investigated, in Comapnay A, the most important behaviors are creating exciting ideas, allowing freedom and responsibilities in relation to transfer of knowledge. Moreso, the founder wields a strong influence on the organisational culture which allows employees have access to processes. Giving of Autonomy which is part of the theo-

rectical frame work is seen in action here. While the case of Comapny B can be described by the work of Gibson & Brickshaw(2004) by training and developing employees in other to exploit or explore. In sum total, this behavior is shaped by a leader who puts into cognisance the creative process and employees ability while mixing or understanding those sets of encouraging behaviors in relation to his/her knowledge.

In otherwords, the kind of leadership traits or behavior in a company can interprete to some wonderful experiences amongst employees which promotes a self-efficacy belief to perform. Also, the system of feedback giving or similarly giving encouragement to employees can intereprete in- to self-belief to perform.

### **How do entrepreneurial behavior in each case SME interprete to business performance?**

The findings here relates to Leaders behavior shown in the case studies which is summarized into the following:

#### **Entrepreneurial Resourcefulness**

<b>Entrepreneurial orientation</b>	<b>Company A</b>	<b>Company B</b>
Innovativeness	<b>Yes</b>	<b>Yes</b>
Risk taking	<b>Yes</b>	<b>Yes</b>
Proactiveness	<b>Yes</b>	<b>Responsive</b>
Autonomy	<b>Yes</b>	<b>Yes</b>

Of the two cases, it shows that Entrepreneurial orientation (Proactiveness, autonomy, risk taking and innovativeness) really is central to them as they are in the Technology oriented environment which ultimately affects the markets and business performance also its is notable to say that a small firm can be affected by Finances. In addition, the dominant strategic behavior and approach to market segmentation is about having a proactively and responsive marketing orientation to a niche. In company A, its business model is built around interactive communication within the system while that of company B is more centralized on the path of the management.

## **FINDINGS**

As a matter of fact, it has been established that majority of small enterprise in the E.U are focused on their survival instead of growth while not so many are entrepreneurial inclined (Gray, 1998) Looking at entrepreneurial

firms in the 21<sup>st</sup> century, it comprises of a solid human resource, factors of production and the quality that such resources brings into play in the organizational process. This invariably gives a pointer to the direction to which the firm is going and on some occasions it gives a representation of the philosophy of the management. And in tune to this study; Three (3) research question was introduced in the beginning chapter of this work: 1) What is entrepreneurial behavior? 2) What are the behavior(s) that encourages exploration and exploitation employed by owners/managers in a firm? 3) How do entrepreneurial behavior in each case SME interpret to business performance? And as a matter of fact, the objective of this study is to increase or broaden our knowledge of entrepreneurial behavior and how it could encourage exploitation and exploration used by managers in a firm and at the other hand to explain how this behaviors could interpret to business performance.

The framework for this study was conjured from literature review on entrepreneurial behavior to give meaning to its major findings. While it is imperative to acknowledge the fact that entrepreneurial firms are indispensable in modern economies, therefore, it is worth the time and effort to study this field. In arriving or discussing our conclusion of this subject, Firstly, We started by shedding light on an Entrepreneur from the micro-level; and as a matter of fact it consist of the make up (personality or features) of the entrepreneur. Secondly, we went deeper via the intermediate level conditions; this explains the relationship which exist between the entrepreneur, the association of family members and other societal dynamics. And not forgetting, the macro condition which is associated with the total understanding of the environment of the entrepreneurs. All of these three conditions mix together in the behavior or determines how can an entrepreneur react in/to different situations.

## Major Findings

1. Understanding a business can be said to be related to how an entrepreneur sees his/her business in reality, which means basically entrepreneurs are driven by personal and business motivation. We noticed some behavioural differences in the management between the two case companies. The following excerpts backed up our findings:

The CEO of Company A in one of the interview with him said *"You dont do business without the employees, because usually it motivates and engages them to do their work better"*.

From his employee *" I think he is a very nice man who listens to us and is fair in all his dealings. Information flow is really clear"*.

While in Company B, the COO feels its an organisational culture thing and in his words he said " *When employees gives feedbacks about their work, coworkers, working conditions or environment it is related to their job satisfaction*".

The COO also said " *because of our management structure, there is always a degree of good grip on things to be done*"

Employee 1 " *I would really like to get feedbacks on personal assignments*".

Employee 2 " *We have different bosses who are experts in their fields, which I think complement each other*"

2. Since most business situations involves all kinds of challenges, constraints and opportunities that can greatly influence business performance, one of our findings shows that Future performance by the managers were dependent on how they focus on their present situation and the external environment.

*For example: From Company B" We are always busy because of the demand (management and employees), because when there is a demand, we have to build, check and test it...simply because we have set ourselves a level and project pressure is always there*".

*The CEO of company A said "We are inspired by customers and their needs, especially that we offer hydraulic solutions depending on the need or industry"*

3. Business performance could be understood by the concepts of interest, values, attitudes, opportunity recognition, motivation. And in the case companies business performance was influenced by entrepreneurial orientation has they were in the technology driven sector.

Excepts from the CEO of company A backing up this point are;  
*"We are a team filled with young and vibrant people, with different specialty in the technical know-how of the sector"*

*"You know because of the nature of our business and the industry, the number of our staffs changes which is also something to always look after"*.

4. The competence of leaders or managers can also be greatly enhanced by psychological and emotional situations.

In Company B, the COO said *"we value learning, training and flexibility on the job, so we provide employee with the freedom to manage their work, when and where to do the job to their satisfaction"*.

*"We are cooperative in our approach as leaders, though we have hierarchies, we also try to be on same level with staffs and put them into consideration in whatever we do"*.

5. Management or entrepreneurs can instill entrepreneurial self-beliefs into subordinates via feedbacks and encouragements thereby promoting entrepreneurial resourcefulness in the enterprise.

The CEO of Company A buttressed this saying *"people want a fulfilling job where they have the freedom to make decisions and own their positions"*. Also, For example, Company A CEO said *"I really value my employees ideas about how to expand the company though some are quiet about it but I need to encourage or motivate them to do so"*

6. Scholarly literatures shows that entrepreneurial orientation is positively related to a firm's performance.

## LITERATURE VS FINDINGS

Under the literature review, I established the definitions of entrepreneurial behavior within a firm. To bring us back again to what it means, entrepreneurial behavior are those sets of processes and activities by a person or unit used in creating innovations and to identify and pursue opportunities (Elfring and Mair, 2004). Kuratko, (2007) defined entrepreneurial behavior as those sets of actions used to exploit entrepreneurial opportunities that have not been exploited by rivals. While autonomy, innovation, assuming risk, competitive aggressiveness and a proactive nature are elements of entrepreneurship also known as entrepreneurial orientation (Lumpkin and Dess 1996; Miller, 1983).

So based on my literature review, we are able to decipher that there are some elements that guide entrepreneurial behavior and which affect the starting up of a business unit positively. Some of the elements are listed below:

- A) Motivation by McClelland (1965, 197) which is interrelated with locus of control Rotter (1966), need for achievement (McClelland 1961), and need for autonomy
- B) Innovation by Schumpeter 1934 and Lumpkin & Dess 1996
- C) Entrepreneurial self-efficacy (Wilson et.al 2007:398-399)
- D) Alertness by Kirzner (1973) which is about seeing opportunity where others do not.
- E) Risk taking which measures the willingness to take attempted risks in terms of resources, time and job (Kuratko, 2004; Lumpkin & Dess 1996)

In addition, looking at the competencies of leaders or entrepreneurs, Kim et. al (2006) showed that education also is a pillar of entry into entrepreneurial activities via training and development of skills which is contrary to finances or culture. This is peculiar with nascent entrepreneurs, as they operate within a particular social network.

All these factors, themes, or elements mentioned in the literatures helps in our understanding of "entrepreneurship" and also helps to discuss and understand the research questions raised;

1. What is entrepreneurial behavior?
2. What are the behavior(s) that encourages exploration and exploitation employed by owners/managers in a firm?
3. How do entrepreneurial behavior in each case SME interpret to business performance?

These themes helps to shape entrepreneurial behavior as a topic and these also narrows the framework down to our findings. For example:

Certain personal characteristics- It basically expantiate on the concept entrepreneurial behavior is or better still forms the DNA of an entrepreneur. It guides in the understanding of a business and it can be said to be related to how an entrepreneur sees his/her business in reality, which means basically entrepreneurs are driven by personal and business motivation. Meaning that owners/managers are supposed to exhibit behaviors that encourage search, experimentation and discovery. We noticed some behavioural differences in the management between the two case companies. Business performance could be understood by the concepts of interest, values, attitudes, opportunity recognition, motivation. And in the case companies business performance was influenced by entrepreneurial orientation has they were in the technology driven sector.

Competencies acquired through education or training - The competence of leaders or managers can also be greatly enhanced by psychological and emotional situations. Going by Goleman, (1995), training can improve emotional intelligence, which have a positive effect on innovativeness or creativity. This forms the fulcrum of behaviors that encourages explora-

tion and exploitation of opportunities (Alertness by Kirzner). Conclusively, we can say training and development ultimately will improve employees technical know how s and understanding.

External environmental factors - external environmental factors relating to the business environment such as government regulations and access to finance, political factors such as democracy and socio cultural factors as entrepreneur social status. And as a matter of fact, leaders are to establish a relationship between employees, teams and external environment to foster knowledge generation.

## 7 RELIABILITY , VALIDITY AND LIMITATION

In research methodology, the idea of reliability is to ensure that any kind of result must be a one off meaning that other researchers must be able to get similar results. While Validity involves the total experimental process which states if the results gotten meets the requirements slated for the scientific research. This is buttressed by Yin, (2011) where he posited that as a matter of fact every study consist of certain claims either valid or invalid, and validating them would ensure that the validity of that study is strengthened.

The Validation and reliability on this research on entrepreneurial behavior and entrepreneurial orientation was done using many concepts generated from a large amount of literature review and generation of theory. The purpose of the literature review was shed light on the different approaches and concepts on the study of entrepreneurial behavior. Thus, we used the case study as a scientific study which usually is used for the study of problems related to creativity or innovativeness (Yin, Barterman & Moore, 1985) and also it gives an insight to not only the actors involved in the case studies but it allows for all related groups and the relationship between them (Tellis, 1997). To select the cases, we took into account non probability sampling which is peculiar to exploratory approach to qualitative research. The companies was contacted via personal network. In getting to our discussion and findings, we used the Eisenhardt (1989) approach. This approach simple is clear and says in establishing a good case study, there must be a clear research question to start with followed by deciding on the population the case study will cover. Another ingredient to be mentioned is the selection of instrument to be used and not forgetting the data collection and analysis. We then divided the data analysis into two: within-case analysis ( Which is intended to highlight the special characteristics of each case) and Cross case analysis ( Intended to highlight general characteristics across cases).



## LIMITATION AND FURTHER RESEARCH DIRECTION

Since there is a general consensus that small and medium sized businesses are vital to the growth and development of an economy, it is only worthy that we continue to make research and a conscientious efforts on the scholarly part. This study is a qualitative study, so it may not give a solid assessment or enquiry into entrepreneurial behavior and how it influences business performance plus it can also be broad due to so many variables are discussed. But it still gives a guide or calls our attention towards a possible direction for research. Further studies could explain more on a qualitative terms variables involved in the competencies of entrepreneurs, the levels of entrepreneurial behavior in firms or how entrepreneurial behavior affects business performance (Criterion). Also, since our results shows that Entrepreneurial orientation could be of benefit to entrepreneurial business, it is then only reasonable that E.O is a promising area under Entrepreneurship discussion. And finally, because this work focuses on entrepreneurial behavior incorporating entrepreneurship also as a field, future studies should concentrate more on concrete how managers can encourage employees exploitation and exploration.

## 8 CONCLUSION

Chapter 1.0 introduces us to the purpose of this study and Section 1.1.2 states the research questions. Chapter 6 introduces us to the main contributions and findings of the thesis. Section 7 tells more about the reliability, validity and limitation to the study while chapter 8 discusses about the implications and suggestions of the study.

We had three (3) research questions in the 1st chapter. The purpose of the study is divided into two and it is to give a search light into entrepreneurial behavior and growth of a SME. First is an explanation about Entrepreneurship and understanding the role of entrepreneurial behavior in SMEs . And secondly, to understand how individual differences on the part of owners/managers promotes entrepreneurial behavior among their employees. For example in company A, the CEO is driven by personal achievement and he didn't focus only on a particular success recorded but pushed further to ensure a continuous trend in the growth of the firm. While in company B, the team or board shared a philosophy and had a direct influence on the firm's direction and success while in one way or the other are part and parcel of the workforce. Having said that, the central questions to this thesis can best be understood by making a diagram below that shows us the relationship between all the aspects mentioned.

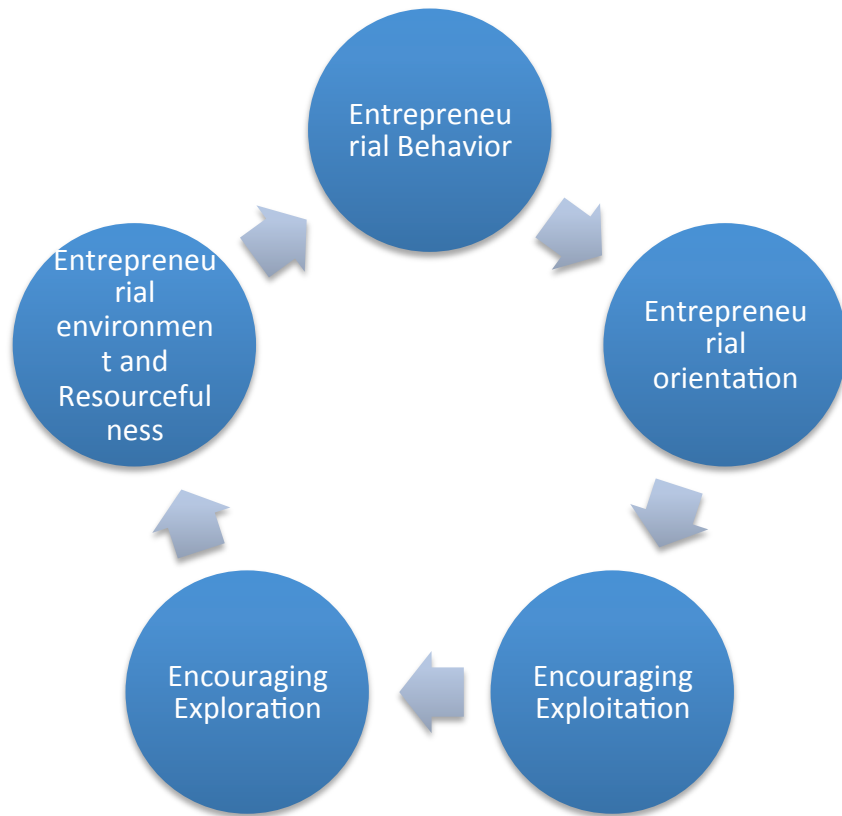


Figure 3: Research model

Just as i mentioned in the research question and summarized with the above diagram, the main aim of this research is to focus on Entrepreneurial behavior and explain how this behaviors on the part of leaders/mangers/owners encourages exploitation and exploration in a firm. Hence, the overall body of the thesis is based on literature review on the concept entrepreneurship, themes relating to entrepreneurship like entrepreneurial behavior, growth and entrepreneurial orientation are discussed in this study. These concepts we talked about were used as a tool to analyse and inteprete findings in the case study. Below are the implications of this study;

## PRACTICAL IMPLICATION

The growth of firms can be crucial for the development of all national economies especially when it comes to improvement of employment rate and wealth creation (Birch, 1979). According to researchers and entrepreneurs, indicators of growth could take the shape of increase in the number of customers, increment in revenue streams or image, size of employees or organization, creation of entry barriers to new entrants (Henrekson

&Johansson, 2009). But then, it comes up with its own issues reasons being that they need to deal with exploitation and exploration, efficiency and flexibility problems (Ireland & Hitt, 2003).

In terms of the practical implication, organizing an organizational structure, roles or duties is usually accompanied or guided by the leader's control over them. This study shows that understanding a business can be said to be related to how an entrepreneur sees his/her business in reality, which means basically entrepreneurs are driven by self and business motivation. Also, what I was able to come up with in this work shows that entrepreneurial orientation has to a great deal of a positive effect on business-units development and growth. In addition, many researchers have found that personal characteristics (Barringer, Jones & Neubaum, 2005), financial status, innovation, leadership and strategy do influence firms growth (Tonge & Larsen, 1998). Building upon this, this orientation can be passed across to the all teams on different levels for example in terms of competencies and behaviors which shapes or help maintain a balance in behaviors that encourage exploitation and exploration.

Overall, i was able to notice some behavioural differences in the management between the two case companies especially on training and development. And according to Goleman, (1995), training can improve emotional intelligence, in light of this a continuous provision for a learning environment or training could increase entrepreneurial behavior. And concerning behaviors encouraging exploration in particular, we found some relationship between the case studies and the ones explained by the literature. Behaviors like; knowledge transfer, company shaping, developing of work environment relationship, autonomy granting and job responsibilities. But behaviors like threat and negative mood (Gupta et.al., 2004) was not highlighted in the literature.

## MANAGERIAL IMPLICATION

Moving on from the practical implication of this thesis, it is also interesting to know that this work offers some explanations to the practitioners. The ability to mix different skills, traits, procedures or process has been recognized as a major indicator of successful leaders. And according to O'reilly & Tushman (2004), this blending can be challenging or problematic in the work environment but can only be solved by that special leader. This study will help support big, medium or small enterprise approach to business performance and also new insights into entrepreneurial behavior.

This can equip many business owners or founders with new experience or knowledge about how to achieve business performance and also how to strike a balance between exploration and exploitation activities. This Study tend to also give an insight to how practitioners can proactively tackle the challenges they can be confronted with in the process of developing an organizational structure, how to react to different scenarios, people and idea and more especially trainings or development of employees in relation to dealing with fast growth.

One central point in this study for managers or entrepreneurs is the value they get from the tabulation of behaviors encouraging exploration and exploitation. By reading through the case studies, managers get to see those behaviors and also enlarge their ideology about those behavioural set thereby implementing change in the work environment as cited by Krueger and Brazeal (1994) "*perceptions are learned and learnable*".

Finally, the participants in the case study also are able to learn more about their leadership ideology, organisational process, challenges they are faced with while growing and potential challenges in the market environment (Weick 1979;Dutton 1993).

## **EDUCATIONAL IMPLICATION**

Entrepreneurship as an area of interest or research has really developed in recent times. For example works on Entrepreneurial behavior and orientation has really doubled in the past decade. On the educational or research level, this study attempts to refresh us on some of the social and psychological level of entrepreneurial behavior and performance. Thus, I hope that in the not too distant future, more research will build upon Entrepreneurial Orientation and the understanding of Entrepreneurship so as to solidify it's theoretical foundation. Furthermore, Implication of this work on the educational level opens up on contemporary entrepreneurial issues like market driven and market driving behaviors, technology and market orientation with emphasis placed on the need for a more integrative models of entrepreneurial behavior to better explain the concept. Furthermore, one huge problem associated with case studies is the Generalizability to other environment (Eisenhardt 1989; Yin 1999), so we are of the opinion that since we have only analysed two firms in Finland, future research could attempt to establish if the results here can be the same using different environmental factors in a different cultural settings.

This thesis as mentioned earlier on adds to scholarly work on entrepreneurial behavior especially taking into consideration the different behaviors experienced in in firms that are well grounded. Findings shows that

since its more of an exploratory work involving two case companies, it sets the tune for additional area of study of this concept.

Conclusively, we can ascertain that in company A, hierarchy is flat and because of that, the leader is opened to ideas and has a good communicative skills which allows for a creative destruction as coined by Schumpeter (1942). While in company B, it is guided by Management by objective (MBO) Meaning that there is a solid hierarchy, Employees are usually taking through training and development.

## **POLITICAL IMPLICATION AND SUGGESTION**

This study also examines briefly how the external business environment influences the motivation of entrepreneurs or firms in either starting a firm or growing the firm. This understanding will definitely guide entrepreneurs and leaders on how to encourage entrepreneurial behavior among employees. Some authors like (Begley & Tan, 2001) have mentioned some external environmental factors relating to the business environment such as government regulations and access to finance, political factors such as democracy and socio cultural factors as entrepreneur social status. Aldrich (2000), believes that these external environmental factors are of importance to us than personal traits when starting a business. A business environment here is seen as that regulated environment which is okay for a business to commence operation. Klapper et.al (2007) includes access to capital, regulatory institutions, employees, international business, and perception of entrepreneurs under this business environment. Hence, this study provides a link between entrepreneurship and economic development especially as how work is focused on firms from the environmental/construction sector. Further research area can also focus more on this relationship that exist between entrepreneurship, regulatory institutions and economic development.

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## **APPENDIX**

### **ASSESSMENT QUESTIONNAIRE**

The purpose of this questionnaire is to examine the various behavioral traits that Entrepreneurs or supervisors practice in the work environment.

Part 1 :Kindly read through the questions carefully and fill in the gap with statements from your thoughts

#### 1. Background information

Name:

Location of Company:

Industry:

Size of company:

Age of Company:

## 2. Behavioral characteristics

- Innovativeness
- Self-confidence
- Internal locus of control
- Tolerance of ambiguity
- Risk taking
- long-term involvement
- Use of feedback
- Proactiveness
- Clear goal setting

Use the above box to answer the questions that follows below:

- a.) How many of the entrepreneurial qualities do you possess?
- b.) Which one(s) do you need to work upon?
- c.) Which one do you need to seek information on?

Part 2: Kindly rate each behavior in this part using the five (5) point scale by making a circle round the figure.      1 Not at all important 2 somewhat important 3 important 4 very important 5 Extremely important

1. We Passionately look for new ways to develop the business  
1 Not at all important 2 somewhat important 3 important 4 very important 5 Extremely important
2. We Create an environment where people feel free to try new things.  
1 Not at all important 2 somewhat important 3 important 4 very important 5 Extremely important
3. We encourage risk taking in the business environment.  
1 Not at all important 2 somewhat important 3 important 4 very important 5 Extremely important
4. We spend time on new business development.  
1 Not at all important 2 somewhat important 3 important 4 very important 5 Extremely important

5. We encourage suggestions on improving the business.  
1 Not at all important 2 somewhat important 3 important 4 very important 5 Extremely important
6. We regularly Communicates the vision of how the organization could be better in the future if we are to make certain improvements.  
1 Not at all important 2 somewhat important 3 important 4 very important 5 Extremely important
7. We give regular feedbacks to employees.  
1 Not at all important 2 somewhat important 3 important 4 very important 5 Extremely important
8. We encourage entrepreneurial orientation at the work environment.  
1 Not at all important 2 somewhat important 3 important 4 very important 5 Extremely important
9. We actively identify, develop, and seek new business opportunities.  
1 Not at all important 2 somewhat important 3 important 4 very important 5 Extremely important
10. We keep our customers in focus when we make a new change in the organisation.  
1 Not at all important 2 somewhat important 3 important 4 very important 5 Extremely important
11. We create an enabling environment where employees are motivated to think about interesting ways of doing their job.  
1 Not at all important 2 somewhat important 3 important 4 very important 5 Extremely important
12. We Identify and encourage, rebels who think and act differently to other employees.  
1 Not at all important 2 somewhat important 3 important 4 very important 5 Extremely important
13. We listen and act upon customers complaints.  
1 Not at all important 2 somewhat important 3 important 4 very important 5 Extremely important
14. We constantly analyse our processes and procedures to see how we can make things better.  
1 Not at all important 2 somewhat important 3 important 4 very important 5 Extremely important
15. We monitor closely our competitors.  
1 Not at all important 2 somewhat important 3 important 4 very important 5 Extremely important

## COMPANY B's Product Offering

# Robi<sup>®</sup> Offering 2010

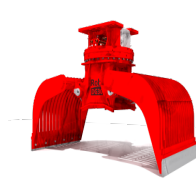
Only for premarketing use

MUNICH  **Crushing Grapples**



Model	Weight	Excavator
CG20	1800	10 - 25
CG35	2600	20 - 40
CG50	3500	35 - 60

MUNICH  **Demolition Grapples**



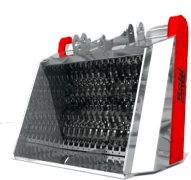
Model	Weight	Excavator
DG6	250	2.5 - 6
DG8	365	4 - 9
DG15	710	8 - 16
DG20	1050	16 - 24
DG30	1770	24 - 40

**Handling Grapples**



Model	Weight	Excavator
HG10	1200	10 - 25
HG20	2000	20 - 40
HG30	2600	35 - 60

MUNICH  **Screening buckets**



Model	Weight	Excavator
MM104	1700	16 - 24
MM154	2300	21 - 34
MM254	2900	30 - 50

MUNICH  **Hydraulic Breakers**

Box Housing  
Top Mounting  
Side Mounting



Model	Weight	Excavator
RH 5	370	4-7
RH 7	445	6-9
RH 20	1275	15-21
RH 23	1640	18-26

**Cutter - Crushers**



Model	Weight	Excavator
CC4	205	2.5 - 6
CC6	355	4 - 9
CC22	2300	20 - 40

**Pulverisers**



Model	Weight	Excavator
RP30	1800	18 - 28
RP42	3050	24 - 42

MUNICH  **Multiprocessors**



Model	Weight	Excavator
MP7	650	6 - 10
MP15	1600	10 - 18
MP19	2350	16 - 25
MP25	2650	22 - 35
MP32	3300	28 - 35



## COMPANY A's Product

# DYNASET



## POWERED BY HYDRAULICS



### COMPACT RELIABLE POWERFUL

DYNASET produce electricity, high pressure water, compressed air, etc. for hundreds of applications:

- construction
- mining
- demolition and recycling
- service, installation and maintenance
- environment and infrastructure
- forestry and agriculture
- transportation, shipping, aviation
- rental
- fire fighting and defence
- process industry

### KOMPAKT ZUVERLÄSSIG KRAFTVOLL

DYNASET produziert Strom, Hochdruckwasser, Druckluft usw. für Hunderte von Anwendungsbereichen:

- Hoch- und Tiefbau
- Bergbau
- Abbrucharbeiten und Recycling
- Montageservice und Wartung
- Umwelt und Infrastruktur
- Forst- und Landwirtschaft
- Transport, Schifffahrt, Luftfahrt
- Vermietung und Verleih
- Brandbekämpfung und Brandabwehr
- Prozessindustrie

### COMPACT FIABLE PUISSANT

DYNASET produisent de l'électricité, de l'eau à haute pression, de l'air comprimé, etc. pour des centaines d'applications:

- construction
- exploitation minière
- démolition, recyclage
- installation, maintenance et service
- environnement et infrastructures
- sylviculture, agriculture
- transport, marine marchande, aviation
- entreprise de location
- lutte et protection anti-incendie
- industries de transformation

## ORIGINAL PAPERS

### I

**THIS IS AN EXAMPLE OF AN ARTICLE TITLE PAGE**

by

xxxxx & xxxxxx, xxx 20xx

Journal of xxxx vol x, xx-xx

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