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Kimmo Hyrsky

Reflections on the Advent of a More Enterprising Culture in Finland: An Exploratory Study

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ABSTRACT

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The present thesis constitutes a pilot effort in studying Finnish enterprise culture. To achieve its goals, the study explores features of both cultural climate of entrepreneurship and potential for enterprise among respondents from across Finland. Past research has shown that the proliferation of an enterprising culture in society requires that a positive entrepreneurial climate is accompanied by the presence of a pool of individuals who possess proper entrepreneurial attitudes and orientations and who are willing and able to make the sacrifices needed to acquire personal wealth. The study has two research objectives which were chosen to enable to shed light on both sides of this argument as regards their applicability in the Finnish context.

Firstly, the thesis examines how members of adult population view and relate to entrepreneurship as it unfolds in the country (Articles 1 & 2). This exploration provides early evidence of an attitudinal and societal climate amongst Finnish people towards entrepreneurial activity. This is done by combining the ideas of entrepreneurship and linguistics. The study brings linguistically grounded methods of analysis to the field of entrepreneurship research. At this early stage, the aim is to get an overview of how people perceive and conceptualise entrepreneurs and entrepreneurship in their verbal expressions. This is done by inquiring what kind of metaphors, collocations and conceptual definitions a pool of respondents use in defining entrepreneurs and entrepreneurship in their everyday language use.

The second focus of the thesis is placed on exploring entrepreneurial orientations and tendencies among entrepreneurs and the wider public (Articles 3 & 4). This is achieved by looking into two key constructs, risk-taking propensity and innovativeness. This examination yields insights into enterprising potential of the subjects. The dimensions are studied with cross-national samples of entrepreneurs and members of general adult population. The analysis is related to entrepreneurial motives, practices and contexts amongst the subjects to link the cognitive propensities to their socio-cultural environment.

In Articles 1 and 2 a paradoxical outlook towards entrepreneurship emerged among the Finns. Besides the frequent existence of metaphors, collocations and entrepreneurial concepts conjuring up gloryfying images of entrepreneurs and entrepreneurial activity, there were also a number of expressions with rather

negative and cynical undertones. The findings seemed to reflect an enduring ambivalence towards entrepreneurship. Nevertheless, on the whole, entrepreneurial climate in Finland appeared to be rather positive. Reflecting the growing importance of entrepreneurship, the meanings of the term *entrepreneur* and *entrepreneurship* seem to have shifted in the popular view from being somewhat pejorative to being complementary.

Meanwhile, in Articles 3 and 4 it was found that the cognitive profiles of Finnish owner-managers tended to be not so entrepreneurial as has often been projected in public discussion in the Finnish political and societal arena. There was also a great discrepancy between these findings and the entrepreneurial perceptions and images found in Articles 1 and 2. In a comparison with US entrepreneurs, the Finnish owner-managers were found to be less innovative and rather risk-averse individuals who instead of pursuing profit and business growth were oriented towards their personal goals and aimed at providing for the economic well-being of their families. The US entrepreneurs were also more conscious in their business planning than the Finns. Moreover, it was found that the cognitive styles of problem-solving and decision-making among Finnish small business owner-managers were clearly less innovative and developed than those manifested by a range of their European and US counterparts.

In future, policies promoting small business development in Finland need to pay more attention to the indigenous features of the national culture of enterprise. Even though social climate in the country is gradually becoming more positive towards aspects of entrepreneurship, the cultural and structural properties of the society and economy do not yet allow for a widespread proliferation of individual entrepreneurship.

Keywords: enterprise culture, entrepreneurial climate, metaphor, collocation, cognitive psychology, enterprising tendencies, risk-taking, innovativeness

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CONTENTS

PART I: THE FRAMEWORK OF THE DISSERTATION

1 INTRODUCTION

> ´When I use a word,´ Humpty Dumpty said in rather a scornful tone,
> ´it means just what I choose it to mean - neither more or less.´
> ´The question is,´ said Alice, ´whether you *can* make words mean different things.´ ´The question is,´ said Humpty Dumpty, ´which is to be master - that´s all´.
>
> -Lewis Carroll, *Through the Looking Glass and What Alice Found There* (1993)

1.1 General background

What comes out when we combine features of entrepreneurship, culture and linguistics? How is the socio-economic structuring process of enterprise culture reflected in the language and perceptions of Finnish people? How does language transmit and create enterprise? On the other hand, how does enterprise culture unfold itself in Finnish society: how do the Finns perceive entrepreneurship? and do the entrepreneurs live up to their public image? These questions, which will be sharpened up shortly, have made the author curious to study entrepreneurship with an interdisciplinary approach. Let us start off by briefly considering the role currently occupied by entrepreneurship in Finland.

Entrepreneurship is currently seen as crucial to development of the Finnish economy which underlies the emphasis in private and public authority initiatives to promote a more enterprising economy. It is acknowledged that through entrepreneurship economic growth can be enhanced, employment opportunities created and the quality of life of individuals improved. Governments which in the 1960´s and 1970´s regarded SMEs as inefficient and less desirable have come to see them as central tenets of programmes and plans for enhancing economic

growth. Policies have been introduced to open provision to the "discipline" of market forces and to privatise the state for capital. In society at large these developments allied to other socio-economic and structural processes have resulted in a climate which favours individualism and self-reliance, especially the role of individual accountability both in salaried and self-employment.

The development of a more enterprising culture is perceived as an important strategy by the government in helping to address relatively high levels of unemployment. Stimulating small business start-ups and growth is regarded crucial in this quest. The state has taken steps to increase the number of new venture start-ups through measures designed to support potential entrepreneurs and to compensate for the barriers to market entry. Considerable public funds are being directed at putting small business ideology into practice via a multitude of programs and policies. These initiatives have played their part in a rapid increase in new SMEs and jobs.

The growth of entrepreneurship, both individual and corporate, have helped to foster ideologies of economic independence so that the state has been able to gradually cut down on the provision of social and welfare service and reduce public expenditure. Entrepreneurs are offered up as examples of what can be achieved if people are prepared to seize opportunities and make the necessary self-sacrifices. In the entrepreneurial ethos, they are projected as innovators and risk-takers who leave the ranks of the unemployed or reject the security of employment in large organisations to set up on their own. In general, the situation is starting to approach that of Britain in the 1980s, when enterprise culture flourished among the defining words of the decade (Hobbs, 1991) as the American models of entrepreneurship were eagerly copied to suit the British purposes without much recourse to cultural adjustments. It seems that we are now experiencing rather similar trends with entrepreneurial activity and attitudes being very popular and endowed with the task of ensuring that the current healthy economic situation is sustained.

Despite the positive image of enterprise and the agreement about the virtues of entrepreneurship reflected in the public discussions and media, little empirical information is currently available about attitudes and beliefs with respect to enterprise amongst the Finnish population at large. There is also a shortage of research information available on entrepreneurial orientations and potential for enterprise among Finnish people. There is very limited data available as regards indication of the level of ´enterprise consciousness´ among the Finns, even though in the political and societal arena the role of entrepreneurship is deemed as very important.

The scarcity of research findings in this area is rather surprising. Increasing this type of knowledge is very important if we really want to move towards a more enterprising society. In order to pursue a certain goal in developing society, organisations and individuals, it is, of course, a prerequisite that the starting-point is known. More enterprise-oriented research must be done to review the current state as regards entrepreneurial attitudes and potential for enterprise among the Finns. The study tries to find some answers in this regard by providing early insights into this alleged ´entrepreneurial itch´ spreading across the country. In the process, the study introduces an approach which takes into account both

socio-economic and cultural aspects of entrepreneurship as well as important factors accounting for entrepreneurial behaviour at the individual level. To get behind the scenes of the phenomenon, the following research path is pursued.

1.2 Research goals

The study sets out to portray attitudinal and socio-cultural features of the Finnish enterprising culture. An enterprise or entrepreneurial culture defines a socio-economic context where entrepreneurial attitudes and behaviour are valued and encouraged (Johannisson 1993; Mason 1991). It is an environment which fosters and approves of attitudes and attributes conducive to entrepreneurial activity. These include, e.g. innovativeness, risk acceptance, disposition to self-realisation, independence, boldness and self-confidence (Cannon, 1991; Keat and Abercrombie, 1991). The presence of such entrepreneurial attitudes among a population could be an important indicator of the existence of a pool of potential entrepreneurs in a given area (Jackson and Rodkey, 1994). A region with a larger population of people with entrepreneurial orientations and intentions may account for a greater level of entrepreneurial activity simply because it contains more people who are likely to set up in business.

By developing a more enterprising culture within a given area it is argued that new small business ventures will be created as the population will be more alert to opportunities and will be actively seeking to create more opportunities (Gibb, 1989; Kourilsky, 1995). According to this train of thought, experience and motivation throughout the life of the individual influence the development of entrepreneurial ideas and ambitions (Curran and Blackburn, 1991; Liles, 1981), and given an exposure to a congenial business atmosphere and supporting socio-cultural values, the establishment and cultivation of enterprise culture can be facilitated (Gibb, 1993b). At the same time, a more enterprising workforce in general will be more efficient and productive leading to a greater number of employment opportunities in all business sectors. Moreover, areas with high entrepreneurial activity help nurture confidence in potential entrepreneurs and role models also serve as valuable sources of advice.

The thesis constitutes a first effort highlighting features of both cultural climate of entrepreneurship and potential for enterprise among respondents from across Finland. The thesis consists of two parts, an introductory section ("cover story") and a section comprising four research articles. The first section sets the scene for a deeper analysis conducted in the articles. This is done by outlining theoretical and conceptual starting-points and reviewing past key findings as well as detailing the methodological framework used in the analysis. Due to exploratory methods, novel research approach, and the complex foci of interest, the introductory section is rather extensive. It concludes with a summary of key findings from the four articles and the main implications. Wider discussions and important additional insights are provided in the context of the articles.

In the quest to examine the emergent features of Finnish enterprise culture, the research task in the articles is twofold. Past research has shown that the

proliferation of an enterprising culture in society requires that a positive entrepreneurial climate is accompanied by the presence of a pool of individuals who possess proper entrepreneurial attitudes and orientations and who are willing and able to make the sacrifices needed to acquire personal wealth. The following two research objectives were chosen to enable to shed light on both sides of this argument.

Firstly, the thesis examines how members of adult population view and relate to entrepreneurship as it unfolds in the country (Articles 1 & 2). This exploration provides early evidence of an attitudinal and societal climate amongst Finnish people towards entrepreneurial activity. This is done by combining the ideas of entrepreneurship and linguistics. The study constitutes a pilot effort in bringing linguistically grounded methods of analysis to the field of entrepreneurship research. At this early stage, the aim is to get an overview of how people perceive and conceptualise entrepreneurs and entrepreneurship in their verbal expressions. This is done by inquiring what kind of metaphors, collocations and conceptual definitions respondents use in defining entrepreneurs and entrepreneurship in their everyday language use.

In past entrepreneurship studies, criticism has been levelled at the fact that the voice of the actors in the field and the general public is often overlooked (e.g. Goffee and Scase, 1987; Stanworth et al., 1989). The present study tries to address this issue by looking into the everyday language use of both entrepreneurs and non-entrepreneurs. The changes evident in our everyday language use, of course, reflect the changes occurring in the surrounding society. This enables us to take a closer look at the real world of small business.

The second focus is placed on exploring entrepreneurial orientations and tendencies among entrepreneurs and the wider public (Articles 3 & 4). This is achieved by looking into two key constructs, risk-taking propensity and innovativeness. This examination yields insights into enterprising potential of the subjects. Being among the core functional and behavioural characteristics of entrepreneurship, these two attributes serve as starting-points for the analysis. The dimensions are studied with cross-national samples of entrepreneurs and members of general adult population. The analysis is related to entrepreneurial practices and contexts amongst the subjects to link attitudinal propensities to cultural context. Let us now turn to outlining the research process in more detail.

2 RESEARCH DESIGN: OUTLINE AND SCOPE OF THE THESIS

The introductory section of the thesis consists of seven chapters. In the first chapter, *Introduction*, background and research objectives were presented. The present, second chapter, *Research Design*, outlines the study framework. In chapter three, *Entrepreneurial Conceptualisations*, theoretical starting-points and definitions of key concepts are delineated. First, historical background to entrepreneurial definitions will be laid out. Secondly, three main schools of literature in entrepreneurship are reviewed. This leads on to a discussion of the definitional malaise impeding theoretical development in entrepreneurship. Next, definitions adopted for the present study will be formulated. Third chapter concludes with a brief synthesis of the implications which the three schools of entrepreneurship have for enterprise development.

Chapter four, *In Search of Enterprise: Risk-Taking and Innovativeness*, is devoted to a discussion of the entrepreneurial functions of innovativeness and risk-taking propensity. They are the cognitive and behavioural constructs used in the study to indicate enterprising behaviour. The link between them and enterprising activity is described in detail. In chapter five, *Cultural and Socio-Economic Context of Entrepreneurship*, literature linking cultural and socio-economic factors with entrepreneurship will be synthesised to elaborate on some essential aspects of an enterprise culture. Besides focusing on theoretical development, this chapter includes a section where relevant features of past research on Finnish enterprise are summarized. The chapter concludes with a section which outlines the ways in which the thesis is going to add to our existing knowledge of Finnish enterprising culture. Sixth chapter, *Methodological Base*, delineates the methodological, ontological and epistemological approaches adopted. It also includes a section which highlights the potential role of linguistics in entrepreneurship research in general and in the present study in particular. Chapter seven, *Results*, summarises major findings from the research articles which make up the second part of the thesis. The final chapter of the introductory section, *Conclusions and Discussion* is devoted to a deliberation about core points

of interest which have surfaced in the course of research. The thesis ends with a brief discussion of policy and research implications.

Second part of the thesis is based on four research articles which provide an overview of the current state of Finnish enterprise. To recap, Articles 1 and 2 look at how people perceive entrepreneurial actors and activity. Articles 3 and 4 then proceed to examine whether the entrepreneurial actors and members of adult population manifest entrepreneurial attitudes, orientations and motivations indicative of enterprising individuals. To achieve the aims, peculiarities of national and cross-cultural findings are scrutinised to set the Finnish results in a wider socio-cultural perspective. Developments of enterprise culture in the UK, where the most elaborated discussion of this phenomenon has taken place, are also outlined to enable to make tentative comparisons with the Finnish situation.

The four papers are included at the end of the manuscript. Since the thesis discusses issues presented in the articles, references to them are made throughout the body of the research. In the following, a brief description of each work is given. A more detailed account of the aims, scope and methods of each study is offered in conjunction with the articles.

Article 1 titled *Entrepreneurial Metaphors and Concepts: An Exploratory Study*, examines how Finnish people from various backgrounds perceive and conceptualise the terms *entrepreneurship* and *entrepreneur*. Finland acts as reference point in the analysis but, for the sake of comparison, the sample includes a cross-section of people from other countries. An exploratory analysis of metaphors and conceptual items is conducted among 751 respondents to achieve the goal. By focusing on observations by a sample of general adult population and by using quantitative and qualitative methods in studying respondents´ everyday language use, insights are gained into "real life" perceptions about the essential characteristics associated with entrepreneurs and entrepreneurship.

Article 2 *Persistent Fighters and Ruthless Speculators: Entrepreneurs as Expressed in Collocations* continues the work initiated in Article 1. This pilot study employs a collocational analysis of entrepreneurship. Some 300 subjects from across Finland are asked to define what the term `entrepreneur´ means to them by completing a narrative text on entrepreneurial activities with suggested collocative word pairs (i.e. frequent word combinations). Collocations are useful in this regard, since the range of collocations contracted by any particular word is an important element in its meaning (Ball, 1993). This analysis yields semantic clusters of words describing what type of lexemes and connotative meanings the respondents tend to associate with the term *entrepreneur*.

Article 3 titled *Innovativeness and Risk-Taking Propensity: A Cross-Cultural Study of Finnish and US Entrepreneurs and Small Business Owners* switches attention to entrepreneurial orientations. It centres on innovativeness and risk-taking which are among the most distinctive entrepreneurial characteristics. They serve as starting points for assessing enterprising tendencies among Finnish people. To achieve this, an inter-cultural comparison employing Carland Entrepreneurship Index (Carland, Carland, and Hoy, 1992) will be conducted between Finnish and US entrepreneurs and small business owner-managers. The inclusion in the analysis of business goals, planning practices and the roles of the respondents in business start-up activities links the psychological propensities with the cultural

context. The US sample functions as a kind of "benchmark" for evaluating the Finnish tendencies.

***Article 4**, Adaptors and Innovators in Rural Finland: An Analysis of Cognitive Styles of Problem-Solving*, takes the analysis of Article 3 further. Some 3,200 randomly-selected informants are sampled to study cognitive styles of creativity in problem-solving and decision-making at an aggregated level in Central and Eastern Finland. Kirton Adaption-Innovation Inventory (KAI, 1994) is used to explore innovative orientations of small business owner-managers, potential owner-managers, and the wider public. Again, cross-cultural comparisons are made to provide contrasts between the Finns and other nationalities. Finally, findings on entrepreneurial tendencies are related to the wider socio-cultural environment.

Articles 1 and 3 were published in the International Journal of Small Business and the Finnish Journal of Business Economics, respectively. Article 2 came out in the Frontiers of Entrepreneurship Research. Article 4 is undergoing a review process in the Journal of Entrepreneurship and Regional Development. In two of the articles the author was assisted by his research associates. Their role with regard to Articles 3 and 4 has been valuable. Nevertheless, in both articles the original idea for the studies, the positioning of the articles into the research field as well as the writing process as a whole was carried out by the present author. In short, the role of the coauthors has been important, but more supporting than dominating in nature. Leaving aside the practical issues, in the following the study starts to build a theoretical landscape by putting various definitions and models of entrepreneurship under the microscope.

Let us conclude this chapter by pinpointing the methodological features and purpose of the study. Table 1 summarises the study approach. In this thesis, the exploration of entrepreneurial skills, competencies and outcomes of the entrepreneurial respondents´ business operations are beyond the scope of the study. *Instead, the focus is placed on attitudinal features which will be related to their cultural and socio-economic contexts.* Again, due to paucity and study emphasis, the thesis will not provide all-embracing accounts of structural properties of the Finnish small business sector nor is there intention to provide detailed information on the peculiarities of the markets, infrastructures, etc. The focus is narrowed down to studying features of enterprise, ie. 1) cultural and social climate of entrepreneurship among the adult population (´enterprise consciousness´) and 2) entrepreneurial orientations and tendencies manifested by entrepreneurial and non-entrepreneurial respondents (´enterprise mindedness´).

TABLE 1 Research approach

AIM AND SCOPE
The study sets out to provide an overview of the emergent characteristics of Finnish enterprise culture. The research task is twofold. Interdisciplinary methods are employed in examining:
1) *Features of the Societal and Cultural Climate of Enterprise* ➡ ARTICLES 1&2
2) *Enterprising Orientations and Tendencies among Small Business Owner-Managers and Members of General Adult Population* ➡ ARTICLES 3 & 4
METHODOLOGY *Exploratory Research* Utilising: - Metaphor Analysis (Article 1) - Examination of conceptual items (Article 1) - Collocational analysis (Article 2) - Psychometric analysis of risk-taking propensity and orientation to innovation (Article 3) - Exploration of cognitive styles of creativity in problem-solving and decision-making (Article 4)

3 ENTREPRENEURIAL CONCEPTUALISATIONS

This chapter outlines the theoretical starting-points. To start off, historical background to entrepreneurial definitions will be laid out. Next, three main streams of entrepreneurial literature are reviewed. This leads on to a discussion of the definitional malaise currently impeding theoretical development in the field. This is followed by definitions of the key concepts. The chapter concludes with a synthesis of the implications that the three main schools of entrepreneurship hold for enterprise development. As the thesis unfolds literature reviewed in this section will be related to discussions of central themes in Finnish enterprise culture.

Later, in Articles 1 and 2, empirical analyses of the definitions of the terms *entrepreneurship* and *entrepreneur* are conducted among a wide range of Finnish people. These will provide contrastive insights into how these terms are conceptualised in everyday language use as opposed to research-based definitions reviewed in this chapter. Moreover, in Article 3 the applicability of the well-cited entrepreneurial definitions formulated by James and Jo Ann Carland and their research associates are assessed to see how they suit the Finnish context.

3.1 Historical origins of definitions: The role of economics

As a real-life phenomenon, entrepreneurship dates back to the ancient times when the first forms of trading started to occur. Entrepreneurs have survived and flourished in societies over many centuries. From the early days of artisanship, to the colonial and the revolutionary periods, to the industrial revolution, to the post-industrial era, and now, to the information revolution in the new economy, the entrepreneur is still in demand (Kendrick, 1998).

The understanding of entrepreneurship has traditionally been formulated by the disciplines of economics, psychology and sociology. Each offers important insights into the concepts of *entrepreneurship* and *entrepreneur*, but each one on its

own fails to provide a full understanding on the role of entrepreneur in society. Naturally, developments in the meanings and purposes of the entrepreneurial terms have also reflected the different cultural eras as the phenomenon has searched for new forms in the course of history (Kyrö, 1996).

This section focuses on entrepreneurship as it was originally viewed through an economic lens. The contributions of psychological and sociological research will be elaborated in the next subchapter. Even though the main body of conventional economic theory has mostly developed without a place for the entrepreneur, yet there is a plethora of writers who have contributed to the development of views on the role and concept of the entrepreneur. Especially, in the early definitions of entrepreneurship, the influence of economic theory was very prominent.

For one of the definitive analysis of the origin of the `entrepreneur´, the credit often goes to French business economist Héléen Verin (1982). To her just as `the manager´ comes from the French word `ménager´, i.e. ´settle with skill, use economically...´, the word `entrepreneur´ also comes from French `entreprendre´. Its German equivalent is `unternehmen´ which translates to ´undertake´ or to ´take between´ (Carton et al., 1998). According to Verin (1982), in the Furetiere dictionary (1690) the word `entreprendre´ was defined as ´the bold willingness to undertake something´ or ´to contest the established order´. During the Middle Ages in Europe, it was `aprendre-entre´, i.e. to ´reconnoitre a town in order to attack it from all sides´, and it was the ´entrepreneur´ who was attempting the ´ventura´; that is fate, quest of oneself through uncertainty and whose punishment or reward could be ´Afortuna´, i.e. storm, risks or money.

Among the earliest economic uses in the 16th and 17th centuries, `entreprendre´ referred to government contractors for military or public work projects. In economics, research on entrepreneurship goes back to the 18th century. Scottish Economist Richard Cantillon was the first to offer a clear conception of the entrepreneurial function as a whole. He employed the term `entrepreneurship´ extensively in economic terms approx. in 1755 (Shailer, 1994). Despite this, the introduction of the `entrepreneur´ or `undertaker´ into the economic literature has been accredited to John Stuart Mill in 1848 and many subsequent authors. Jean-Babtiste Say, in 1803, has also been accredited with the term (Bygrave, 1989).

Cantillon specified the important function of entrepreneurship, bearing of economic risk by buying at certain prices and selling at uncertain prices. He frequently referred to `Entrepreneurs´ in conjunction with `Marchands´ (merchants) and `Artisans´. Later, in an essay he introduced a chapter titled *The Circulation and Exchange of Goods and Merchandise as well as the Production are Carried on in Europe by Undertakers, and at Risk*. It considered farmers, wholesalers, manufacturers, `shopkeepers and retailers of every kind´ and numerous specific tradesmen and artisans in the role of `entrepreneur´, and central to this role was some aspect of business or enterprise involving risk or uncertainty of reward.

Cantillon defined the components of trade -the entrepreneur, the village, the market-town, the community- and the relationships between producers, suppliers, and consumers in the market. More specifically, he viewed the entrepreneur, whether an undertaker, farmer, or a craftsman, as an ´in-between´,

a speculator, who assumed the risk of buying goods, or parts of goods, at one price and attempted to sell them for profit, either in their original states or as new products.

At the time the classic entrepreneur was the farmer who planted and tended to crops without any certainty of whether or not they would survive to harvest or the price they would bring (Hebert and Link, 1982). The nature of this uncertainty or risk generally placed Cantillon´s entrepreneur in the role of speculator (in exchange), although aspects of coordination and to a lesser extent capitalist, also appeared or were implied at times. The modern economic meaning of the term appears in later nineteenth century referring to a 'contractor (whether an individual or corporation) acting as an intermediary between capital and labour´ (Selden, 1991).

The idea of change in the economic system through entrepreneurial activity is deeply rooted (Hornaday, 1992, 14). As the industrial revolution swept Europe, scholars noted the role of entrepreneurship in the change from a command economy controlled by the medieval church, state, and guilds to a capitalist open market system (Weber, 1971). Mainstream economists led by Alfred Marshall acknowledged the change role of entrepreneurship, assuming that entrepreneurial activity would always spark economic change.

Economist Jean-Babtiste Say had personal experience with the role entrepreneurship played in the mechanisation of the French textile industry during the eighteenth century (Cole, 1965). Following Cantillon, he broadened the definition to include the concept of combining factors of production, also noting that the entrepreneur must have special personal qualities. Say (1815) defined an entrepreneur as a person who judges, combines factors of production, and survives crises. For him, an entrepreneur is known for his or her value-added gained through applying knowledge-based inputs and technical ability (Cole, 1946).

Despite a number of entrepreneurial definitions, in the mainstream development of economic doctrine, research on entrepreneurship received only minor attention, because of the equilibrium assumption of classical and neoclassical economics, but it received more attention within the Austrian School (Kovalainen, 1989). Thus, it was Austrian architect Joseph Schumpeter who really launched the field of entrepreneurship, by associating it clearly with innovation (Filion, 1997). Schumpeter (1934, 64) introduced the modern concept of entrepreneurship:

> "The carrying out of new combinations we call "enterprise"; the individuals whose function is to carry them out we call "entrepreneurs". These concepts are at once broader and narrower than usual. Broader, because in the first place, we call entrepreneurs not only those "independent" businessmen in an exchange economy who are usually so designated, but all who actually fulfill the function by which we define the concept, even if they are, as is becoming the rule, "dependent" employees of a company, like managers, members of boards of directors, and so forth, or even if their actual power to perform the entrepreneurial function has any other foundations, such as the control of a majority of shares. As it is the carrying out of new combinations that constitutes the entrepreneurs, it is not necessary that he should be permanently connected with an individual firm; many "financiers", "promoters", and so forth are not, and still may be entrepreneurs in our sense. On the other hand, our concept is narrower than the traditional one that it does not include all heads of firms

> or managers of industrialists, who merely may operate an established business, but only those who actually perform that function. ... But whatever the type, everyone is an entrepreneur only when he actually "carries out new combinations", and loses that character as soon as he has built up his business, when he settles down to running it as other people run their businesses".

Schumpeter defined what he meant by entrepreneurship (´enterprise´) and then concluded that those who perform the functions of entrepreneurship are ´entrepreneurs´ (Carton et al., 1998). His definition captured several key elements that separate entrepreneurship from general management. First, entrepreneurship involves the creation of an organisation to pursue a discontinuous opportunity. Second, he did not limit this pursuit to new ventures, but also allowed for entrepreneurship to exist within established organisations. Third, he alluded to the fact that one becomes an entrepreneur when one acts. Finally, entrepreneurship is defined by the nature of the actions performed, and a transition occurs at some point from entrepreneurship to general management as the nature of the organisation and the actions of the individual change.

After Schumpeter most economists who took an interest in entrepreneurship emphasised the role of innovation. The economists were mainly interested in understanding the role played by the entrepreneur in economic development as the motor of the economic system (e.g. Baumol, 1968; Broehl, 1978; Kent et al., 1982). They viewed entrepreneurs as the ´detectors´ of business opportunities (e.g. Kirzner, 1976; Penrose, 1959), creators of enterprises (e.g. Oxenfeldt, 1943; Schloss, 1968) and risk-takers (e.g. Liebenstein, 1968).

Even though entrepreneurs are mentioned in economics, they appear very little in the classical models of economic development and where they are represented, they are represented by a function. Economists do not speak of entrepreneurs as individuals, but instead make reference to the functions they serve or their roles in society. This is not surprising since the economic theory originates in the scientific positivism of the 18th and 19th centuries between Jean-Jacques Rosseau or Auguste Comte and Charles-Robert Darwin or Herbert Spencer, searching for ´behavioural laws´ leading to ´natural order´, well represented by the idea of equilibrium as stated by Cairnes in 1836 (Julien, 1988). Nevertheless, the actual life that we know today is far from order and equilibrium. It is very much characterised by instability as other natural and social scientists understand it now. As Capra (1982) puts it: "evolution operates far from the equilibrium and unfolds through an interplay of adaptation and creation" with environment "by coevolution of organism plus environment" or by mutual adaptation. By looking for new challenges and by taking advantage of opportunities the entrepreneur creates instability.

The entrepreneur´s very purpose is to contest the economic order or any tendency for equilibrium. According to Kirzner (1983), entrepreneurship is fundamentally a phenomenon of disequilibrium. Entrepreneurs live on economic instability and uncertainty or systematically create them, often by series of conflicting acts, anticipating the change produced by these contradicting acts and the resulting uncertainty, and constantly creating new economic spaces. The entrepreneur occupies a socio-economic opportunity and creates a new economic space or even new successive ones. This is what brings the economic dynamism,

the change and multiplies the opportunities which may be grabbed by new entrepreneurs. This instability can no be caught by the economic theory, since it tends towards equilibrium and is ´intrinsically static´ (Casson, 1982), thus it can not admit the entrepreneur´s role concerning the change and the breakdown of the equilibrium. (Julien, 1988).

Due to the fact that equilibrium analysis has such a dominant position with the economic theory, and because change is so often modelled as a movement from one equilibrium condition to another, the role of entrepreneurship and its activities have tended to be suppressed. In the words of Casson (1982, 9): ..."it may be said quite categorically that at present there is no established economic theory of the entrepreneur. The subject area has been surrendered by economists to sociologists, psychologists, and political scientists. Indeed, almost all the social sciences have a theory of entrepreneurship except economics".

According to David Storey (1982), an important reason behind the difficulty of finding a ´place´ for entrepreneurship in economic theory is that economists have tended to overemphasise the ´demand´ side of entrepreneurship, taking it for granted that new firms will enter business, whenever an opportunity for profit arises for whatever reason (current prices being above average cost or awareness of excess demand). The entrepreneur is seen as driven only by profit motives and his role is to re-establish the idea of competitiveness of free markets (Kupferberg, 1994). Although empirical evidence of this is poor, economists have been reluctant to admit its deficiencies, as it would force them to rethink the fundamentals of their field. Storey (1982) thinks that for achieving a more coherent picture, entrepreneurship research needs to focus more on the ´supply´ side, issues such as where do entrepreneurs come from, what motivates them, and how can barriers to business entry be identified. These issues have received considerable attention in entrepreneurship research based in the fields of business economics, psychology and sociology. In the next subchapter, the attention is turned to reviewing definitions in these areas.

3.2 Multitude of contemporary approaches

The early use of the term by the economists may be of little consequence, given the contemporary lack of definitional agreement. Entrepreneurship is a dynamic and complex phenomenon. Although it is a long-standing and cogent socioeconomic phenomenon, it has only recently become the subject of more rigorous empirical investigation in business economics (see Palich and Bagby, 1995). Research in this field has been described as young, at a formative stage and still in its infancy (Cunningham and Lischeron, 1991; Palich and Bagby, 1992). Typical features of this pre-paradigmatic stage are the existence of many competitive theories and schools of thought and lack of common starting points (Johnson, 1990; Virtanen, 1997). There is no universal theory of entrepreneurship, capable of synthesising different viewpoints, rather the field comprises several different approaches including sociology, psychology, social psychology,

anthropology, regional science, population ecology and economics (Virtanen, 1997). This has contributed to a situation where there is no generally accepted definition or model of what the entrepreneur is or does (Gartner et al., 1994).

The lack of a definitional consensus is not due to lack of effort. In the course of past 40 years there have been continuous attempts to define entrepreneurship and to identify who lies behind the enigmatic figure of entrepreneur. Indeed, at times researchers have been like the proverbial blind men describing an elephant (Carland and Carland, 1996). Definitions in the behavioural sciences are problematic. Due to the complexity, diversity, and evolution of human behaviour, there are few terms in behavioural science literature that have universally accepted definitions (Hoy and Verser, 1994). The literature of entrepreneurship also reveals a definitional malaise. In many early studies, there was an aim to define entrepreneurship as a unique and coherent phenomenon (Vesalainen and Pihkala, 1999). This approach failed mostly because of the complexity of the empirical reality. Even though a plethora of definitions has been produced over the years, not much progress has been made which is echoed by Professor Cole:

> "We ran a research center in entrepreneurial history. For ten years we tried to define the entrepreneur. We never succeeded. Each of us had some notion of it. What he thought was for his purposes a useful definition. I don´t think you are going to get further than that". (Cole 1946, as quoted by Gartner, 1989, 3).

In the following, dominant schools of thought in entrepreneurship research are reviewed to highlight conceptual discussion in each area. These discussions have their origins mostly in the fields of business economics, psychology and sociology. The definitional excursion starts out at the human agency end of the spectrum gradually moving towards structural properties of social life. Firstly, findings of the psychological school will be examined. Secondly, the process view of entrepreneurship will be elaborated on. It emerged partly in response to perceived discrepancies encountered in the trait approach. Thirdly, a sociological viewpoint is briefly outlined to provide a more structurally-based view. The fourth section discusses the definitional malaise which is currently impeding theoretical development. Fifthly, the definitions employed in the present study are presented. The final passage prepares the ground for the upcoming empirical analysis by relating the three schools with their implied stance towards enterprise development.

3.2.1 Psychological school

It is widely thought that one´s needs, drives, attitudes, beliefs, and values are primary determinants of behaviour (Cunningham and Lischeron, 1991). People behave in accordance with their beliefs and values far more often than not, despite variations in situations. Similarly, one´s behaviour results from attempts to satisfy needs, be they for power, recognition, achievement, or acceptance and love. The psychological school tends to assume that entrepreneurs have unique values and attitudes towards work and life. These, along with certain dominant needs, have been seen to propel the individual to behave in certain ways. Lachman (1980, 14): "People who possess the same characteristics as

entrepreneurs do, will have a higher tendency (or potential) to perform entrepreneurial acts, than do people who do not possess such characteristics".

Since McClelland (1967) much controversy has focused on the individual who creates a venture. Many have addressed the absence of a consensus by positing personality traits manifested by entrepreneurs (e.g. Brockhaus, 1980b and 1982; Carland et al., 1984; Chell et al., 1991). Early work focused on traits that distinguished entrepreneurs from non-entrepreneurs or successful ones from non-successful ones (Carland and Carland, 1996). Mill (1848) and others (e.g. Begley and Boyd, 1986; Carland et al., 1984; Timmons, 1978) have suggested that entrepreneurs have a propensity to bear risks. Other frequently cited entrepreneurial traits and motivations include need for achievement (e.g. Hornaday and Aboud, 1971; McClelland, 1967), internal locus of control (Van de Ven, Hudson, and Schroeder, 1984; Welsch and Young, 1984), preference for innovation (Carland et al., 1984, 1988; Drucker, 1985; Stewart et al., 1999), need for independence/autonomy (Timmons, Smollen, and Dingee, 1977), tolerance for ambiguity (Begley and Boyd, 1987; Schere, 1982; Sexton and Bowman, 1985), and proactive personality (Crant, 1996).

Researchers have often set out to identify an entrepreneur with an individual that possesses unique psychological traits and who is brought up within supportive social and cultural conditions (Kalantaridis, 1998). A plethora of articles has then attempted to describe the ´typical entrepreneur´ in terms of a series of psychological profiles, but with little success, since later research has shown that similar personality constructs are common among several other groups of people (e.g. Brockhaus, 1980a, 1980b; Low and MacMillan, 1988). Consequently, it has not been possible to establish a scientific psychological profile of the entrepreneur (Filion, 1997).

Definitional and methodological problems associated with trait studies, such as non-comparable samples -many studies have included both entrepreneurs and small business owners under the moniker of ´entrepreneur´-, a bias towards successful entrepreneurs and the fact that many of the psychological instruments utilised were developed for use in the general population and not for evaluating these attributes from a business perspective (Carland, Carland, and Stewart, 1999), raise the possibility that observed traits could actually be *the product of entrepreneurial experience* (Amit, Closten and Muller, 1993). The key issue is whether people behave ´entrepreneurially´ because they already possess a certain type of personality and a set of entrepreneurial attitudes or because the experience of setting up and running a business affects and moulds their personality and attitudes. It could be argued that it is the conditions in the economic world which allow the development of particular personality types and associated patterns of behaviour.

The notion of personality traits as the basis for a theory of social action is susceptible to the criticism that such traits are difficult to define and to measure, and entail an oversimplified model of the individual (Goss, 1991). Traits are at best modalities not universalities, since many successful and unsuccessful entrepreneurs do not share the traits identified (Stevenson and Sahlman, 1989). It has also been argued that even should one develop an understanding of the personality of an entrepreneur that would not be valuable since individual

behaviour is not consistent over time nor can personality traits predict behaviour (Shaver and Scott, 1991).

Trait theory dismisses the importance of external structural influence on the small business owner-manager (Burrows and Curran, 1991) and adopts agent-centered behavioural models which often negate the reality of structural formations and power to problems of individual and psychological motivations. It neglects the fundamental point that individual choice is always constrained by social realities. The measurement of traits alone is an inadequate basis for the prediction of behaviour. Assessment of person, situation and environment variables is needed to enable the psychologists to predict behaviour with greater accuracy (Argyle et al., 1981).

To conclude, the inconsistent findings of the psychological school result from a tendency to view behaviour primarily as a function of an individual's personality rather than a response to socio-economic environment and situational factors (Goss, 1991). Whilst social experience is not totally discounted, it is of interest only to the extent that it can be seen to shape individual personality. In the definitions, the term 'entrepreneur' tends to suggest that the entrepreneurial drive is innately located within the person, and that this innate ability is singularly the most important factor in entrepreneurial success (Vozikis, McFarland, and Mescon, 1992). Such an explanation articulates well with the penchant of entrepreneurship research to individualise and personalise all activities, but too limited attention is paid to interactions of which we all are part.

3.2.2 Process view

According to Gartner (1985), the major thrust of the early psychologically-oriented research was to prove that entrepreneurs were different from non-entrepreneurs (e.g. Brockhaus, 1980b; Carland et al., 1984; Collins, Moore, and Unwalla, 1964; DeCarlo and Lyons, 1979; McClelland, 1967; Palmer, 1971; Shapero, 1975) and that entrepreneurial firms were different from non-entrepreneurial firms (Collins and Moore, 1970; Cooper, 1979; Smith, 1967; Thorne and Ball, 1981). Gartner (1989) concluded that the basic assumption underlying this type of research was that all entrepreneurs and their new ventures were much the same. In his criticism, Gartner (1985, 1989) countered that differences among entrepreneurs and their ventures may actually be larger than those between entrepreneurs and non-entrepreneurs and their ventures. He suggested that it would be desirable to look behind averages, for him there is no "average" entrepreneur since entrepreneurship as a form of opportunity exploitation is more connected with doing things differently than following others, and not to overlook variation by classifying a wide range of entrepreneurs into homogeneous classes. Gartner (1985) took to the view that there are many different kinds of entrepreneur and many ways to be one and that the firms that they create vary enormously as do the environments they create them in.

The prevalence of the individual (atomist) view in the psychological theory was seen as the consequence of an overemphasis of research on the entrepreneur to the detriment of viewing entrepreneurship as a process of new venture creation (Bygrave, 1993). A distinctive stream of research began to emerge on the process

aspects of entrepreneurship (e.g. Gartner, 1988; Katz, 1992). Researchers started to acknowledge the need to think in terms of combination of variables involved in the creation and management of a small business venture. Entrepreneurship came to be viewed as a multidimensional process with entrepreneurial characteristics forming only one component of this process (Hornsby et al., 1993; Howard and Sen, 1998).

The process view posits that the attention should be placed upon what the entrepreneur does. By focusing on the process, entrepreneurs are identified by their participation in the process, not by a unique set of characteristics. For instance, Bygrave and Hofer (1991, 14), parallel to the Schumpeterian definition (on page 9), have defined entrepreneurial process as involving "all the functions, activities and actions associated with the perceiving of opportunities and the creation of organisations to pursue them". Similarly, Gartner (1985, 697) defines an entrepreneur as "a person who started a new business where there was none before". Subsequently, the process view has been examined from social (Reynolds, 1991), anthropological (Stewart, 1991), economic (Kirchhoff, 1991), strategic management (Sandberg, 1992) and other approaches.

Though the definitions of entrepreneurial process given by Gartner (1985), Bygrave (1989) and Bygrave and Hofer (1991) include important new features and contribute to building a more all-embracing picture of the phenomenon, they have also received criticism for being deficient in important aspects. Virtanen (1997) has come up with three critical observations of the process view. He contends that this model puts too much emphasis on the process of becoming an entrepreneur. This leads to an implicit definition that entrepreneurship is an outcome of the process, whereby someone decides to establish an enterprise. Simplifying, entrepreneurship could be then defined to be the establishment of an enterprise or organisation as stated also by Gartner (1989). Virtanen (1997) argues that there is no reason for accepting such simplistic definitions at their face value, since organisation s are created all the time by people who are not entrepreneurs (e.g. setting up of political parties, associations, etc.). Moreover, when evaluating the ability of an individual to act as an entrepreneur, no sign seems to suggest that creating an organisation would constitute any kind of differentiating criterion.

Those adopting the process view, like Bygrave (1989), describe entrepreneurship as dynamic rather than a static system, hence a process of becoming rather than a state of being which includes non-linear and unstable discontinuities. As Capra (1982) puts it, "the entrepreneur shuns a state of equilibrium and prefers a state of non-equilibrium and tries to unfold through an interplay of adaption and creation". Opposite to the views of many economists, it is assumed that by looking for challenges and taking an advantage of opportunities the entrepreneur creates instability (Boulding, 1970), ie. the entrepreneur´s very purpose is to contest the economic order or any tendency of equilibrium. He or takes advantage of these confrontations or oppositions from different economic agents, uncovering the ´interstices´ and also creates them by and through innovations. "Entrepreneurs capitalize on change, or even create it" (Bagby, 1988, 5).

Bygrave (1989) argues that this process is a holistic one that can not be analysed partially by studying different pieces of the entity. Virtanen (1997)

points out that when considering the holistic process of entrepreneurship, we should be more aware that discontinuities do not happen all the time and able to identify discontinuous quantum jumps and their causes to understand entrepreneurship. He thinks that even if entrepreneurship were a science of turbulence and change, such would not necessarily mean continuous discontinuity. Instability, turbulence and change would suggest entrepreneurship to be rather becoming than existing. The importance of both aspects should be noted in analysing the entrepreneurial process. This inherently dynamic nature of entrepreneurship is one aspect that contributes to the difficulties apparent in formulating adept definitions.

Finally, the goal and purpose are not clearly formulated in the definitions of entrepreneurial process (Virtanen, 1997, 7): "Why does the entrepreneurial process take place?" and "What is the purpose of entrepreneurial process or activity?" Virtanen (1997) maintains that the goal of entrepreneurial activity is to create value. Creating value and exploiting the innovation process also imply the growth of a venture. To be entrepreneurial, an enterprise has to create something new, something different, to change or transmute values (Goss, 1991). Therefore, the entrepreneurial business must, among other things, be expansive as it develops new areas and creates new markets.

Without any further attributes the definitions of entrepreneurial processes are not suitable for no-growth or stable-state SMEs which can be expected to easily outnumber fast-growth small businesses. This leaves a gaping hole in the definitions. Using definitions like these, very few owner-managers of small businesses would merit the title of an entrepreneur, as most small firms operate in well-tried out areas of the economy, serving markets that already exist in a manner that mirrors established businesses (cf. Article 3). This is highlighted by Storey (1982, 1): "For every boffin businessman, intending to manufacture and market a wholly new and technically sophisticated product, there are scores of insurance agents, garage mechanics, hairdressers and carpenters who begin in business providing very familiar goods and services". This discrepancy in theory and practice highlights the need for working definitions of both entrepreneurs and entrepreneurship which distinguish between entrepreneurial activity in different settings and allow measurement and comparison of performance and results (Amit et al., 1993).

3.2.3 Sociological school

The lack of inconclusive results in trait and entrepreneurial process studies have accelerated interest in other dimensions, such as those dealing with environmental and situational factors. The focus of interest in the sociological school is on issues such as socio-economic, political and local cultural forces, e.g. the national climate of market opportunity, the configuration of local interests, and personal life history of the individual. This school of thought posits that one of the most important conclusions to be drawn with respect to characteristics of entrepreneurs can be summarised as the *social being*. A highly critical stance to trait theory is taken, as exemplified by MacDonald (1992, 46) who writes that:

> "Within the sizeable research literature on small business, psychological perspectives have traditionally been highly important, as witnessed by the search for an `entrepreneurial personality´ and statistical, often, national, surveys of the self-employed population as a whole tend to be the favoured methodological approach. Too often, small business studies seem to be written within a historical, social and political vacuum with little or no reference made to structural, ideological and cultural factors which shape patterns and experiences of entrepreneurship over time".

According to this approach, there is a need for more qualitative, empirical research which appreciates the significance of environmental factors, situational events and locality and which examines issues such as the overlooked stable or no-growth firms (Burrows and Curran, 1989).

3.2.3.1 Social development model

Building upon this type of criticism, sociologists argue that a definition of entrepreneurship is insufficient by itself since entrepreneurs do not operate in vacuums, but within a set of political, institutional and socio-economic systems (Steel, 1977). They argue that in the mainstream research, there still continues to be great difficulties in determining a conceptual schema able to cope with the diversity of experiences represented by those who, in one form or another, engage themselves in profit-making entrepreneurial ventures (Goffee and Scase, 1987).

The social development (or situational) model proposed by Gibb and Ritchie (1981, 1982) is a widely-used sociologically-based theory of small business. It gives primacy to many aspects overlooked in trait and process studies. These authors allege that small business research has often ignored environmental influences, and has been guilty of reducing social reality by assuming that ´entrepreneurs are born and not made´. They point out that historical studies do not show the same character traits in earlier entrepreneurs, and studies of life paths of entrepreneurs often show decreasing 'entrepreneurship´ following success. Such evidence raises a question whether the nature of entrepreneurship is embedded in the personality from early stages of childhood development.

Gibb and Ritchie (1982) put forward an alternative model which emphasises structural context and social action. They see entrepreneurship as a function of a multitude of variables including individual, situational, organisational and socio-economic ones. Entrepreneurship is seen mainly in terms of the situations which individuals encounter and the social groups to which they relate. The underlying assumption of the social development model is that individuals change throughout the course of their life and the individual´s transactions with specific social contexts and reference groups shape the person and produce distinctive ambitions and behaviour. The enormously wide range of influence and interactions and their possible combinations in the social reality of the unique entrepreneurial position of an individual makes it impossible to talk of a single entrepreneurial model (Gibb and Ritchie, 1982, 36).

Gibb and Ritchie (1981, 1982) formulated their theory to explicate the ways in which people evolve throughout their 'life course´ and to show that it depends at what point in the life-cycle the individual makes the decision to enter the small business world as to what this action means to him or her. The model assumes

"the formative nature of early life experience in creating basic traits and drives", but "it places equal emphasis on the way adulthood itself may shape new entrepreneurial ideas and ambitions" (Gibb and Ritchie, 1981, 185). Socialisation patterns, particularly during childhood, but also later in work life, are seen to go a long way towards explaining the origins and motivations for enterprise. Social pressures and circumstances change throughout one´s life and these are influential in terms of one´s behaviour and decisions. Indeed, it has been argued by psychologists (e.g. Sheehy, 1976) that there are particular turning points throughout the course of the human life-cycle, where individuals work through personal transitions in order to satisfy and reconcile their own changing goals, needs and ambitions with the opportunities, circumstances and situations which they currently find themselves in.

Gibb and Ritchie (1982) tested the applicability of their theory with a set of would-be small business owners from across UK. Based on the results, they developed a fourfold typology of small business owner-managers which spans the life-cycle and suggests certain key influences at each stage. The categories that emerged were labelled as `improvisors´, `revisionists´, `superseders´ and `reverters´. The `improvisors´ typify the small business owners at the early stage of his or her life and career; the `revisionists´ are slightly older and near to mid-career; the `superseders´ are into the second half of their life and a new career; and in the final stage of the life-cycle come the older, late and post-career `reverters´.

Elizabeth Chell (1986) has pinpointed some weaknesses appearing in the social development model. Firstly, she argues that although the model claims to recognise the importance of early life experience in forming basic traits, it turns out to be a too exclusive situational model. It appears to lose sight of the person by describing behaviour as entirely of social influences. It privileges structural influences on entrepreneurship, while psychological dispositions and human agency are all but lost. Secondly, though Gibb and Ritchie (1982) criticise the ´traditional´ view of the entrepreneur as a stereotype with limited applicability, these authors would appear to have substituted four stereotypes in its place. Thirdly, on empirical grounds the generalisations made from the research were put forward on the basis of a limited, untypical collection of would-be entrepreneurs. This casts doubt on the generality of the findings.

3.2.3.2 Structural factors and situational events

In a later research complementing his social development model, Gibb (1986, 2) gives insights into his perceptions of entrepreneurial definitions. His views are related to three controversial statements, viz.: a) ´entrepreneurs are born not made´ b) ´everyone has some enterprise ´, and c) ´anyone can run a small business´. The first statement, typifying the psychological school, is criticised for being passive rather than active with respect to an entrepreneur. It tends to assume that you either have the right traits and characteristics or do not, and is generally silent on whether you can develop characteristics asserted to be important. It implies that if you fortuitously just happen to have the right traits at the right place and time, entrepreneurship may result. It suggests that too much

is given and too little is created. This perspective leads to a misconception that entrepreneurs are born, not made (Gibb, 1986).

Instead, Gibb (1986) argues that entrepreneurial attributes are widely distributed in the society and are made manifest through the varying task structures and work circumstances associated with engagement in different kinds of entrepreneurial activities. The strength of the stimulus of the business task on entrepreneurial attributes will be a function of the nature of the business and of the environment in which the business is being operated. This means that the expression of entrepreneurial attributes is contingent upon:

a) the type of business, b) the complexity of production, c) the nature of the marketing environment, d) the legal provisions and the protection of individual rights and property, e) the degree of uncertainty accorded to the political and economic environment as a whole, f) the socio-cultural environment pertaining to norms, beliefs and institutional values.

The contingency nature of entrepreneurship means that there are wide differences in the entrepreneurial attributes manifested in small business population due to differences in exposure to entrepreneurship, cultural norms, institutional environment and innate ability. Gibb (1986, 12) concludes his argument by saying that: a) ´Entrepreneurs are not born.´ b) ´Everyone does have some enterprise´; and c) ´Most people could successfully run a small entrepreneurial business´. Gibb is opposed to those who think that individual values and needs, which are necessary preconditions for entrepreneurship and learned early in life, are already set prior to adulthood. He thinks that entrepreneurial characteristics, values and attitudes are changeable and adaptable and thus could still be inculcated later in life, in schools and universities. Entrepreneurship is seen as a learnable skill which is in stark contrast to the psychological school suggesting that ascribed characteristics are more important than achieved characteristics.

In sum, for Gibb (1986), the successful operation of entrepreneurial activities is contingent upon a favourable organising context: political, social, economic, cultural and institutional atmosphere as well as the nature of the marketing environment. Moreover, as shown by past research, experience and motivation throughout the life of the individual influence the development of entrepreneurial ideas and ambitions (Curran and Blackburn, 1991; Liles, 1981), and given an exposure to a congenial business atmosphere and supporting socio-cultural values, establishment and cultivation of enterprise culture can be facilitated (Gibb, 1993b). Taking this argument to its logical conclusion, it means that ´enterprising people´ can exist in all types of societies and organisations, and it can take any form; it can be individual or collective. And it depends on whether the enterprising person(s) is being encouraged, discouraged or frustrated.

3.2.4 Definitional malaise in entrepreneurship

Despite a multitude of articles on various identifications, no consensus about entrepreneurial definitions has emerged (Shaver and Scott, 1991). Researchers who in the 1970s and 1980s devoted a significant amount of time and effort to obtain a definition of an entrepreneur have come to the realisation that a single

definition of the term is not going to be widely accepted. The confusion surrounding entrepreneurial definitions is complicated by the interdisciplinary nature of the phenomenon (Filion, 1997). The study of entrepreneurship spans a wide range of fields including decision sciences, economics, management, and sociology. There is a tendency among researchers to perceive and define entrepreneurs using the premises of their own discipline and/or specific socio-cultural environment. This has led some researchers to argue that it might be too ambitious to expect a complete and robust theory of entrepreneurship to emerge in the near future (Cunningham and Lischeron, 1991).

Entrepreneurship and entrepreneur are currently widely used terms, with considerable contemporary diversity in meaning associated with the intended interests of its users (Shailer, 1994). The result has often been confusion, as writers have either used the concept in a vague and unspecified manner, as a convenient alternative to a small business owner, or have constructed definitions of an extremely specific and restricted nature. On the one hand, sometimes all small business owner-managers are indiscriminately and automatically ascribed the qualities of innovation, creativity and risk-hunger (the usual elements of more specific definitions) regardless of the real nature of the activity (Goss, 1991). On the other, there are instances where typical "run of the mill" small business owner-managers do not seem to fit any of the currently popular definitions of the `entrepreneur´.

This definitional malaise was apparent already in 1971 when Peter Kilby likened the search for an entrepreneur to the search for the heffalump that Winnie the Pooh conducted in A. A. Milne´s famous children´s book. The heffalump was a large and important animal that everyone reported as having seen, although each described it in a different way. No one would admit to not knowing what it was. Later, this analogy has become part of the folklore of entrepreneurship research (Ensley, Carland and Carland, 1998, 3).

> One day when Christopher Robin and Winnie-the-Pooh and Piglet were all talking together, Christopher Robin finished the mouthful he was eating and said carelessly: ´I saw a heffalump today, Piglet.´
>
> ´What was it doing?´ asked Piglet.
> ´Just lumping along,´ said Christopher Robin. ´I don´t think it saw me.´
> ´I saw one once,´ said Piglet. ´At least I think I did,´ he said. ´Only perhaps it wasn´t.´
> ´So did I, ´ said Pooh, wondering what a Heffalump was like.
> ´You don´t often see them,´ said Christopher Robin carelessly.
> ´Not now,´ said Piglet. ´Not at this time of year,´ said Pooh.

This type of definitional multiplicity is unfortunate, since, as stated by Bygrave and Hofer (1991, 14): "Good science has to begin with good definitions. How can policy makers be expected to provide programs to encourage and support entrepreneurship if they do not know what en entrepreneur is or what types of firms are entrepreneurial? Further, as the realm of entrepreneurship continues to seek validation as a bonefield of academic study, we as researchers must endeavour to define the boundaries of the discipline". Mackenzie and House (1978, 7) have also noted that: "In the absence of a paradigm, all facts are more or

less relevant and this gives the appearance of randomness to those gathering the facts".

Finally, the definitional malaise has also been seen to arise from unintended cultural bias on the part of the researchers and other commentators. The research community, which purports to use complex, English-specific terms, such as entrepreneurship, as though they were a universal culture-free metalanguage (cf. Goddard, 1998), sometimes tends towards cultural bias. Some past research identifications of entrepreneurial activities can be accused of ethnocentrism which is about applying one´s own values and preconceptions unquestionably to the subjects of study. The following definition is a prime example of the ethnocentric tendencies that surface now and then in the literature (Mitton, 1989, 9):

> "Entrepreneurship and pornography have a lot in common: they are both hard to define. To get consensus on what they mean is virtually impossible. In an obscenity case before the United States supreme court in 1964, Justice Potter Stewart started that he could not define pornography, ´but´, he said ´I know it when I see it´. I look at entrepreneurship in the same way. I can´t define it. At least not to everyone´s satisfaction - but I know when I see it".

Another example can be derived from Timmons (1994, 24) who describes the entrepreneurial mind as follows: "They work hard and are driven by an intense commitment and determined perseverance; they see the cup half full, rather than half empty: they strive for integrity; they burn with competitive desire to excel and win; they are not satisfied with the status quo and seek opportunities to improve almost any situation they encounter; they use failure as a tool for learning and eschew perfection in favour of effectiveness; and they believe they can personally make an enormous difference in the final outcome of their ventures and their life".

This tendency can be referred to as the ´great person school´ which portrays the subjects as having such charisma and personal magnetism that they wind up shaping and structuring the times in which they live (Cunningham and Lischeron, 1991). It is an inclination to view small businesses with a selective vision, attending to that which supports the preconceived views of the research community, but ignoring or marginalising that which does not (Goss, 1991). The result all too often is an emotive and romanticised view of entrepreneurs and exaggerated claims about their potential for social and economic development.

Researchers should adopt a strictly ´non-messianic orientation´ in which social and economic processes can be meaningfully studied (Rosa and Bowes, 1990). In rigorous, scientific studies there should be no room for preoccupation with exciting personal qualities, or with recipes for entrepreneurial success. Consequently, there remain significant empirical gaps in the portrayals of small businesses. If we really want to understand entrepreneurs and their world on their own terms, we must get away from culturally-biased models and interpretations and move towards a more broad-based direction when creating entrepreneurial knowledge (Bjerke, 1996). Entrepreneurs should be viewed more as *micro-actors*, who display a number of different behaviours- all contextual but none generally given- and still create new or sustain existing business ventures.

To summarise, entrepreneurship seems to be a function of a multitude of variables including individual, situational, organisational and socio-cultural ones. The wide array of entrepreneurial definitions leads one to conclude that the terms entrepreneur and entrepreneurship are no different from a number of other complex concepts that defy a universal or simplistic definition. Social science is littered with such concepts. Entrepreneurship is a dynamic and widespread activity which is concerned with producing change. Therefore, it comes as no surprise that its definitions also tend to vary greatly across social space and time. As noted by Lema (1993), the tradition of social sciences has it that concepts and theories do not appear ex nihilo; they are very often context specific, as they are often formulated on the basis of specific spatial and historical contexts.

The thesis will add yet another approach to examining the elusive entrepreneurial definitions. Articles 1 and 2 constitute an exploratory effort in utilizing linguistically-grounded instruments to explore how a wide-range of respondents depict and define entrepreneurs and entrepreneurship in everyday language use. One motivation for the studies stems from the situation arising in Finland where the definitions of these two terms seem to cover increasingly wide range of different meanings in public discussions.

3.2.5 Definitions adopted in the study

In this study, the semantic ambiguity is further compounded by the fact that in the English language the terms *entrepreneur* (in Finnish: *yrittäjä*) and *entrepreneurship* (*yrittäjyys*) are often used as qualitative statements in connection with individuals who run their firm in a particular way (Huuskonen, 1992). In past research, it is often implicitly posited that for a small business to be considered an entrepreneurial effort, it must be characterised by the introduction of a new product or service, or there must be something different, inventive or innovative about the business (Vozikis et al., 1992). In Finland SMEs are different, and it is an ocean between a small hi-tech company employing well-qualified specialists to the standard image of the small scale job-shop, owned and managed in an autocratic way by its formally low-qualified founder.

In Finnish, the established term *yrittäjä* is normally used just to refer to an individual who runs a small- or medium-sized business independently. The Finnish term does not have any connotations of the individual being oriented towards growth, being opportunistic, risk-oriented, etc. A Finnish `yrittäjä´ corresponds to the more general English term small business owner-manager (cf. Article 3). Of course, most small business owner-managers are not "entrepreneurs" in the strict sense, since many inherit or simply replicate an existing, proven form of small business. Still, since the term *yrittäjä* is translated into an *entrepreneur* in the wider social use of the term, it is used in the present study. Entrepreneur can either be somebody on his or her own, an independent entrepreneur, or somebody under the auspices of his or her employer, ie. intra-corporate entrepreneur or intrapreneur (Bjerke, 1996). International comparisons are, of course, difficult, since *entrepreneurship*, being the core term, is culturally very loaded.

As regards the multifaceted term *entrepreneurship* (*yrittäjyys*), the present study subscribes to Ronstadt (1984, 28) who posits that: "Entrepreneurship is the dynamic process of creating incremental wealth. The wealth is created by individuals who assume the major risks in terms of equity, time and/or career commitment or provide value for some product or service. The product or service may or may not be new or unique but value must somehow be infused by the entrepreneur by receiving and allocating the necessary skills and resources".

The issues of *enterprise* and *enterprise culture* are controversial for a variety of reasons, which result from the British legacy. Firstly, amongst some people these terms are viewed, simplistically, as extensions of the `Thatcher Enterprise Culture´ and are thus seen as underpinning certain political ideology (Coffield, 1990; Gibb, 1993a). This approach can be misleading with respect to the present study. Secondly, the word `enterprise´ creates a problem since it is commonly used with several connotations, referring to business enterprise, enterprise training and education and entrepreneurial tendencies among individuals (Gibb, 1993a). The view taken in this thesis is that multi-meaning, as in the use of many words, is acceptable provided that those who use the word are unambiguous in the meaning and context they select.

The present study defines *enterprise* according to Cannon (1991, 2): "the characteristic of people, groups and organisations which produces a disposition to self-realisation through achievement. It encompasses the self-reliance to innovate, accept risk and act independently, if these are needed to complete tasks effectively. People and organisations showing enterprise have the drive, energy, creativity and leadership to see tasks through to completion by individual effort or successful teamwork". This implies that it is important for people to be innovative and dynamic. The rationale being that if enterprise was encouraged as an overall approach to life, it could become a part of the norms and values held by the society.

Finally, an *enterprise* or entrepreneurial *culture* could be defined a socio-economic context where entrepreneurial attitudes and behaviour are valued and encouraged (Johannisson 1993; Mason 1991). It is an environment which fosters and approves of attitudes and attributes conducive to entrepreneurial activity. These include, e.g. innovativeness, risk acceptance, disposition to self-realisation, independence, boldness and self-confidence (Cannon, 1991; Keat and Abercrombie, 1991). The presence of such entrepreneurial attitudes among a population could be an important indicator of the existence of a pool of potential entrepreneurs in a given area (Jackson and Rodkey, 1994).

3.2.6 Synthesis: Three views on enterprise development

Table 2 synthesises the conceptual standpoints underlying different schools of entrepreneurship. It also speculates upon their implications for perceiving the phenomenon of enterprise culture. In the course of research, the present study tries to bond together aspects from the psychological and sociological schools to decipher features of Finnish enterprise development. An analysis of both human agency and socioeconomic structure is needed if we are to make any real sense of such a complex issue as an enterprising culture, as Bhaskar puts it (1986, 123):

> "If society is the condition of human agency, human agency is equally a condition for society, which, in its continuity, it continually reproduces and transforms . . . society is at once the ever present condition and is continually reproduced outcome of human agency: this is the duality of structure".

Despite their value in shedding light on the idiosyncratic behaviour of the individual, agent-centered models tend to negate the reality of structural formations and power to problems of individual and psychological motivations (i.e. individual 'enterprise') whilst structural (sociological) models, in spite of their credence in shifting the attention to aspects of society which exist externally to and independently of the individual and act as constraints upon his or her actions, often tend to negate the reality of human agency to problems of a societal exigency (Burrows, 1991b). In trying to achieve something approaching a balance between the two approaches, the present study focuses on both agent-centered and structural approaches.

TABLE 2 Schools of entrepreneurship and their relation to enterprise development

	Entrepreneurial Identification	'Philosophy'	Enterprise Culture Implications
Psychological School	*Who is an entrepreneur?* Entrepreneurs can be identified based on their entrepreneurial characteristics, values and attitudes.	Psychological traits. Entrepreneurs are 'born' not made. Ascribed characteristics are more important than achieved characteristics (nature, human agency).	Enterprise culture already exits in some countries. We need to copy its salient features to reproduce it.
Process View	*What does the entrepreneur do?* Entrepreneurs are identified by their participation in the entrepreneurial process.	Entrepreneurship is a process of creating a new business venture. The entrepreneurial process involves all the functions, activities and actions associated with the perceiving of opportunities and the creation of organisations to pursue them.	Enterprise culture evolves out there. If it does not, it can be created when the opportunities arise.
Sociological School	*What constitutes the social reality of the entrepreneur?* Entrepreneurs form a diverse group of individuals who act upon a multitude of socioeconomic environments and unique situational events. This inhibits clear identification.	Social traits. Entrepreneur is a social being. Socioeconomic structure takes credence. Everyone is an entrepreneur. Entrepreneurship is a learnable skill (nurture, structure).	Enterprising people exist in all societies and organisations; it can take any form: it can be individual or collective. It depends on whether the enterprising individuals are encouraged or discouraged.

4 IN SEARCH OF ENTERPRISE: RISK-TAKING AND INNOVATIVENESS

An enterprise or entrepreneurial culture defines a socio-economic context where entrepreneurial attitudes and behaviour are valued and encouraged (Johannisson 1993; Mason 1991). It is an environment which fosters and approves of attitudes and attributes conducive to entrepreneurial activity. Of these attributes, central are innovativeness and risk-taking (Cannon, 1991).

This chapter is devoted to discussing the entrepreneurial functions of innovativeness and risk-taking propensity. The link between these cognitive and behavioural constructs and entrepreneurial activity is described in detail. This will lay the foundations for examining entrepreneurial orientations and tendencies among Finnish respondents which will take place later in the study. In Articles 3 and 4 empirical analyses of these characteristics will be executed to gain insights into the enterprising features of the Finns. The domestic and international comparisons will provide tentative indicators of the relative potential for enterprise among Finnish respondents. Before embarking on that task, relevant past literature will be reviewed. In the following, the emphasis is placed on looking at efforts which have tended to combine aspects from both the psychological and sociological schools of entrepreneurship.

4.1 Entrepreneurial risk-taking

The belief that entrepreneurs possess distinctive personality characteristics, values and motivations has a long tradition in entrepreneurship studies. This stream of research is based upon trait, or more lately, cognitive theory of entrepreneurship. A number of psychological attributes have been identified of which risk-taking propensity (e.g. Begley and Boyd, 1987; Brockhaus 1980b, 1982; Carland et al., 1984) has remained at the forefront. There is a widespread agreement that one of

the fundamental characteristics of the entrepreneur is his or her propensity to take risks. In the following this contention will be taken up for a closer review.

4.1.1 Defining risk-taking in small business

Risk is conventionally defined as substantial variances in outcomes that are of consequence (MacCrimmon and Wehrung, 1986; Yates and Stone, 1992). As it applies to business, Brockhaus (1980b, 513) has defined risk-taking as follows: "the perceived probability of receiving the rewards associated with success of a proposed situation, which is required by an individual before he will subject himself to the consequences associated with failure, the alternative situation providing less reward as well as less severe consequences than the proposed situation". Finally, risk-taking propensity has been defined as an individual´s orientation towards taking chances in a decision making scenario (Sexton and Bowman, 1985).

Risk-taking is present in many of the earlier writings of entrepreneurship in terms of decision-making under uncertainty. The earliest cited definition has been credited to Richard Cantillon who circa 1700 regarded risk-taking as the general definition of entrepreneurship (Carland et al., 1999). Later, J.S. Mill (1848) introduced the term risk bearing as the most important entrepreneurial function, one which distinguishes ´entrepreneur´ from ´manager´ (Schumpeter, 1934). An entrepreneur was portrayed as an individual who assumed the risk for the firm.

Risk-taking behaviour has continued to be a major aspect of entrepreneurship from the early economists´ definitions until the modern time formulations employed in social-psychological studies on entrepreneurship. The importance of risk-taking behaviour can be ascertained by browsing through dictionary definitions. For instance, Funk and Wagnalls´ Standard Dictionary (1958) defines the entrepreneur as "one who undertakes to start and conduct an enterprise of business assuming full control and risk". Webster´s Third New International Dictionary (1961) offers a similar definition of an entrepreneur: "An organizer of an economic venture, specially one who organizes, owns, manages and assumes the risk of a business". Finally, Webster´s Encyclopedic Unabridged Dictionary of the English Language (1996, 477) defines the entrepreneur as: "a person who organizes and manages any enterprise, especially a business, usually with considerable initiative and risk".

4.1.2 Risk-taking in entrepreneurial setting

Risk taking is one of the most distinctive features of entrepreneurial behaviour, since *creating new ventures is by definition a risky business* (Das and Teng, 1997). For Schumpeter (1934) the entrepreneur was a person who created new combinations and innovations of products and services. A high failure rate for such innovations has been regarded as the rule rather than the exception (Timmons, 1986). Failures of new ventures also greatly affect an entrepreneur´s financial well-being, career opportunity, and personal well-being (Liles, 1974). On the one hand, entrepreneurial activities involve considerable investments, both financial and personal, so that a failure usually means enormous losses to the entrepreneur. On

the other hand, the kind of wealth and personal fulfilment that a successful entrepreneurial attempt can bring is also much greater than normal. Given that so much is at stake in creating new ventures, it is no surprise that the subject of risk behaviour should be at the heart of entrepreneurial behaviour.

Entrepreneurial behaviour is a rather special case of human behaviour since entrepreneurs and small business owner-managers, as individuals, have to control a complex system of risky and uncertain situations. Risk-taking affects decision making which is a key element of the managerial processes. The whole process of management revolves around decision making and entrepreneur and managers can not avoid it (Carson 1985). It is essential for the success of a business how entrepreneurs perceive and manage risks in their environment (Delmar, 1994).

The task roles of entrepreneurs and managers both entail risk-taking, but entrepreneurs have often been argued to take more risks than managers since they face a less structured, more uncertain set of possibilities (e.g. Bearse, 1982), and actually bear the ultimate responsibility for the decision (e.g. Gasse, 1982; Kilby, 1971). It appears a natural presumption that a high degree of dispositional risk preference exists among entrepreneurs. Since "the entrepreneurial function involves primarily risk measurement and risk taking" (Palmer, 1971, 38), it makes sense to view entrepreneurs as risk takers. Empirical findings have provided somewhat conflicting evidence.

4.1.3 Empirical evidence

Though there is considerable debate about whether one´s risk-taking propensity generalises across situations with reference to work, personal health and family, (MacCrimmon and Wehrung, 1986), several methods of measuring entrepreneurial risk have been introduced. Two widely used scales are the Choice Dilemma Questionnaire (CDQ, Kogan and Wallach, 1964) and the Jackson Personality Inventory (JPI, Jackson, 1976) which will be utilised in Article 3 of the present study to compare Finnish and US entrepreneurs in terms of their entrepreneurial orientations, goals and motivations.

A popular way of assessing risk taking preferences has been to look at individual differences in the propensity or willingness to take a risk (Bird, 1989). The early studies indicated that entrepreneurs preferred intermediate risk levels (Collins et al., 1964; Litzinger, 1963; McClelland, 1967; Meyer, Walker and Litwin, 1961). McClelland (1967), for instance, suggested that entrepreneurs have only a moderate level of risk propensity. He suggests that moderate risks bring out the most achievement motivation in people.

Some authors have discovered a higher propensity for risk-taking among entrepreneurs as compared with the general population (e.g. Broehl, 1978; Liles, 1974) or between entrepreneurs and various groups labelled as non-entrepreneurs (Begley and Boyd, 1986; Sexton and Bowman, 1986). Others have found a higher propensity among entrepreneurs than managers (Carland et al., 1984; 1995; Sexton and Bowman, 1986), especially when they are confronted with business risk (Ray, 1986), but moderated by business experience, age, education, and type of business (Schwer and Yucelt, 1984).

Yet another group of researchers, utilising different measures of risk-taking, have found no significant differences in propensities between entrepreneurs and managers (Litzinger, 1965; Masters and Meier, 1988), between entrepreneurs and the general population (Bowen and Hisrich, 1986; Brockhaus, 1976, 1980b, 1987; Brockhaus and Nord, 1979; Unni, 1990) or between entrepreneurs and non-entrepreneurs (Sexton and Bowman, 1983; Smith and Miner, 1983). It has also been shown that risk-taking propensity does not necessarily distinguish between successful and unsuccessful entrepreneurs (Brockhaus, 1980b; Peacock, 1986).

Even though the investigations have produced mixed conclusions (Stewart, et al., 1999), yet the phrase ´moderate risk-taking´ is nearly obligatory in personality-based profiles of the entrepreneur in textbooks (Ray, 1994). The discussion of entrepreneurial risk behaviour leads one to conclude that the often swashbuckling image of entrepreneurs hides the fact that most of them are not risk seekers and do not perceive themselves as taking excessive risks (cf. Bird, 1989). Next more recent findings in this area will be highlighted.

4.1.4 Entrepreneurs as risk-managers

As research on risk behaviour in small business has evolved, the frame of reference has deepened from depicting the functional roles of risk-taking to assessing socio-psychological antecedents and effects of risk-taking as the field of Cognitive Psychology has gained in prominence. Findings suggest that risk-taking behaviour in business setting is not confined to entrepreneurial activities. Instead, entrepreneurs, small business owners and managers, worldwide, have been shown to perceive their role in making risky decisions as rather similar, even though risk-management is culturally conditioned (Boone and Kurz, 1984; Carson, 1985; Delmar, 1994). Findings namely suggest that risk-taking is domain specific activity (e.g. Delmar, 1994; Heath and Tversky, 1991) and that most entrepreneurs take risks only after carefully analysing the situation in hand.

Psychologists Heath and Tversky (1991) developed a theory that may explain why the majority of decision makers do not see a calculated risk as a chance. They hold the view that the will to bet on an uncertain outcome not only depends on the estimated probabilities and certainty of that estimation but also on the general understanding of the relevant situation. These authors (1991, 7-8) write that "The consequences of each bet include, besides the monetary payoffs, the credit and blame associated with the outcome. Psychic payoffs of satisfaction or embarrassment can result from self-evaluation or from evaluation by others. In either case, the credit and the blame associated with an outcome depend, we suggest, on attributions for success and failure. In the domain of chance, both success and failure are attributed primarily to luck... In contrast, if the decision maker is an `expert´, success is attributable to knowledge, whereas failure can sometimes be attributed to chance".

According to this view people are more inclined to take risks in a domain where they are experts and more risk averse in areas in which they have little knowledge to estimate the probabilities for different outcomes. Moore and Gergen (1985) found that individual risk-taking among entrepreneurs involves a propensity to taking or avoiding risks, decision-making skills, and experience

with risk-taking behaviour in an organisation. They argued that (1985, 72): "The process of risk-taking involves both making the decision to take a risk and developing a strategy that minimizes the risk. Well-seasoned risk-taking requires careful decision making". Similarly, Burns and Kippenberger (1988) posit that the adoption of the entrepreneurial risk minimisation strategy rests on 1) information seeking and awareness, 2) the ability to devise imaginative solutions to problems, and, 3) supreme confidence in the solution and hence the decision. It is in this sense that the entrepreneur might be said to take calculated risks and why it is evident that some entrepreneurs express an aversion to risk-taking.

Despite findings that entrepreneurs do not necessarily have much higher risk-taking propensities than general population, they do take many risks. The reason might be their greater ability to manage risk in the specific domain of their business (Delmar, 1994). Entrepreneurs tend to accept the risk in the opportunities they seize: they actively manage the risk of their ventures by assuming control, being hands-on and involved in the nitty-gritty of the business. They limit the risks they initiate by carefully defining and strategising their ends and controlling and monitoring their means (Unni, 1990).

Palich and Bagby (1995) argue that the reason why entrepreneurs are not any more disposed to taking risks than non-entrepreneurs is that entrepreneurs simply perceive risky situations more optimistically than others. They are more willing to undertake those entrepreneurial efforts that others see as too risky. If they have a strong belief in their ability to achieve goals, their perceived possibility of failure will be relatively low and their perceived risk level will be low. This might explain why entrepreneurs are often perceived by others who are more risk averse as risk oriented. Even though from an outsider´s perspective the entrepreneur may be viewed as a risk taker, the entrepreneur him- or herself might just be ´hedging the bets´ and attempting to minimise risk. The present section points to the conclusion that entrepreneurs are capable risk managers whose abilities defuse what others might view as high risk situations. It also appears that risk is relative and contextual and it is not simply an economic function or a behavioural attribute, but it is a part of a strategic process in small business management (Ray, 1994).

4.1.5 Critique of risk behaviour studies

The issue of entrepreneurial risk preferences is far from settled (Low and MacMillan, 1988; Sexton and Bowman, 1985). There has been a plethora of studies with frequently contradictory results. The lack of progress might be partly due to inadequate definitions and methods used to identify characteristics of risk behaviour (Carland et al., 1999; Robinson et al., 1991).

Many empirical studies are not directly comparable, since they have used different definitions of entrepreneurs (Begley, 1995; Gartner, 1989; Stewart et al., 1999). In fact, a number of studies have included both entrepreneurs and small business owners under the moniker of ´entrepreneur´. Thus, a manager in one study could have been classified as an entrepreneur in another and vice versa (Das and Teng, 1997). These definitional quandaries have hampered research development. Finally, some inconsistencies in the results must also be attributed

to inadequacies in the measuring instruments, many of which have been far from uniform or rigorous (Carland et al., 1999).

Yet another deficiency in existing literature is that the dependent variable investigated (i.e. entrepreneurial risk behaviour) is too simplistic, in the sense that the dichotomy of low-risk and high-risk behaviours may not by itself yield sufficient purchase on the phenomenon (Das and Teng, 1997). Das and Teng argue that the shortcomings in understanding the full range and complexity of risk behaviour are attributed to a failure to incorporate the critical factor of time. They think that there is a need to distinguish between short-range and long-range risk, and see how this temporal refinement might suggest different types of entrepreneurial risks.

Finally, it has been argued that the quest for improved understanding of entrepreneurial risk-taking would be aided by drawing upon the social science literature which addresses the antecedents, correlates and nature of risk-taking (West and Farr, 1989). This suggests not only situational correlates, but interrelations with other psychological constructs, innovativeness being a good example (Stewart, 1996b). There is conceptual appeal in a correlation between risk taking and innovativeness (Drucker, 1985; Ray, 1986), as well as empirical evidence of a relationship between the two constructs (Goldsmith, 1984, 1986, 1989; Howell and Higgins, 1990). Schumpeter (1934) was the first who noted that the innovating nature and drive of the entrepreneur in terms of developing new methods and enterprises and the inherent risks associated with this kind of behaviour. With this in mind, Article 3 in the present study will use the JPI to combine indicators of these two aspects of entrepreneurial behaviour to analyse the attitudinal propensities of the Finnish entrepreneurs and small business owner-managers. Meanwhile, in the next section, the attention is switched from risk-taking to its conceptual "relatives" innovation and creativity.

4.2 Entrepreneurial innovation

The view that there are powerful links between innovation, creativity and a small enterprise has often been expressed (Drucker, 1985; Timmons, 1978, 1990). Past literature reflects a belief that the nature of the entrepreneur allied to the particular characteristics of the small enterprise as a method of organisation is very appropriate for innovative or creative activities (Cannon, 1985). Various factors have contributed to this: the notion of the entrepreneur as a ´mould maker´; the link between creativity and open and organic organisation; the proposition that smallness, decisiveness and flexibility counterbalance absolute investment; and the evidence that small businesses account for a disproportionate number of new processes and products.

4.2.1 Defining innovation and creativity in small business

Just like in the case of risk-taking, the role of innovation in entrepreneurship was first highlighted by the early economists who laid out the early signposts for the discipline. Initiated by Schumpeter´s (1934) work, innovation and creativity have appeared repeatedly in the academic discussions as behavioural characteristics of entrepreneurship (e.g. Bird, 1989; Carland et al., 1984, 1988; Drucker, 1985; Gartner, 1990; Hornaday, 1992). In defining creativity, Gilad (1984) has argued that the one given by Torrance (1967, 3) as "the process of becoming sensitive to problems, deficiencies, gaps in knowledge, missing elements, disharmonies and so on; identifying the difficulty; searching for solutions; making guesses or formulating hypotheses and possibly modifying and retesting them; and finally communicating the results´ corresponds closely to entrepreneurial behaviour". Others (Majaro, 1985; Vernon 1970) consider creativity as the cause of innovation. Majaro (1985) proffers that creativity is the thinking process which helps to generate ideas, whereas innovation is the practical application of such ideas towards performing a task in a better and/or cheaper way. Finally, Nystrom (1979) describes creativity in business as a process made up of four stages: preparation, incubation, illumination, and verification which can be identified with the problem-solving process. He posits that creativity process requires divergent thought processes, intuitiveness, independence, psychological freedom and safety, an openness of experience, a lack of rigidity, ability to deal with conflicting information, deductive logic, critical attitude and analytical ability.

There are several generally accepted definitions of innovation available in the business literature. One of these is formulated by Gabor (1970) who sees innovation as "The process that turns an invention through development, pilot manufacture and sales propaganda into a marketable product". Similarly, Bird (1989) sees innovation involving the commercialisation of ideas, their implementation, and the change of already existing products, systems and resources. It has also been defined more widely as all those activities that give rise to a new product or process of production (Deakins, 1996).

The concept has been dichotomised to differentiate between individual and systematic innovations. Individual innovation is the willingness to deviate from existing technologies or practices (Kimberly, 1981) through the implementation of new and different objectives, methods, working relationships and skills (West and Farr, 1989). Systematic innovation can be defined as the purposeful and organised search for changes, and the systematic analysis of the opportunities such changes might offer for economic or social innovation (Drucker, 1985). Both individual and systematic innovation appear relevant to the entrepreneurial function as entrepreneurs scan the environment for opportunities (Stewart, 1996a).

A useful way of classification of studies on innovation in business economics is by level: individual, group and organisation (Staw, 1984). To date, a lot of research has been focused on the level of the organisation, generally indicating the significance of innovation in the entrepreneurial firm (Covin and Slevin, 1991; Naman and Slevin, 1993; Schafer, 1990). Nevertheless, in light of the significance of entrepreneurs as the catalysts of the entrepreneurial process (Carland et al., 1995), in the present study the focus is placed upon the individual level.

4.2.2 Entrepreneurs as innovators: Schumpeterian view

Due to the central role of innovation in accounting for entrepreneurial activity, much literature has focused on the entrepreneur´s ability to innovate (Stewart et al., 1999). The early accounts emphasised economic insights into innovative behaviour. Schumpeter (1934) initiated the discussion by positing that the act of entrepreneurship sets the innovation process in motion. He hypothesised that innovation is the single constitutive entrepreneurial function, separating acts of entrepreneurship from more common managerial activities. Entrepreneurship, centred on novelty and the generation of variety in the marketplace, meant that the processes of innovation, discovery, and invention were at work.

Schumpeter (1934) described entrepreneurial change as innovation, meaning change that broke the 'circular flow´ of economic equilibrium by introducing 'new combinations´. Existing economic patterns were 'creatively destroyed´, making room for the new combinations. Entrepreneurial innovation was related to introducing new products or methods of production, opening new markets or new sources of supply, or reorganising industries. It was stressed that entrepreneurial innovation encompassed all the activities necessary to make innovation commercially viable.

Schumpeter, whose view was rooted in the classic theories of economists regarded the entrepreneur as the driving force of industrial innovation (Hornaday, 1992), an innovator whose role was crucial in economic development through the process of company formulation. Entrepreneur was the one who created new ways of fulfilling currently unsatisfied needs or created more efficient ways of satisfying those needs. Schumpeter (1965) defined an entrepreneur as an idea man and a man of action who had the ability to inspire others, and who did not accept boundaries of structured situations. He or she was a catalyst of change instrumental in discovering new opportunities.

The influence of Schumpeter is apparent in the later, more contextual research. Most notably, Drucker (1985) has echoed his views by defining entrepreneurship as innovation in a business setting as the entrepreneur generates new capacity for wealth from limited sources. He argues that innovation is the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or a different service. Bird (1989) has continued the stream by indicating that the entrepreneur is a combination of innovative thinker and doer whose business is to generate or add value. According to Bird, entrepreneurs see an opportunity for a new product, service, new approach, new policy or a novel way of solving an old problem and proceed to do something about it; with their proactive tendencies, they seek to have an impact on the existing system, e.g. by using their ability to recognise and develop the commercial application of technological advance. This thinking-doing combination is seen to account for the appeal of entrepreneurial efforts.

4.2.3 Past empirical findings

The process of entrepreneurship is sparked by the recognition and pursuit of an opportunity (Stevenson and Jarillo, 1990; Timmons, 1990), *suggesting an important*

link between innovativeness and entrepreneurship, since opportunities are more apparent to, and attainable by, the creative individuals (Stewart, 1996b). A number of empirical studies have been conducted to ascertain this contention. While some of them have shown entrepreneurs to be more innovative than non-entrepreneurs (Carland and Carland, 1983, 1991; Carland et al., 1984, 1988; Swayne and Tucker, 1973; Timmons, 1990) others have found no differences between these groups (e.g. Brockhaus and Horwitz, 1986; Perry, 1990).

In their landmark study of small business founders, Carland et al. (1988) investigated preference for innovation of entrepreneurs and small business owners based upon the work of Schumpeter (1934) and extended by Carland et al. (1984). Entrepreneurs were found to set up a business principally for profit and growth, to utilise strategic management practices and scored significantly higher on the innovation scale of the Jackson Personality Inventory (JPI). Alternatively, the less innovative small business owners were found to set up a business primarily as an avenue of personal goal attainment and/or family income. No significant differences were discovered for achievement motivation, social status or power. This confirmed an earlier study by Carland (1982) which used the same owner-manager/entrepreneur distinctions. Consequently, Carland et al. (1984, 1988) suggested that innovativeness might be a central component in the entrepreneurial psyche.

Later, Stewart (1995), also utilising the Carland et al. (1984) conceptualisation and JPI compared entrepreneurs to both small business owners and to corporate managers across the USA. While entrepreneurs indicated a significantly higher preference for innovation than the other two groups, small business owners did not differ in their innovation preferences compared to corporate managers. These and other studies suggest a discernible prevalence of innovativeness in the psychological predisposition of entrepreneurs.

In Article 3 of the present study, JPI will be utilized to make tentative cross-cultural comparison between Finnish and US entrepreneurs and small business owner-managers to examine their entrepreneurial orientations and tendencies. The analysis will be related to entrepreneurial practices and socio-economic factors to enable to fit the findings into the cultural contexts. The results will enable us to evaluate how the well-cited entrepreneurial definitions formulated by the Carlands and their research associates fit the Finnish arena.

4.2.4 Criticism of innovation studies

Criticism has been levelled at past innovation studies. Firstly, beside recourse to entrepreneurial psyche, innovative tendencies by individuals can be attributed to other reasons. One of these highlights career patterns of individuals (Stewart, 1995). It has been shown that the careers of the entrepreneurs are circumscribed by opportunities for creativity and innovation (Bendit, 1970; Lippit and Schenck, 1972), whereas non-entrepreneurial careers are more often anchored by competence and efficiency (Schein, 1990; Stewart, 1996b). Since entrepreneurs are continuously confronted by challenges and problems, innovativeness in problem-solving might be highlighted (Brockhaus and Horwitz, 1986). Developing growth ventures requires strategic creativity in dealing with unstructured, open-ended

situations to develop competitive edges, expand limited resources and deal with uncertainty (McMullan and Long, 1990). This might gradually enhance entrepreneurs´ ability to develop more innovative strategies and learn to be more perceptive in reacting to environment.

Secondly, critics of the ´classical innovation school´, contend that in the real world the role of entrepreneur often differs from that of an innovator. Martin (1982) argues that although innovation may be vital in being entrepreneurial, it becomes entrepreneurial only when carried into production to benefit customers. Entrepreneurial creativity is rather different from, e.g. literary or artistic creativity in that the actor does not always innovate by creating ideas, but by exploiting the value of already established ideas by formulating imitative innovations.

Thirdly, entrepreneurial activities are a function of environmental and situational factors as well as individual variables (Van Raaij et al., 1988). Therefore, more research addressing contextual correlates of innovation are important to determine whether there is an element of contingency in innovativeness. More research needs to focus on the environment which produces sources of opportunity and facilitates different forms of innovation in the entrepreneurial process. The role played by social psychological factors, such as external constraints and intrinsic motivations in influencing creativity should be taken into account (Amabile, 1983).

4.3 Risk-taking and innovativeness as indicators of enterprising behaviour

This chapter focused on risk-taking propensity and innovativeness. As shown above, much past research on entrepreneurship has been founded upon the premise that entrepreneurs possess personality characteristics which can be identified and used to indicate potential for entrepreneurship. Innovativeness and risk-taking propensity being among the most distinctive of such traits, has been the subject of a plethora of past studies. Due to the central position that these two constructs hold in explicating entrepreneurial behaviour, they serve their purpose as starting points for examining entrepreneurial attitudes and orientations in the present study in a research framework where the effect of socio-economic and cultural factors is also considered (see Articles 3 and 4). To understand the relationship between entrepreneurial behaviour and cognitive traits, we must understand how entrepreneurship fits into its cultural context (De Pillis, 1998).

To recap, entrepreneurial behaviour does not take place in a vacuum. It needs supportive environmental and structural conditions including conducive attitudinal and cultural climate in order to flourish. Moreover, different cultures and nationalities exert idiosyncratic influences on manifestations of enterprising attitudes and behaviour. For instance, there are marked differences across cultures in propensity to risk-taking and orientation to innovation. In the following, more elusive concepts and notions are encountered in this regard as the focus is turned to the socio-cultural setting of entrepreneurship.

5 CULTURAL AND SOCIO-ECONOMIC CONTEXT OF ENTREPRENEURSHIP

> "It is less accurate to suppose that thinking man creates and controls his cultural evolution than it is to say that culture, and evolution, created his reason . . . So far as scientific explanation is concerned, it was not what we know as mind that developed civilization, let alone directed its evolution, but rather mind and civilization which developed or evolved concurrently. What we call mind is not something that the individual is born with, as he is born with his brain, or something that the brain produces, but something that his genetic equipment . . . helps him to acquire, as he grows up, from his family and adult fellows by absorbing the results of a tradition that is not genetically transmitted . . . Shaped by the environment in which individuals grow up, mind in turn conditions the preservation, development, richness, and variety of traditions on which individuals draw. By being transmitted largely through families, mind preserves a multiplicity of concurrent streams into which each newcomer to the community can delve. It may well be asked whether an individual who did not have the opportunity to tap such a cultural tradition could be said even to have a mind".
>
> -Friedrich A. Hayek, *The Fatal Conceit* (1988)

In this chapter, past literature linking socio-economic and cultural factors with entrepreneurship will be synthesised to elaborate on essential aspects of enterprise culture. The net is cast wide by dealing with the socio-economic environment in which entrepreneurship occurs. It provides an important, but too often neglected context within which small businesses have to operate (Goss, 1991). The presentation revolves around aspects central to the scope of the research. The chapter kicks off from a theoretical standpoint moving gradually towards a more empirical stance. First, literature on the relationship between entrepreneurship and culture will be outlined. The notion of enterprise culture will be given more detailed attention. Secondly, a review is presented of socio-cultural factors which have accounted for the re-emergence of entrepreneurship in developed countries of the west since the 1960s. Thirdly, the focus will be on the UK where the concept of enterprise culture originated. Fourthly, structural features and recent developments in the Finnish small business sector are outlined. Fifthly, relevant past research conducted on Finnish culture of enterprise

is reviewed. The chapter concludes with a brief summary and a discussion of how the thesis aims to provide further inroads into Finnish enterprise culture.

5.1 Theoretical starting-points for deciphering enterprise culture

5.1.1 Defining culture

For Ajiferuke and Beddewyn (1970, 153), "Culture is one of those terms that defy a single all purpose definition and there are almost as many meanings of culture as people using the term". It is a durable concept incorporated into disciplines of anthropology, sociology, political science, history, geography and economics (Schneider and Bonjean, 1973). In its explanatory importance and generality of application culture is comparable to such categories as gravity in physics, disease in medicine and evolution in biology (Kroeber and Kluckhohn, 1963).

Webster's Dictionary (1993) defines culture as: "the total pattern of human behaviour and its products, *embodied in thought, speech*, action, and artefacts and dependent upon man's capacity for learning and transmitting knowledge to succeeding generations through the use of tools, language and abstract thought". The crucial part is that culture relies on man for survival, and that much of our cultural heritage is transmitted by language. This cultural feature allows us later to discuss how enterprise is culturally present in people´s thoughts, language and actions.

Social scientists have been exploring culture for a very long time (e.g. Hofstede, 1980, 1991; Kluckhohn, 1951; Kroeber and Parsons, 1958). In defining culture, they have come up with some common central features. Firstly, culture is a social, holistic and shared phenomenon which is created and emanating from group sources (Chell and Adam 1994, 7) and defines the boundaries of these different groups. Secondly, culture is learned and not inherited (Hall, 1976). Thirdly, its various facets are interrelated: you touch a culture in one place and everything else is affected (Padmanabhan, 1988). Fourthly, culture is manifested in symbolic values and tangible artifacts that are significant to a given group. Fourthly, it is related to the ways in which societies organise social behaviour and knowledge (Hall, 1973; Kroeber and Parsons, 1958). Fifthly, its meaning transpires through behaviour. In short, culture is about life and the way it is lived. It shows itself in the behaviour of individuals, their attitudes about themselves and how others perceive them, and cultural products such as arts and crafts.

The functional role of culture is best seen in terms of its three core characteristics. Firstly, we should distinguish between the shared ideas which shape and influence social action and the action itself as played out in the social system (Adler et al., 1986). Culture is increasingly regarded by the theorists as the former (Child, 1972; Keesing, 1974; Kroeber and Parsons, 1958; Parsons, 1965). Secondly, since it influences people´s values, attitudes and behaviours (which in turn collectively define the culture), culture is circular in nature (Padmanabhan,

1988). Thirdly, culture is inherently conservative and highly integrated. Given the support and the following of its constituents, it resists change and fosters continuity (Diesing, 1962).

Giddens (1993) says that culture "consists of the values the members of a given group hold, the norms they follow, and the material goods they create". At the heart of culture are values and norms. Values are abstract ideals which present the moral principles and beliefs of a particular group or society. When values are shared behaviour patterns become predictable and this contributes to the smooth running of society. Norms are definite principles or rules which people are expected to observe. They are about putting values into practice. They are more visible than values because they translate into actions by social actors. They are the actions and conventions associated with particular societies.

Culture is an overarching structure governing interaction in all spheres, including social, economic and political (Gannon, 1996). Social action by individuals and institutions involves choices based on values and norms which are specified within the cultural system. People behave as they are expected to in a given situation because they have internalised the values and norms of society. The cultural system represents the highest or most general level of analysis and is the most important in terms of integration of the whole, because it ensures a normative consensus, a common-value system. The purpose of culture is to ensure the continuity of society by preserving order and harmony through taught norms and values.

An ongoing discussion about culture is its autonomy vis-à-vis the individual. One of the most influential theoretical approaches to culture has been Parsons' structural-functionalism. It states that cultures have structure as well as content both of which are not random but have organised patterns independent of individuals (Billington et al., 1991). Parsons (1965) states that the cultural system is necessary in its integration of the society as a whole and as a means of governing the behaviour of the people in that society. The distinctive structure of a culture is determined by historical processes over a long time period and is very difficult to change short of revolutionary action. Institutions such as the family, the economy and the education are constant and their functions remain the same. The content of a cultural system, on the other hand, is ultimately determined by the combined actions of individuals over a period of time. Ideally, it is a synthesis of the actions of all individuals in the society. However, because of the unequal distribution of wealth and power, a small number of individuals wield a disproportionate amount of power. It is in their interest to preserve the current values and norms. Therefore, in most cases, the dominant class will exert a conservative influence on society.

Social institutions are usually rather conservative. They are run by the dominant classes and have an interest in preserving the status quo (Billington et al., 1991). Changes come very slowly and incrementally. Of all the social institutions, religious organisations are the most conservative. On a personal level religion will inevitably influence values and beliefs. On a societal level, this will vary between countries. A classic example of relationship between religious ideologies and entrepreneurial activity was Weber's Protestant work ethic which will be under the spotlight in the following chapter.

5.1.2 Protestantism and entrepreneurship

Protestantism in Europe was a pro-entrepreneurial force. Researchers argue that modern Western entrepreneurship might be rooted in the values and practices of Protestant communities in Europe: "Together, familistic sentiments, the Protestant ethic and new forms of production required and emphasised hard work, frugality, individual accountability, and reliability, as well as habits of self-regulation and personal drive" (Berger, 1991, 17). It is assumed that the attitudes which evoked the spirit of capitalism were derived from religion, specifically Calvinistic doctrines.

The practices required by Calvinism happened to be precursors to success in business. Under Calvinism, work became a tool for salvation. Honesty was required, as was responsibility in business dealings. The emphasis was on the individual, who was required to account for his or her deeds to God on daily basis, a habit which may have translated into thoroughness in book-keeping (De Pillis, 1998). The Calvinist strove to lead a simple and modest life, which together with diligence in business, led to the accumulation of unspent wealth (Berger, 1991). One important doctrine was the idea that human beings are God's instruments on earth. Hard work, therefore, was a tool for salvation. Wealth created by hard work was acceptable but it was wrong to flaunt it. The modesty and frugality encouraged by Protestantism increased the propensity to save.

This Weberian approach argues that entrepreneurial behaviour is culturally influenced by values, attitudes, beliefs and disbeliefs (Dana, 1995). Culture is the explanatory variable which predisposes some peoples towards entrepreneurial activity while other peoples tended to refrain from new ventures (Dana, 1995). Giddens (1993) writes that the Puritans did not indulge in extravagant lifestyles but reinvested their wealth to promote further expansion of their enterprises. They believed luxury to be an evil, so the drive to accumulate wealth became joined to a severe and unadorned lifestyle. This is said to explain, for example, why the Protestants in France were often entrepreneurs.

5.1.3 Cultural predisposition towards entrepreneurship

The tendency of certain cultures to produce entrepreneurs has made it intuitively appealing to view culture as a determinant of entrepreneurship (Amit et al., 1993). Besides focusing on psychological, process and situational approaches, researchers have started to turn their attention to the effects of culture upon entrepreneurial outcomes (El-Namaki, 1988; Huisman, 1985; Huisman and De Ridder, 1984; McGrath et al., 1992a; Peterson, 1988). Culture has come to be viewed as an explanatory variable for entrepreneurial activity or lack of it. In the words of Shapero and Sokol (1982, 83): "The social and cultural factors that enter into the formation of entrepreneurial events are most felt through the formation of individual value systems. More specifically, in a social system that places high value on the formation of new ventures, more individuals will choose that path in times of transition".

A number of socio-cultural theories conclude that there must be congruence between ideological constructs and economic behaviour if

entrepreneurship is to flourish. Cultural models of small business initiation have been put forward, ranging from models of entrepreneurship as a means by which disadvantaged minorities seek to alter the status quo (e.g. Redding, 1986; Waldinger et al., 1990; Ward, 1991) to models which regard entrepreneurship as a decision-maker operating within a specific social and cultural settings (Glade, 1967). Redding (1986) has suggested that ethnicity, has a strong influence on entrepreneurial attitudes and behaviours. Certain groups of ethnic minorities are seen to have a greater predisposition to entrepreneurship than other groups. The Japanese, for instance, have been described as a non-Protestant group succeeding in entrepreneurship because hard work, diligence and frugality inspired by Confucianism (Petersen, 1971). To be ethnically Japanese is to be part of an achievement-oriented culture which helps entrepreneurs to persevere until they succeed. Similarly, Woodrun (1985) has found that religious values, like adherence to ethics, are great predictors of motivation and entrepreneurial success among Americans of Japanese origin.

Since rates of entrepreneurial activity differ consistently in different cultures, despite other similarities in economic and social development, some sets of cultural values and beliefs may be consistently associated with increased entrepreneurship, no matter what the home culture (McGrath et al., 1992b). According to Shapero and Sokol (1982), cultural factors influence the prevalence of entrepreneurial activity and the way in which it is encouraged. These authors have observed that business formation rates vary from society to society because different cultures carry different beliefs about the desirability and feasibility of beginning a new enterprise. These beliefs help determine which actions will be seriously considered and which will be implemented. Thus, beliefs frame entrepreneurial activity (McGrath et al., 1992a).

A landmark work which has spawned a lot of interest also among entrepreneurship scholars was conducted by the Dutch anthropologist Gert Hofstede (1980). Suggesting that cultural patterns arise from the ways in which different groups deal with fundamental human problems, he studied the effects of nationality on work practices. He sought to identify differences in cultural patterns and to understand institutional mechanisms that permit these patterns to remain stable over time.

Hofstede (1980, 25) thinks that culture is to a collectivity what a personality is to an individual, i.e. "the interactive aggregate of common characteristics that influence a human group´s response to its environment. Culture determines the identity of a human group in the same way personality determines the identity of an individual". With an individual, personality influences choices made and the resulting outcomes. Culture similarly leads to sets of consequences for the society.

Meanwhile, values are "a broad tendency to prefer certain states of affairs over others" (Hofstede, 1980, 19). They are determined early in life since they are "programmed" or inculcated into individuals. Long-lasting values are non-rational, and people are probably not even conscious of them, since they form the framework for our view of the world. They are also not always consistent. Thus, we may, for instance, value both freedom to go about our business without government interference and governmental intervention to protect our personal safety (McGrath et al., 1992b).

Hofstede (1980, 1991) sees cultural variation occurring at many levels, ranging from local, regional and national levels though to professional, organisational, ethnic, social class and family levels. In light of such global diversity, Hofstede felt that there was a need to differentiate between different cultural groups, and for this purpose he identified distinct cultural dimensions to form the basis for the differentiation. Based on the suggestion that these cultural patterns can be traced to responses to common human problems, he set out to find out the effects of nationality on work practices. To achieve his goal, he did a mammoth research between 1967 and 1978 by gathering more than 116,000 questionnaire responses from employees of IBM in 40 countries. Even though his results have been criticised (Child, 1981; Roberts and Boyacigiller, 1984), there has been no other empirically-based work which successfully ties cultural orientation and observable institutional differences between the countries to a parsimonious framework (McGrath et al., 1992b).

When Hofstede published results of his survey in 1980, he identified the following four underlying dimensions of culture each of which has distinctive implications for behaviour by being related to specific values and to definable consequences: power distance, uncertainty avoidance, individualism-collectivism and masculinity-femininity (see Figure 1). Each of these dimensions is to be viewed as a continuum rather than dichotomies (Hofstede, 1980, 1983, 1991; Hofstede and Bond, 1988):

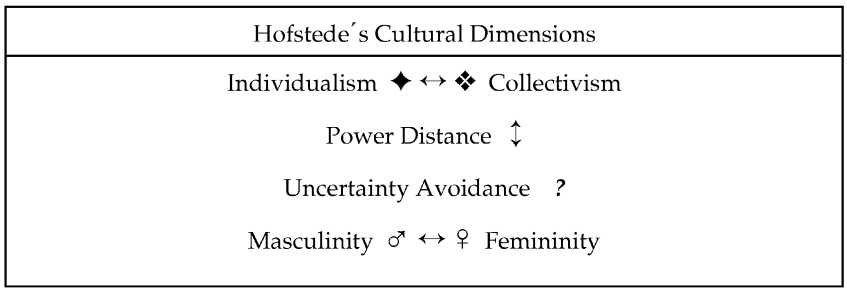
a) Individualism - Collectivism dimension concerns relation between an individual and fellow individuals in society. It pertains to the degree of self-orientation versus group-orientation. Individualism is a loosely knit framework in society in which people are supposed to take care of themselves and of their immediate families only, opposed to one in which they can expect their relatives, clan or organisation to look after them. Where individualism is very high, ties between individuals are very loose. In contrast, where collectivism is very high, ties between individuals are very close.

b) Power Distance This aspect concerns small-large power distance, resolving physical, intellectual, financial and social inequality. Power distance is the extent to which a society accepts that power in institutions and organisations is distributed unequally. It refers to the disparity of existing power distribution in a given society and the resulting management of inequality between people. Small power distance societies attempt to minimise inequalities, whereas large power distance societies perpetuate and accentuate it.

c) Uncertainty Avoidance dimension concerns weak - strong uncertainty avoidance, which is related to time orientation and acceptance of the unknown. Uncertainty avoidance is a lack of tolerance for uncertainty and ambiguity which expresses itself in a higher level of anxiety and energy release, greater need for formal rules and absolute truths and less tolerance for people or groups with deviant ideas and behaviours. It pertains to the level of acceptance of uncertainty particularly as regards the future. Weak uncertainty avoidance cultures accept the uncertain future, whereas strong uncertainty avoidance cultures can not easily accept the unknown future.

d) Masculinity-Femininity aspect expresses the extent to which male values of assertiveness, money and things prevail in a society rather than female values of nurturance, quality of life and people. It relates to how society resolves the allocation of social roles between the sexes. Predominantly masculine cultures emphasise strict role divisions between the sexes, whereas more feminine cultures strive to minimise this. This allocation of social roles affects, for example, collective orientation towards aggression.

FIGURE 1 Four underlying characteristics of culture (Hofstede, 1980)



The results confirmed the theoretical work of Hofstede´s predecessors (e.g. Kluckhohn and Strodbeck, 1961) by finding that people from different countries exhibited stable differences in value orientations. Hofstede posited that values endure over time and are fairly consistent within cultures since they have been institutionalised in the 'consequences´ of a given culture. The practices, structures and routines through which culture is institutionalised are termed as the 'consequences´ of that culture. These 'consequences´ are both created by and reinforce the underlying cultural conditions. Thus, for example, societies with high norms of individualism tend to create occupational mobility, more press freedom and ´worship of the independent actor´ (Hofstede, 1980, 238). On the other hand, societies with low individualism values tend to have less occupational mobility and press freedom, whereas identity and roots in place are more highly valued. Consequences are also manifested in relatively enduring political, social and technical systems. The type of religion prevailing in a given society is seen as a clear example of a cultural consequence. Put together, the systems of value orientation and their consequences represent singular and enduring national characteristics (McGrath et al., 1992a).

Hofstede´s findings have been reflected in entrepreneurship research. McGrath et al. (1992b) applied the framework to modelling entrepreneurs in terms of these four cultural orientations. They formulated four hypotheses regarding entrepreneurs which all received empirical support in an empirical analysis which tested for differences between 1,217 entrepreneurs and 1,206 non-entrepreneurs in eight countries.

The hypotheses of McGrath et al., (1992b, 116) were as follows. First, as regards Power Distance, "Entrepreneurs will exhibit higher "power distance" scores than career professionals, reflecting a tolerance for inequality". Secondly, as to Individualism, "Entrepreneurs will favour an individual rather than collective action". Thirdly, pertaining to Uncertainty Avoidance, "Entrepreneurs will be prepared to take risks and will value their personal time". Finally, with regard to Masculinity, "Entrepreneurs will tend to have a highly ´masculine´ orientation, will live to work, and treasure things and money".

The results of the cross-cultural analysis by McGrath et al. revealed that entrepreneurs had a persistent and characteristic value orientation, irrespective of the values of their base culture. These values appeared to be aligned along four dimensions identified by Hofstede (1980) in his *Culture´s Consequences.* The researchers found that in a number of quite different societies, entrepreneurship

was associated with high individualism, high power distance, low uncertainty avoidance, and high masculinity scores. The findings corroborated both Hofstede´s analysis and features of existing theoretical work on entrepreneurship (McGrath et al., 1992a, 1992b).

In a recent research in leadership and organizations, cultural dimensions have emerged which could be worth investigating in future entrepreneurship research. The *Global Leadership and Organizational Behavior Effectiveness Research Program* (see House et al., 1999), which consists of 160 social scientists and management scholars from 62 different cultures, has tried to demonstrate that what is expected of leaders and what they may and may not do in various cultural settings. The programme has also examined how the status and influence bestowed on leaders might vary as a result of cultural forces in the countries or regions in which the leaders function. The constructs investigated include nine cultural attributes, which are operationalised as quantitative dimensions as follows: a) Uncertainty Avoidance, b) Power Distance, c) Collectivism I: Societal Emphasis on Collectivism, d) Collectivism II: Family Organizational Collectivistic Practices, e) Gender Egalitarianism, f) Assertiveness, g) Future Orientation, h) Performance Orientation and i) Humane Orientation. Of these aspects, Performance Orientation and Assertiveness might turn out to be useful categories through which to examine entrepreneurial leadership practices in the future.

5.1.4 The notion of enterprise culture

Being such a complex and contextual phenomenon there are no established theoretical frameworks available which model the phenomenon of enterprise culture. In spite of this, a stream of studies on this subject has appeared. The conceptual discussions appearing in them are synthesised in this section.

Scholars argue that business environments play major roles in affecting the fates of small firms and level of entrepreneurial activities in various localities (D´Arcy and Giussani, 1993; Garofoli, 1992). This local economic development hypothesis puts forward the notion that local entrepreneurial environment is related to local cultural features. An important aspect is the entrepreneurial climate or culture of a given area. A good local enterprise culture or business climate can produce a positive attitude towards small business ownership among local people.

A local entrepreneurial culture defines a socio-economic context where entrepreneurial attitudes and behaviour are encouraged (Johannisson 1993; Mason 1991). It is an environment which fosters and approves of attitudes and attributes conducive to entrepreneurial activity. These include, e.g. initiative, innovativeness, risk acceptance, disposition to self-realisation, independence, boldness and self-confidence (Cannon, 1991; Keat and Abercrombie, 1991). The presence of such entrepreneurial attitudes among a population might be an important indicator of the existence of a pool of potential entrepreneurs in a given area (Jackson and Rodkey, 1994). A region with a larger population of people with entrepreneurial orientations and intentions may account for a greater level of entrepreneurial activity simply because it contains more people who are likely to set up in business. Of course, this contributes only partially to a region´s

entrepreneurial activity. The total number of people starting firms in an area tends to remain rather small and dependent upon many other characteristics of the entrepreneurial environment (Jackson and Rodkey, 1994).

The basic contention is that cultural differences, understood as differences in prevailing attitudes and beliefs, are important factors in explaining variation in entrepreneurial activity (Davidsson, 1995). Prevailing values and beliefs are seen to constitute a norm-based restriction giving entrepreneurial behaviour a higher or lower degree of social legitimation depending on the environment (Etzioni, 1987, 175, 183): "Legitimation is a major factor in determining the level of entrepreneurship that is found within the same society as compared to others, and in different periods within the same society. The extent to which entrepreneurship is legitimate, the demand for it is higher; the supply of entrepreneurship is higher; and more resources are allocated to the entrepreneurial function. . . . The immediate sources of this legitimation are the values of the society and the relevant sub-societies". O'Farrell (1986) thinks that the degree of legitimacy accorded to entrepreneurship determines who will engage in it. The lower the legitimacy, the more likely it is that entrepreneurs will come form socially marginal groups. Where there is high legitimacy, entrepreneurship will be dominated by the 'mainstream' culture.

Various authors have indicated that the strength of local and regional entrepreneurial cultures varies spatially, although empirical testing of the relationship between culture and entrepreneurial activity is difficult and interpretations of the causes of such variations differ (e.g. Burrows, 1991a; Davidsson and Delmar, 1992; Etzioni 1987; Mason, 1991). The difficulties have their roots in the plethora of socio-economic factors which co-influence variations in entrepreneurial activity across localities.

In one of the extensive empirical studies in this area, Davidsson (1995) and Davidsson and Delmar (1992) explored the link between entrepreneurship and local culture across six typical regions of Sweden. They saw local entrepreneurial culture to consist of two interrelated aspects: first, the entrepreneurial orientation of the local population, and second the distribution of ´entrepreneurial´ characteristics (prevailing values and beliefs determining the legitimacy of entrepreneurship) amongst local institutions such as the community/regional political leadership, and financial and educational institutions (cf. Mason, 1991). This can be seen as an aggregated version of the psychological/cognitive approach of entrepreneurship, regarding attitudes and beliefs as cultural rather than individual variables. These researchers hypothesised that if a region got a high score for ´entrepreneurial culture´, this would mean that a larger proportion of people in that locality manifested the mental drive and preparedness required to exhibit entrepreneurial behaviour (Davidsson and Delmar, 1992). They showed that cultural differences, i.e. differences in prevailing attitudes, beliefs and values, were important factors in explaining regional variations in entrepreneurial activity across Sweden. The analysis in Article 4 adopts this type of approach bonding together features from the psychological and sociological schools.

In sum, the term enterprise or enterprising culture seems to have a strong nexus with an understanding and appreciation of small business and the attitudes, orientations and skills deemed necessary to successfully operate a small

business. It is however, not confined to small business as people can demonstrate enterprise in the context of large businesses or in not-for-profit organisations (Koiranen and Peltonen, 1995). It is expected however, that where an enterprising culture can be developed there will be an increased level of interest in self-employment and consequently new business creations and job opportunities.

5.2 Enterprise culture in the making

5.2.1 Europe catches the entrepreneurial itch

The growing importance of the SME sector in Finland and elsewhere in Western Europe is down to a constellation of interacting socio-economic and politico-cultural processes. To set the scene for the empirical analysis of the thesis, in the following some of the more widely-spread socio-cultural factors affecting the emergence of small businesses as the foci of interest are briefly reviewed.

Firstly, the growing attraction of small businesses is said to reflect certain broader ideological and cultural shifts within the more industrialised and advanced Western European countries, shifts which have heightened people´s expectations of independence and self-fulfilment (Bechhofer and Elliott, 1985). The most relevant of these deals with the emergence of ´new individualism´ which surfaced in reaction to the corporatism of the 1960s and 1970s´: a new individualism which places a premium on self-reliance rather than state support or, as some would have it, "interference" (Goffee and Scase, 1987).

Over the past three decades, as Western economies have grown more affluent, people have become more concerned about obtaining a higher level of personal satisfaction in their lives. At the same time, changes in educational system, family relationships and the widespread adoption of `democratic´ ideals have led to the reappraisal of traditional forms of authority in the home, workplace, and the wider society (Goss, 1991). The autonomy and independence of the individual are much greater in terms of life choices than previously. Nowadays, young people are encouraged to think for themselves which instils a sense of self-determination. The freedom to make choices gives them a feeling of control over what kind of life they wish to pursue. With individual freedom also comes the necessity to accept responsibility for choices or decisions made, particularly where they affect others and where the outcome is uncertain.

Secondly, there are changes taking place in the economy itself (Burrows, 1991c). A mammoth economic restructuring has greatly reduced the size of the primary and manufacturing sectors and led to expansion in services and knowledge-based activities, which in turn have greatly enhanced opportunities for self-employment (Curran and Blackburn, 1991). Barriers to entry and level of concentration are, of course, not only lower in newer sectors of the economy, but economies of scale are nothing like as evenly spread or pronounced overall as in older areas of the economy (Burrows and Curran, 1991).

In most of Western Europe, this restructuring has been based on an increasing `rationalisation´ and `modernisation´ of established, older

manufacturing sectors. New technology has played an important role in manufacturing in producing more opportunities for (high tech) small businesses (Curran and Blackburn, 1991). Computer-based flexible production systems have been replacing inflexible mass production systems and can be housed in geographically dispersed smaller sized establishments of firms operating as networks of production (Shutt and Whittington, 1987). Production systems like these have been labelled as 'post Fordist economy' or 'the Benetton company' referring to the way the new flexible economy works.

Thirdly, the break up of Fordist mass markets as mass consumption ceases to be the engine of demand in advanced economies and the dawning of fragmented, rapidly changing markets with increasingly differentiated consumption patterns for new goods is expected to be matched by new small production units (small firms and small branches of larger firms) able to combine new technology and flexible human responses with the small batch production required to service new patterns of demand (Burrows and Curran, 1991).

In the era of post-modernism cultural tastes are becoming more fragmented and pluralistic having a disorganising impact on the economy which should hurt larger enterprises and prove beneficial for small firms. We are witnessing a trend away from mass consumption goods towards 'niche' or 'positional' goods (Hirsch, 1978). This also reflects the rise of individualism since spending patterns are now regarded as a reflection of people's personalities. Mass marketing has contributed enormously to the emergence of a consumption culture. Consumers are becoming more sophisticated in how they dispose of their income. They want more variety in the available ranges of products and are more likely to assert themselves when stating exactly what they want from a product. People are also more willing to experiment, particularly when they have access to information about other societies. Global media and mass communications have led to a more informed and demanding market.

Fourthly, in many of the longer established areas of the economy there have been changes in managerial strategies (Curran and Blackburn, 1991). These have had the effect of enhancing opportunities for small businesses. A fashionable managerial strategy since the 1980s has been for companies to concentrate on their core activities and subcontract other activities and even parts of their core activities. Companies are focusing on what they are best at doing and rid themselves of what others could do better and more cheaply. Consequently, for instance catering, security, cleaning, and training activities have become increasingly subcontracted. This change in large enterprise strategy (appearing also in public services) has again resulted in more opportunities for smaller firms and individual self-employment.

Finally, the above-cited developments have greatly affected employment markets in most developed countries of the West in the 1990s. The changes have seen the proliferation of more part-time, casual and contract work, greater level of out-sourcing, and less job security. Indeed, policies designed to encourage business start-ups are likely to become increasingly popular as a widespread process of de-industrialisation restricts a lot of job creation opportunities to labour-intensive personal service sectors and the new technologies.

5.2.2 In the vanguard of enterprise: Experiences from the UK

Much of the literature on enterprise culture originated in the UK where it was subject of continuous debate in the 1980s and early 1990s. Amid unprecedented growth in the numbers of new SMEs and people entering self-employment, enterprise culture was very popular and deemed as a paramount factor in accounting for the resurgence of the economy. The height of controversy was reached in the late 1980s when the pros and cons of the societal and political influences of the phenomenon were at the forefront of public discussions. The following views offer contrastive and complementary evidence against which to mirror the Finnish situation.

From 1979 to early 1990s Conservative Governments in Britain fostered the role of the individual and the development of economic wealth based on the self-help principle (Gray, 1998). Policies were introduced to reduce public spending and open provision to market forces by freeing market imbalances which were seen to disfavour small businesses relative to large businesses. State intervention in the economy was limited and policies directly encouraged individuals to become self-employed or to start their own business (Mason and Harrison, 1986).

The most ardent proponents of enterprise culture came to argue that Britain´s poor economic performance over a number of decades prior 1980s was due to an unwillingness of individuals to take, and to benefit from, risk. This dependency was seen to be reflected in the high proportion of the British workforce who were unemployed or employed in large firms or in the public sector where there was little reward for risk-taking (Storey and Strange, 1992). Thus, some observers concluded that the real objective of the above-cited policies was to remove the remaining vestiges of ´the culture of dependency´ on the state by generating a more flexible and efficient enterprising economy (Johnston and Pattie, 1990). In order to cut out the wasteful ´dependency culture´, the Government offered up an alternative, the enterprise culture, the most tangible manifestation of which was, the rapid, unprecedented growth in self-employment and the number of new, small firms in the UK between 1979-1990 (Westhead and Moyes, 1991). In light of the growing importance of the small business sector, the terms 'entrepreneurship´ and 'entrepreneur´ began to thrive as catch words in the political and social arena.

There was a lot of debate whether the growth in the importance of the small business sector was a result of conscious attempts made to foster an enterprising economy in Britain or just one contingent feature of a large-scale socio-cultural structuring which is taking place in most Western economies. Burrows and Curran (1991) contended that there had been few attempts to account for the affiliation between the discourse of enterprise culture and the reality of the complex socio-economic and political restructuring as it has affected entrepreneurs and wider public. It was argued that the few attempts that were made were lacking in analytical rigour. These authors claimed that too many commentators tended to view the emergence of enterprise culture too ´romantically´ as an exhilarating ideological force which is antecedent and accounts for the changes which took place. To quote Goss (1991, 2) "For symphatizers with this position small business takes on an almost messianic role,

with an attendant leaning towards hyperbole and the almost wilful disregard of evidence that casts small firms in anything other than a favourable light". These advocates of enterprise were criticised for holding overly-optimistic views about the potential of entrepreneurship (Ritchie, 1991; Westhead and Moyes, 1991).

Other critics have played down the explanatory power of entrepreneurship by emphasising the contingent features of SMEs, by arguing that the health of small firms is ultimately dependent upon the position of large global enterprises (Goss, 1991). The growth in entrepreneurship in Europe in the 1980s and 1990s was seen as representing a strategy of the big firms to divest certain of their less profitable activities to subcontracted SMEs. It was argued that "the dominance of large-scale, globally organized companies, the separation of ownership and managerial control, and the hierarchical command structures of their internal organization, make the idea that free market economies depend primarily on the activities of enterprising individuals an absurdity, a typical petit bourgeois illusion" (Keat, 1991, 7). Some have claimed that the true beneficiaries of economic changes were not SMEs, but multinationals which exploit deregulated markets, constrained unions, falling real wages, and free currency movements to combine and extend their increasingly global interests (Cross and Payne, 1991).

Despite these criticisms, the above-cited authors admitted that the emergence of a more positive orientation to entrepreneurship across Western Europe has played its part in bringing about increased self-employment, job opportunities and economic health as well as greater consciousness about small business ownership as a career choice.

5.2.3 Structural environment for small business in Finland

The importance and popularity of the small business sector in various European countries show differences across nationalities. Among other factors, national differences in the industrialisation process, the role of the state, and the relative strength of trade unionism can lead to significant variations in the extent and type of small business activity. What follows next is a description of structural characteristics of the Finnish economy as it affects the SME sector.

Finnish economy is rather small in terms of its GNP, relative to others such as the UK, Germany or the USA. The role of large enterprises is also more dominant than in most EU economies. According to Statistics Finland´s Company Register, there was a total of some 219,000 enterprises in Finland in 1998 (KTM, 2000). SMEs accounted for 99.8 % of all companies. They were responsible for some 60 % of total employment in the business sector and some 52 % of total business turnover. The average numbers for the EU countries according to EUROSTAT criteria for 1995 are clearly higher: the figure for employment is 66 % and business turnover 65 %. The largest share, one third of SMEs operate in the service sector, whereas wholesale trade and retail distribution account for slightly less than a third of SMEs (KTM, 1998). These sectors are followed by manufacturing, telecommunications, the hotel and restaurant sector and banking. Sole traders form the largest group of firms 42 %, limited companies account for one third of the total, partnerships for slightly less than one quarter, and cooperative are a marginal group (KTM, 1998). The SME sector is dominated by

very small enterprises: micro businesses (those with 1-9 employees) accounted for 93.8 % of all businesses in 1996 (KTM, 1998). Some 26 % of the total workforce were employed in the Micro businesses. Between 1986 and 1997 the number of micro firms has risen by more than 30 %.

Influenced by powerful working-class movements and trade unions, social democratic governments have tended to pass laws designed to improve the wages, working conditions, welfare and legal rights of employees (Korpi, 1983). This process of intensifying public ´patronage´ was most prominent in the 1970´s in the context of Keynesian-liberal collectivist orientation to economic and social management involving the expansion of the welfare state, and the nationalisation of the capital for the state. Governments in that period encouraged close partnerships between private, large-scale corporations and state agencies to facilitate economic growth. They also promoted corporate mergers to enhance the development of large-scale units of administration and production. Thus, in the social climate of the 1960´s and 1970´s entrepreneurship was not regarded as a mainstream activity and entrepreneurs were often seen as rather exceptional and obsessive individuals who persevered against the odds. These developments have led to "costs" of business ownership so that they have formed heightened barriers for those wishing to go in business. There has not been enough incentive to take risks and go private. This has resulted in a shortage of positive entrepreneurial role models. In the past, there has also been very little training and education available in entrepreneurship.

After the economic depression of the early 1990s things began to change rather rapidly. The year 1990 marked the start of the worst recession in Finland in 50 years. Traditional large-scale trade with former Soviet Union collapsed at a time when international recession further weakened the western exports. The growth figures of the late 1980s turned sharply down and signalled the start of a steep economic decline which left in its wake very high national levels of unemployment (from 3.5 % in January 1990 to 16.6 % in June 1994) and financial crisis of the state. This also had a major impact on the SME sector as the number and turnover of firms went temporarily into a steep decline. In 1990, the total number of SMEs amounted to nearly 218,000 which accounted for 99.7 % of all enterprises (MTI, 1999). The financial instability and the collapse of the domestic markets forced more than 33,000 firms out of business between 1990 to 1994. The rate at which new companies were set up also slowed down, and the total number of companies in the country decreased by almost one-fifth. Against this background, drastic changes in the society and economy were needed to stimulate business growth and create employment. The ensuing major downsizing of the public sector and the restructuring of the industrial sector led to the rediscovery of the importance of small scale economic activities.

The economic slump generated a high level of insecurity as well as unemployment which is still persistently high with an average of more than 10 % over the last eight years. The employment market has changed accordingly, increasing flexibilisation leading to introduction of more part-time, temporary, casual and contract work, greater out-sourcing and less job security. Finland is casting an envious eye in the direction of the US where the loss of big business jobs has been replaced by new jobs created by smaller firms (Kourilsky, 1995).

Finland looks towards the resurgence of small business to drive a conversion of the economy towards freer enterprise and increase in jobs. One manifestation of this appeared in 1995 when the *Decade of Entrepreneurship* was launched. Co-ordinated by various ministries, public and private agencies, municipalities, associations etc., the aim of this national program was to bring together under one umbrella a host of initiatives in three broad areas: creating a more entrepreneurial society, promoting entrepreneurship as a source of employment and fostering the growth of new SMEs (Reynolds et al., 1999).

The growing emphasis that is being placed upon enterprise culture can be regarded as a reaction against the corporatist nature of the economy as a whole. At the government level, this shift could be interpreted as signalling a move away from Keynesianism towards a more free market-based ideology. This has led to increasing deregulation of markets in order to free them from imbalances "disfavouring" small businesses relative to large businesses. Policies have also been introduced to reduce public spending on welfare to open provision to the discipline of market forces, and to privatise the state for capital. These measures were expected to induce individual industriousness and economic rejuvenation.

Indeed, Finnish economy has recovered and is currently experiencing an economic upturn which has been influenced by a steadily increasing rate of new start-ups. Since 1993, the lowest point of the recession, there has been 15 % increase in these firms. For instance, from 1995 to 1997, the firm base has been expanding at a rate of 5,000-6,500 new businesses a year, most of these small enterprises (MTI, 1999). In 1997, the net growth in the number of enterprises was nearly 3 % of the total enterprise stock. By 1999, the number of enterprises had slightly exceeded the level of the peak year 1990 (218,000 firms). Nevertheless, the figures estimated according to the Company Register of Statistics Finland show a smaller net increase of 1,800 companies for the year 1999, whereas the advance estimates for the year 2000 indicate that the growth levels seem to be levelling out (Statistics Finland, 2000).

Government and other public measures in enhancing the operational environment for enterprises are clearly bearing fruit as is shown in the Global Competitiveness Report (2000) prepared by the *World Economic Forum*. This report uses a research-based Competitiveness Index in which rankings and profiles of the surveyed economies are given on a multitude of business and economic factors. The profiles provide major performance indicators, each economy´s ranking in competitiveness and highlights of particular strengths and weaknesses. The two major indices are the Current Competitiveness Index and the Growth Competitiveness Index.

The Current Competitiveness Index ranking identifies factors underpinning high current productivity and hence current economic performance. The measured factors explain why some countries can sustain a higher level of prosperity than others. This index reflects the current ability of companies to compete in world markets and the general business environment, including government policies and the quality of the infrastructure and the level of skills and education in the workforce, etc. In 2000, Finland´s business environment is rated best in the world in these ratings overtaking the US.

The Growth Competitiveness Ranking is an index which measures factors contributing to the future growth of an economy. These factors explain why some countries are improving their prosperity faster than others. The Growth Competitiveness rankings focus on innovation and technological advance, the efficiency of the financial sector and the openness of the economy. In 2000, Finland is ranked relatively high as fifth in this category. In analysing these findings, it should be noted that the competitiveness indices tend to emphasize factors related the concerns of established, often larger firms and international business.

Other more SME-related findings show that barriers to entrepreneurial activity in Finland are, on the whole, on average European level. This was shown in a study conducted by OECD (2000) on the regulatory business environments and market structures of 27 state countries in 1998. In a comparison of the regulatory settings of the SMEs, emphasis was laid on investigating administrative burdens on business start-ups, barriers to competition and regulatory and administrative opacity. Lowest barriers to entrepreneurship were found in the Republic of Ireland, The UK, Australia, Canada and the US. The greatest barriers were discovered in Italy, Greece and France. Finland was placed in the middle category in the ratings. Despite these findings and other evidence of growing importance of business-orientation in the Finnish society over the past decade, powerful institutions are still holding up a corporatist economy. There are still many issues of "concern" to owner-managers, for example, powerful labour unions, "costs" incurred by the extended welfare state and the stringency of the tax system. For example, the succession of family businesses is difficult as property taxes, which are based upon the entrepreneur´s private wealth, including capital tied up in their business operation, have remained high.

Another major hurdle impeding the emergence of an enterprising economy is the steep discrepancy is appearing in economic circumstances between different regions of the country. Following the deep economic recession of the early 1990s, there has occurred a strong relative shift of firms, output and jobs from the smaller towns and rural areas to the bigger cities (Kangasharju, 1998; Pehkonen and Tervo, 1998). This change-over has affected Finnish labour markets accounting for a constant stream of selective out-migration from the rural communities.

The rural-urban economic shift has hit badly the rather sparsely-populated provinces mostly in northern, central and eastern parts of the country. A big decrease in agricultural production has been at the core of the economic restructuring. As a maturing industry experiencing reductions due to the continued integration of Finland into European Union, agriculture has moved from being a labour intensive and substantially subsidised industry to a more capital intensive system. This has created a corresponding decrease in agricultural employment with near catastrophic effect on some rural communities. These regions are experiencing economic hardships in the midst of the general economic upturn.

There are too few SMEs or big manufacturing firms in the countryside and attempts to re-industrialise many areas have not really succeeded. The firms tend to concentrate in larger industrial centres, thus creating few new jobs in rural

communities while drawing former rural residents to the bigger cities. Too few firms have located outside the main areas of economic growth in the South and South-West of the country and the Oulu region up north. Thus, migration flows have started to drain many rural areas of their pool of younger people with entrepreneurial talent and higher formal educational qualifications. In 1998 some 260,000 people migrated from the more peripheral areas into larger cities in search of new career and education opportunities. The end result is that in economically stagnant rural areas, many potential entrepreneurial role models emigrate to more active areas and in many cases will start their own company there. These regional imbalances need to be addressed in the future. The most plausible solution would be the development and expansion of entrepreneurial manufacturers and service providers. Special policies are needed to encourage new firm formation in rural areas where there are marked differences between various regions.

5.2.4 Past research on Finnish enterprise

The present study provides an overview of the emergent characteristics of the Finnish enterprise culture. To achieve this, the research task is divided into two parts. Firstly, the thesis examines how members of adult population view and relate to entrepreneurship as it unfolds in the country. This exploration provides early evidence of a societal climate amongst Finnish people towards entrepreneurial activity. The second focus is placed on exploring entrepreneurial orientations and tendencies among entrepreneurs and the wider public. This examination yields preliminary insights into enterprising potential of the Finnish subjects.

Despite the positive image of enterprise and general agreement about the virtues of entrepreneurship reflected in the public discussions and media in Finland, little empirically grounded information is currently available about attitudes and beliefs with respect to enterprise amongst the Finnish population at large. There is also a shortage of studies which have connected enterprise culture to any indicators of entrepreneurial orientation and tendencies among entrepreneurs and the wider public. This subchapter synthesizes central findings from past literature on Finnish enterprise culture.

One important measure of the ´strength´ or vitality of an enterprise culture is the level of interest in small business ownership indicated by rates of new firm formation. Unfortunately, not even this widely-used ´benchmark´ is totally reliable, since even during periods of economic upturns not all small business owners set up their businesses as a result of a positive desire to do so, instead there are also negative reasons such as unemployment or scarcity of other job opportunities (Storey and Johnson, 1987a, 1987b). Moreover, there are a large number of factors co-influencing variations in new firm formation across localities. According to Mason (1991), an entrepreneurially conducive environment includes features such as an industrial structure that already has an inclination towards small independent economic units; employees working in problem-solving occupations who have close contact with customers, and are thus likely to already possess some technical and market knowledge: a concentration

of technically-progressive small firms; a high awareness of past small business activities: banks and other financial institutions sympathetic to the needs of small businesses; the availability of help and advise; an affluent population; and a social climate which favours individualism. It is apparent that an entrepreneurial praxis is always going to be inherently spatially uneven (Burrows, 1991b), and consequently the antecedents and effects of enterprise culture are extremely difficult to assess objectively.

To gain a comprehensive understanding of the processes of transformation involved in the advent of enterprise culture, it would be necessary to explore how the pre-existing, historically-shaped industrial and social structures characteristic of each given localities articulate with contemporary enterprise trends and the characteristics of the individuals to yield determinate but localised outcomes (Rees and Thomas, 1991). Thus, attempts which try to account for the spatial variation in the ´enterprise mindedness´ need to take account of both patterns of structure and human agency. For instance, Finland, though it has been experiencing a process of socio-economic restructuring that has its origins in global economic shifts, some forms of local (if not always individual) responses are probable which are able to mediate such processes.

The research task is further complicated by the fact that culture can not be quantified easily, thus the impact of the enterprise culture is difficult to detect accurately. It is also hard to find a valid and reliable scale for measuring alleged changes in the socio-economic climate of enterprise, since it is almost impossible to find statistical attitude measurement series going back in time to assess the alleged turning point in the attitudes (Curran and Blackburn, 1991). Further, the usual implied causality between culture and economic activity is difficult to establish rigorously. We can only turn to views on the subject from surveys of entrepreneurial attitudes and orientations and observable outcomes such as the number of people starting a business with positive desire rather than for negative reasons such as unemployment. Another important measure of the "strength" or vitality of an enterprise culture is the proportion of adults in the workforce who are self-employed or have indicated their desire to enter small business.

A cross-national study conducted by the *Global Entrepreneurship Monitor* provides rather startling Finnish findings in this regard (Arenius and Autio, 1999). Among other things, the GEM initiative looked for potential differences in entrepreneurial activity, orientations and attitudes between the examined countries. A random sample of 1,000 adults across the country was asked questions about their participation in entrepreneurial activities, including whether or not they were currently starting a firm on their own or for their employer as part of their job. In a cross-cultural comparison of the frequency of individuals in the working-age adult population engaged in setting up a new business, the Finns came up with the lowest rate. Only 1.4 % of the subjects were in the process of establishing a new independent business. The highest concentrations of nascent entrepreneurs were found in the USA where the rate was 8.4 %. The results provide further evidence on the contention that even though the social climate towards enterprise is rather hospitable in Finland, still it has not been translated into wide-ranging entrepreneurial intentions. Table 3 adopted from the GEM report indicates the relative number of individuals in

general adult population engaged in setting up a new business venture among G7 countries (i.e. Canada, France, Germany, Italy, Japan, UK and US) along with Finland, Denmark and Israel (Reynolds et al., 1999).

TABLE 3 Levels of entrepreneurial activity in GEM study : Three groups

Level of Entrepreneurial Activity	Countries	Average Business Start-up Rate (#/100 persons)
High	USA, Canada, Israel	6.9
Medium	Italy, UK	3.4
Low	Denmark, Finland, France, Germany, Japan	1.8
Statistical Significance		0.0002

Source Reynolds, Hay and Camp (1999, 15)

Another study which will shed more light on the enterprising intensions and tendencies of Finnish respondents is being conducted by University of Jyväskylä. It is part of a series of National Panel Studies of Business Start-ups co-ordinated by the US-based *Entrepreneurial Research Consortium*. The panel studies employ large, random samples of business start-ups which are identified prior to the actual commercial launch of the ventures. Important advantages of this project are the possibilities of making cross-national comparisons of start-ups and the ability to follow the business gestation process. The characteristics of the nascent entrepreneurs will also be compared to those of a control group of respondents not trying to start a business.

The Finnish study is going to present frequencies on the involvement of the Finnish population in the start-ups of firms and to compare these with estimates from studies from seven countries (Australia, Canada, Germany, the Netherlands, Norway, Sweden and the USA). To get a representative nationwide sample from the working age population, respondents (n= 3,240) were randomly selected and interviewed by telephone. It was found that 2.4 % of the Finnish population at the time of the interview were actively trying to start an independent business (Hyrsky and Tuunanen, forthcoming). Preliminary comparisons have indicated that this is a lower prevalence rate than the USA (3.9 %) and Norway (3.1 %), but higher than the Swedish figure of 2.0 %.

Establishing of SMEs has traditionally been less prevalent in Finland than in many Western European countries and current evidence suggests that this tendency persists. According to another recent research on the working conditions of the citizens of the European Union, only nine per cent of the Finnish workforce were classified as entrepreneurs, small-business owner-managers or self-employed. Finland ranked low in the comparison (Kauppinen, 1999). In the same study, the respondents were asked to indicate whether or not they were willing to enter self-employment in the future (see Table 4). Among members of the general workforce the Finnish desire to enter small business was found to be

the lowest among the sampled nationalities. It was also rather low amongst those who were not in any kind of employment.

TABLE 4 Self-employment in European Union: 1999 and future prospects

Country	Self-employed (%) among total workforce	Willingness to enter self-employment (% of employed)	Willingness to enter self-employment (% of non-employed)
Greece	41	38	29
Italy	20	15	32
Portugal	17	23	35
Ireland	16	34	27
Spain	15	15	17
UK	15	15	24
Austria	12	17	18
The Netherlands	11	22	18
Belgium	10	12	12
Germany	10	18	16
Luxembourg	9	17	12
Norway	9	16	10
Finland	*9*	*12*	*17*
Sweden	8	21	20
France	6	23	11
Denmark	6	19	10
Eur15 + Norway	13	18	21

Source Kauppinen (1999)

In another related study, ENSR statistics showed that some seven per cent of the Finnish population are self-employed, which remains clearly behind the European average of 12 % (ENSR, 1996 & 1997). Even though the share of entrepreneurs has been growing in Finland over the last couple of decades, it still has remained somewhat lower that the European average (ENSR, 1996). It appears that even though the societal climate is becoming conducive, the Finnish economy has traditional and structural features which tend to inhibit fast birth and growth rates of small businesses (Holm, 2000). This is also indicated by the fact that in the current period of rapid economic growth there are surprisingly few firms which are able to achieve high growth (Autio, Wallenius and Arenius, 1999).

In 1995, a nationwide enterprise promotion programme called *Decade of Entrepreneurship* was launched in Finland. It brings together under one umbrella a host of individual SME policy initiatives. As part of the programme, a nationwide study on entrepreneurial profiles and local cultural features is being carried out (see e.g. Vesalainen and Routamaa, 1999). The surveyed regions include all 15 regional areas of the Finnish Employment and Economic Development Centres. The studies will focus on measuring entrepreneurial

attitudes and potential as well as central structural and socio-economic indicators which reveal information regarding the peculiarities of local entrepreneurial cultures in each area. The findings will enable comparisons between different areas and will also provide a base to direct the development efforts for promoting entrepreneurship. A few of the regional research reports have already been published. These types of research projects may yet turn out to be valuable tools for charting enterprise development. In the next section, we outline how the present study sets out to add to the existing knowledge in this area.

5.3 How to gain further insights into Finnish culture of enterprise?

The scarcity of research findings on the Finnish culture of enterprise is rather surprising. Increasing this type of knowledge is very important. If our goal is to foster more enterprising activities and behaviour in the society, we first need to know the starting-points for the development work. In order to pursue a certain goal in developing society, organisations and individuals, it is, of course, a prerequisite that the starting-point is known. Therefore, more enterprise-related research must be conducted to outline the current state as regards entrepreneurial attitudes and potential among the Finns as well as the structural and socio-economic properties of local entrepreneurial cultures across the country.

The study tries to give some early insights by providing an overview of the emergent characteristics of the Finnish enterprise culture. In order to come up with new information, the focus in the research articles is placed on attitudinal and motivational features which will be related to their cultural and socio-economic contexts. The present thesis takes into account both an analysis of human agency and socioeconomic structure which is prerequisite if one is to make any real sense out of such a complex phenomenon as an enterprising culture (Bhaskar, 1986). Figure 2 highlights the constituent elements employed in the thesis in studying enterprise culture.

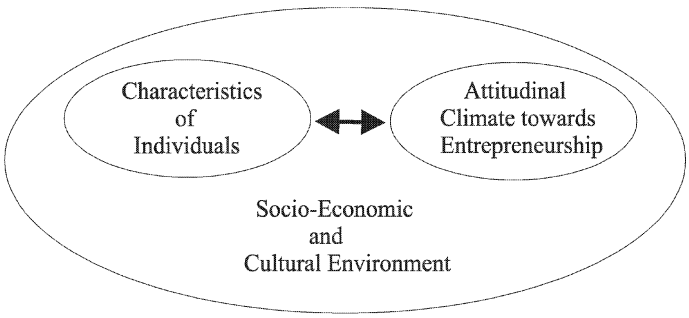


FIGURE 2 Interacting elements examined in studying enterprise culture

It is a fact that the proliferation of an enterprising culture in society requires that a positive entrepreneurial climate is accompanied by the presence of a pool of individuals who possess proper entrepreneurial attitudes and orientations and who are willing and able to make the sacrifices needed to acquire personal wealth. The present study yields new information in this area by shedding light on both sides of this argument. More particularly, interdisciplinary methods will be employed in this pilot project to examine 1) features of the societal climate of enterprise (Articles 1 & 2) and 2) enterprising orientations and tendencies among a range of small business owner-managers and members of general adult population (Articles 3 & 4).

In Articles 1 and 2, the aim is to study the cultural climate of entrepreneurship among the adult population in Finland (´enterprise consciousness´). Article 1 will examine how people from various backgrounds view and relate to the terms *entrepreneurship* and *entrepreneur*. By focusing on the respondents´ everyday language use, perceptions are gained about the essential characteristics associated with entrepreneurs and entrepreneurship. Article 2 conducts a pilot study of collocational analysis of entrepreneurship. People from across the country are asked to define what the term 'entrepreneur´ means to them by completing a narrative text on entrepreneurial activities with suggested collocative word pairs. This analysis yields semantic clusters of words describing the properties the respondents associate with the term *entrepreneur*.

Articles 1 and 2 constitute a pilot effort as regards bringing the linguistically grounded methods of analysis to the field of entrepreneurship research. In contemporary entrepreneurship studies criticism has been levelled at the fact that the voice of the actors in the field and the general public is often overlooked (e.g. Goffee and Scase, 1987; Stanworth et al., 1989). The present study tries to address this issue by looking into the everyday language use of both entrepreneurs and the general public. This enables us to take a closer look at the real world of small business.
In articles 3 and 4 the research revolves around entrepreneurial orientations and tendencies manifested by entrepreneurial and non-entrepreneurial respondents (´enterprise mindedness´). This examination yields preliminary insights into enterprising potential of the subjects. The cognitive dimensions will be studied with cross-national samples of entrepreneurs and members of general adult population. The analysis is related to entrepreneurial practices and contexts amongst the subjects to link attitudinal propensities with cultural context.

Article 3 centres on innovativeness and risk-taking propensity which serve as starting points for assessing enterprising tendencies among Finnish people. To achieve this, an inter-cultural comparison employing Carland Entrepreneurship Index (Carland, Carland, and Hoy, 1992) will be conducted between Finnish and US entrepreneurs and small business owner-managers. The inclusion in the analysis of business goals, planning practices and the roles of the respondents in business start-up activities links the psychological propensities with the cultural context. The US sample functions as a "benchmark" for evaluating the Finnish tendencies. Finally, the applicability of the widely-cited entrepreneurial definitions formulated by James and Jo Ann Carland and their research associates are empirically assessed both in the USA and Finland to see how well the US-based definitions suit the Finnish enterprise context.

Article 4 takes the analysis introduced in Article 3 further. A large number of randomly-selected informants are sampled to study cognitive styles of creativity in problem-solving and decision-making at an aggregated level in Central and Eastern Finland. Kirton Adaption-Innovation Inventory (KAI, 1994) is utilised to provide evidence of the innovative orientations of small business owner-managers, potential owner-managers, as well as the wider public. Again, cross-cultural comparisons are made to provide contrasts between the Finns and other nationalities. Finally, this study relates findings on entrepreneurial tendencies to the wider socio-cultural environment. This article will also provide new important information on features of local entrepreneurial cultures in the urban and rural areas of the country. In the following, the attention is turned to the methodological choices and statistical procedures which will be employed in the four research articles.

6 METHODOLOGICAL BASE

> "Our language can be seen as an ancient city: a maze of little streets and squares, of old and new houses, and of houses with additions from various periods; and this surrounded by a multitude of new boroughs with straight regular streets and uniform houses".
>
> -Ludwig Wittgenstein, *Philosophical Investigations* (1958)

This chapter outlines methodological, ontological and epistemological approaches adopted for the study. These issues deserve special attention, due to the inter-disciplinary and exploratory nature of the study and the rather novel and widespread research focus. Moreover, since the thesis brings linguistically-grounded analysis to the field of entrepreneurship there is a need to outline the premises on which this activity is based upon.

The present chapter is divided into three main sections. The first one deals with the potential contribution that linguistics can make in the quest for knowledge in entrepreneurship research in general and the context of the present study in particular. This part gives initial information on the roles of metaphors and collocations in providing new inroads into entrepreneurship. The second and third section of the chapter elaborate on the philosophical and practical starting-points which guide the research process in the thesis. Firstly, the focus will be on features of exploratory research. Secondly, positivistic and hermeneutic research approaches are highlighted as regards their role in entrepreneurship research. Thirdly, construction of knowledge in linguistic analysis will be spotlighted to show how and why we should seek to gain linguistic insights into enterprise. The chapter concludes with a summary of key information on sampling, data collection and instruments of measurement.

6.1 Linguistic framework of analysis: metaphors and collocations

Let us now turn to detailing the role played by linguistic methods in explicating features of Finnish enterprise. The changes evident in our everyday language use, of course, reflect the changes occurring in the surrounding society. Thus, by analysing the linguistic data, we can gain insights into how people view and relate to entrepreneurial activity in Finland. Language, culture and enterprise are heavily intertwined so by focusing on their interaction we can get to the core of the cultural climate of enterprise. To achieve this, in Articles 1 and 2, the thesis will employ metaphorical, collocational and conceptual analysis in studying the often paradoxical perceptions of entrepreneurs and entrepreneurship of the respondents. These three constructs also help to examine how the subjects conceptualise *entrepreneurs* and *entrepreneurship*. In the course of this process we are able to explore how the subjects conceive the role of entrepreneur and the essence of entrepreneurial behaviour in different semantic contexts.

There are a number of benefits to be gained in studying entrepreneurship with an operationalised approach where language is the study vehicle. The idea of alternative ways of thinking and seeing is central to the new, emerging ideas of entrepreneurship. Linguistic methods can create new schemes and contribute to seeing alternative opportunities. They can reveal much about the beliefs and perceptions that we Finns have of entrepreneurship while also helping to define more concretely and concisely what the entrepreneurial terms mean to people. Finally, they can be used as tools to structure and understand how people think and speak ´entrepreneurially´.

Entrepreneurship has been studied by people from various backgrounds, such as economists, organisation theorists, (social-) psychologists, sociologists, anthropologists, and others, but not yet by adopting a linguistic approach. The study constitutes a pilot effort as regards bringing selected linguistic methods to the field of entrepreneurship research. Therefore, in the following it is paramount to account the potential contribution which the linguistic constructs can make. The chapter starts off with a look at the potential role of metaphors in entrepreneurship research. This is followed by a section which introduces the linguistic construct of collocation.

6.1.1 Interaction view of metaphors

Since Aristotle got the ball rolling, metaphors have had a long and bouncy career as topics of investigation (Tourangeau, 1982). The most common approach to using linguistic metaphors is the semantic interaction theory by Max Black (1962, 1979) upon which the present author grounds his account of entrepreneurial metaphors. This view explains metaphors as expressions that involve an interaction between literal and metaphoric contexts; an interaction between a literal context and an expression that is used metaphorically in that context. This theory is generally regarded as one of the most satisfactory theories of metaphor thus far developed (Forceville, 1996), most metaphor scholars are explicitly or implicitly committed to it by accepting its central tenets wholly or with small

variations, or at least taking its premises as a foundation on which to expand or vary (e.g. Forceville, 1994; Hausman, 1989; Indurkhya, 1991, 1992; Kittay, 1987; Kjärgaard, 1986; MacCormac, 1985; Ricoeur, 1986; Verbrugge, 1980).

The use of metaphors assumes a similarity between the ´source domain´ or ´vehicle´ and the object (´target domain´ or ´tenor´) of the discussion (Black 1962, 1979; Richards, 1936). Thus, in a metaphor such as ´Entrepreneur is a self-made man´, `entrepreneur´ represents the target domain whereas `self-made man´ forms the source domain. An ´interaction (or creative) view of metaphor treats both source and target domains as interacting to produce a meaning that results from that interaction (Black, 1962). This social constructionist use of metaphor presupposes a nominalist view of entrepreneurial reality, since metaphors are treated as provoking "meaning that is not reducible to either pre-existing relationships or the elements of the . . . topic" (Bailey and Ford, 1994, 382). The adoption of social constructionist assumptions pushes the analyst into the use of multiple metaphors, because applying a range of metaphors produces a wider range of understanding and interpretations of any problem under investigation.

Max Black originated the interaction view of metaphor in 1955 in his article *Metaphor* and elaborated on it in a later article *Models and Metaphor* published in 1962. Black divides metaphor into two parts: the literal primary subject (analogous to ´tenor´) and the metaphoric secondary subject (similar to ´vehicle´). Rather than individual things, the primary and secondary subjects are better regarded as what is called `systems of commonplaces (or beliefs): a set of associated ideas and beliefs which are largely common to the speech community. Thus, even though metaphors are enacted and surface through everyday language use, they go beyond the level of words to a shared body of knowledge and assumptions that are associated with words. (Tourangeau, 1982). They tap into cultural attitudes and beliefs.

Consequently, metaphor involves the interaction of the two domains (primary and secondary subjects), where the associated ideas and implications of the secondary domain or system are transferred to the primary system (Black, 1962). One interprets a metaphor by constructing a set of beliefs about the primary subject parallel to the set of the secondary subject. These two subjects interact in the interpretation, the secondary subject highlighting some features of the primary subject and suppressing others, as a belief system isomorphic to that of the secondary subject is created to fit the principal subject. The primary subject is seen through the `filter´ of the properties of the secondary system in such a way that the second subject "selects, emphasises, suppresses and organises the features of the primary subject" (Black, 1979, 29).

The interaction between the subjects of a metaphor can run the other way as well, inducing `reciprocal changes´, though lesser changes, in the secondary subject. For instance, in interpreting *man is a wolf*, we invoke the system of commonplaces associated with wolves and use these to act as a corresponding system of implications about man: "If the man is a wolf, he preys upon other animals, is fierce, hungry, engaged in a constant struggle, a scavenger, and so on" (Black, 1962, 41). Therefore, any human traits that can be talked about in ´wolf-language´ will be rendered prominent, and any that cannot will be pushed into the background and ignored. Consequently, wolves will be seen as more ´man-

like´ than before the metaphor. Black thinks that this kind of understanding of a metaphor can in extreme result in an actual shift of meaning; the associations and interconnections of concepts may actually change as a result of understanding a metaphor. Having interpreted a metaphor, we see its subjects as "nodes in isomorphic networks, in which assertions about [one subject] are correlated one-to-one with corresponding statements about [the other]" (Black, 1979, 31).

A central assumption underlying these inferences is that words obtain their meaning from their connections with other words in the discourse (Richards, 1936). There is no standard or schematic meaning for any word. Sentences are not built up out of fixed, atomic units of meaning. Instead, Richards (1936, 94), whose ideas have had a major impact on Black´s work, emphasises what he calls the interanimation of words which makes metaphors a matter of "borrowing between and intercourse of thoughts, a transaction between contexts".

For Black, the hallmark of a metaphor is that it is new and startling, something that a literal paraphrase can not be; "metaphorical statement is not a substitute for a formal comparison or any other kind of literal statement, but has its own distinctive capacities and achievements" (Black, 1962, 37). According to Black, metaphor is an interaction of tenor and vehicle involving whole systems of commonplaces, one which organises our thoughts in a new way and, thus, can not be reduced to any literal comparison.

To recap, the main points of the interaction view are as follows: a) Metaphor involves entire systems of assumptions and `commonplaces´ associated with the terms involved, b) Metaphorical processes work like filters, with associated ideas of the secondary subject hiding, highlighting, and organising aspects of the primary subject. c) Understanding metaphor can involve a shift in meaning, d) Metaphors can not be reduced to literal statements of comparison, and e) they can create similarity between previously dissimilar ideas. (Way, 1991, 48)

6.1.2 Metaphors as conceptual schemata

The work initiated by Richards and Black has been developed further by Lakoff and Johnson. In their book *Metaphors We Live By* (1980), they introduced a widely-acclaimed approach which views metaphors as cognitive constructs which help to structure human experiences of the world. These authors argue that metaphors are important means by which we can understand human cognition since they are integral parts of our everyday speech and conceptual processes through which we view the world.

For Lakoff and Johnson (1980, 153) "metaphor is primarily a matter of thought and action, and only derivatively a matter of language". Metaphor is pervasive in everyday life, not just in language but also in our structuring of experience, in the words of Lakoff and Johnson (1980, 3): "Our ordinary conceptual system, in terms of which we both think and act, is fundamentally metaphorical in nature" (see also Johnson, 1987; Lakoff, 1987; Lakoff and Turner, 1989). Since the conceptual system -something of which language users are usually not aware of most actions being more or less automatic- plays an important role in determining our thoughts and actions, metaphors have a fundamental influence.

Lakoff and Johnson (1980, 4-5) contend that we perceive and think through *metaphors*: "we use metaphors in understanding and experiencing one kind in terms of another". Further, they write that "A metaphor is a figure of speech in which a term is transferred from the object it ordinarily designates to an object it may designate by implicit comparison or by analogy, as in the phrase ´evening of life´" (Lakoff and Johnson, 1980). In this way, metaphors map complex conceptual structures in the source domain onto conceptual structures in the target domain (Lakoff, 1987, 219). They are linguistic expressions which provide a cognitive bridge between two conceptual domains. They provide a way of understanding complex concepts in terms of more simple ones, abstractions being created with the help of concrete metaphors.

Metaphors are also constitutive since they facilitate creation and interpretation of social reality: they shape how we see and make sense of the world by orienting our perceptions, conceptualisations, and understanding of one thing in light of another (Putnam et al., 1997). Metaphors can be used to legitimate actions, set goals, and guide behaviours (Lakoff and Johnson, 1980). They are important parts of the language games that we play. Wittgenstein´s conception of a language game grew out of his interest in relationship between language and reality (e.g. Hanfling, 1989; Harris, 1988), ie. how objects and actions in the world are connected to our understanding of them (Mauws and Phillips, 1995). He considered language in use and considered it more than simply a medium of communication: "Here the term language-game is meant to bring into prominence the fact that the speaking of a language is part of an activity, or a form of life" (Wittgenstein, 1958, 11). Language is not some sort of pre-existing system we uncover, but rather a product of our ongoing interaction (Rorty, 1979). Through our interaction we develop particular modes of communication which reveal a world to us and which provide particular tools, concepts and practices which further facilitate interaction.

Each language game produces a particular form of life. Our participation in a particular language game is fundamentally constitutive of the "reality" within which we find ourselves (Foucault, 1978; Wittgenstein, 1958). From a ´language games´ perspective, there is not one empirical world to be discovered, but rather as many worlds as there are language games (Astley, 1985; Feyerabend, 1988). Each language game provides a language with particular meaning. This language produces a particular world in which certain objects, including the speaking subjects, exist in certain relations. From this perspective no definitive world exists, only plural worlds created by language games which exist at any particular time. As Morgan (1980, 12) has put it: "Words, science, and myth are all ways we attempt to structure our world".

6.1.3 Communicative functions of metaphors

In the present study the reasons behind the use of metaphors as instruments of inquiry also stem from the multiple functions they serve in our everyday communication processes (See Table 5). Besides its conceptual and constitutive appeal, metaphor is also a flexible analytical tool that can be used to understand social reality (e.g. Putnam et al., 1997).

The influence that metaphors exert can be illustrated by taking up the communicative purposes they serve. Firstly, they fulfill the necessary function of conveying experiential information, using a discrete symbol system (Paivio, 1980). Metaphors provide a compact means of communication by representing the subset of cognitive and perceptual features that are salient to it (the compactness hypothesis; Gibbs, 1994). Since they convey complex configurations of information rather than discrete units they enable communicators to better capture the rich, continuous nature of experience than does literal discourse alone.

The second function is the ´inexpressibility´ hypothesis which states that metaphors enable us to talk about experiences which cannot be literally described (Gibbs, 1994). Metaphors portray difficult and complex concepts more concisely than literal explanations, so they lead to enhanced understanding. They render abstract ideas and concepts more concrete and more easily remembered.

The third function is that, through imagery, metaphor provides a distinct, memorable and emotion-arousing representation of perceived experience (Paivio, 1980). They help to capture the vividness of our phenomenological experience (the vividness hypothesis). Through metaphorical statements speakers and writers can convey rich, detailed and vivid images of subjective experience.

Finally, metaphors help us to explore cultural stereotypes. At times metaphors present only partial truths by emphasising some aspects of a described reality at the expense of others (Clark and Salaman, 1996). This tendency of metaphors enables us to examine the stereotypical perceptions that people have of entrepreneurs and entrepreneurship. As Pearce and Osmond (1996, 25) put it: "*A metaphor is not intended as a universal syllogism applicable to all individuals, but rather becomes a form of socio-typing, providing guidance in understanding the mind-set of a culture*". All these functions implicate cognitive processes, but at the same time they explain what motivates the use of metaphor in communication.

To sum up, metaphorical language captures experiences and emotions graphically and it can communicate meaning in complex, ambiguous situations where literal language is inadequate (Srivastva and Barrett, 1988). Therefore, metaphors are proper instruments for studying such diverse socio-economic phenomenon as entrepreneurship. Moreover, metaphors suggest ways of defining complex concepts by providing a way of understanding them in terms of simpler ones (Lakoff and Johnson, 1980). Therefore, metaphors might provide a new angle from which to view how people define the elusive terms of `entrepreneur´ and `entrepreneurship´.

TABLE 5 Communicative functions of metaphor (Gibbs, 1994)

1) Compactness Hypothesis	Metaphors provide a compact way of communication by representing the subset of cognitive and perceptual features salient to them.
2) ´Inexpressibility´ Hypothesis	Metaphors enable to talk about experiences which can not be literally described.
3) Vividness Hypothesis	Metaphors help to capture the vividness of our phenomenological experience.

6.1.4 Past metaphor studies in business literature

Although metaphor analysis has a long tradition in linguistics and philosophy (e.g. Beardsley 1958; Black, 1962, 1979; Lakoff and Johnson, 1980; Miall, 1982; Ortony, 1979; Richards, 1936; Ricoeur, 1986), only few examples are found in contemporary business literature. The only notable exception is the organisation studies where metaphors are an established part in theory building. They have been applied to understanding organisational situations, practices and problems (Bolman and Deal, 1991; Frost et al., 1991; Morgan, 1980, 1986, 1988, 1993; Quinn and Cameron, 1988), for example, in analysing decision making (Connolly, 1988), leadership (Bensimon, 1989), strategy (Peters, 1992), organisational change and culture (Lundberg, 1990; Brink, 1993), human resource development (Marx and Hamilton, 1991), organisation design (Tsoukas, 1993) and production management (Garud and Kotha, 1994). Initially, machine and organism metaphors dominated (Morgan, 1980), followed by those referring to cultures, political systems, brains and psychic prisons (Morgan, 1986), jazz bands and missionaries (Akin and Schultheiss, 1990), clouds and songs (Gergen, 1992), soap bubbles (Tsoukas, 1993) and strategic termites and spider plants (Morgan, 1993).

In contrast to organisation studies, in entrepreneurship there is a dearth of studies which have deployed metaphorical analysis (Easton and Araujo, 1991; Koiranen, 1995; Kunkel, 1997). In one of these, Kunkel (1997) used them as the basis of his study on how to improve decision making in family business. Meanwhile, Easton and Araujo (1991) examined perceptions by small business managers of firms that they identified as competitive. They conducted semi-structured interviews with managers in different industries in the UK. The interviews were recorded, transcribed and metaphorical statements of competitor firms were identified. The following nine semantic categories of metaphors were found: 'Perceiving', 'Discovery', 'Hunting', 'Eating', 'Games', 'Race', 'War', 'Interpersonal', and 'Incest'.

With the exception of Easton and Araujo (1991) and Koiranen (1995), no small business studies that the author is aware of have employed systematic linguistic methods in gathering at least partly representative data. This also applies to the great majority of the organisation studies which have mostly discussed a set of metaphors used by the researchers to exemplify a suitable analogy for enhancing theoretical or practical discussion on the given subject. The present study tries to adopt a little more linguistically-grounded approach while taking an empirical analysis of metaphor into the field of entrepreneurship.

6.1.5 Collocational research

The second linguistic construct in the study used as an analytical device is collocation. The exploratory analysis executed constitutes a first, tentative exercise in utilising collocations in business economics. A collocation, which plays an important role in British linguistics, where it originated, designates the co-occurrence of lexical items, independently of word class and syntactic structure. It is "a composite unit which permits the substitutability of items for at least one of its constituent elements" (Cowie, 1981, 224). These frequent word combinations

are close to idiomatic expressions and are integral parts of our everyday language (e.g. Liepka, 1992; Sinclair, 1991). What has just been said (or will be outlined below) about the semantic and heuristic role of metaphors applies, to a large extent, to collocations.

Despite the scarcity of comprehensive theories of collocation, numerous studies with them have been conducted in linguistics (e.g. Bolinger, 1986; Church and Hanks, 1990; Leech, 1975; Liepka, 1992). J.R. Firth (1957) introduced the notion of collocation as part of his overall theory of meaning. It is at the collocational level of analysis, intermediate between the situational and the grammatical, that he proposes to deal with lexical meaning, i.e. with that part of the meaning of words which depends upon their tendency to co-occur in texts. More particularly, Firth (1968, 179) argued: "You shall know a word by the company it keeps" and this "keeping company" he called collocation and considered it a significant part of the word´s meaning. His familiar example was that of *ass* which occurred in *You silly -, Don´t be such an -* and with a limited set of adjectives such as *silly, obstinate, stupid, awful* and *egregious*. Similarly, he wrote, for example, that "one of the meanings of *night* is clearly its frequent co-occurrence or collocation with *dark*".

An adjective with a noun is a regular grammatical structure in collocations, and examples of it may be multiplied. The adjective in the noun phrase names a quality that is frequently associated with the noun in what linguists call ´salient feature copying´ (Bolinger, 1986, 78):

stubborn ox	*proud father*
scared rabbit	*dirty tramp*
flighty girl	*dumb broad*
irresponsible child	*lazy foreigner*

Leech (1975, 20) also argues that collocative meaning consists of the associations a word acquires on account of the meanings of other words which tend to occur in its environment. *Pretty* and *handsome* share common ground in the meaning `good-looking´, but may be distinguished by the range of nouns with which they are likely to co-occur or collocate:

pretty	*girl/boy/woman/flower/garden/colour/village/etc.*
handsome	*boy/woman/car/vessel/overcoat/airliner/typewriter/etc.*

The ranges may well overlap: *handsome woman* and *pretty woman* are both acceptable, although they suggest a different kind of attractiveness on account of the collocative associations of the two adjectives. Further examples are quasi-synonymous verbs such as *wander* and *stroll* (*cows* may *wander*, but may not *stroll)* or *tremble* and *quiver* (one *trembles* with *fear,* but *quivers* with *excitement*). Cruse (1986) clarifies this when he suggests that the constituent elements of collocations are, to an extent, mutually selective; the constituents have a kind of semantic cohesion that binds them together.

In another collocation study, Church and Hanks (1990) examined the words which would most frequently collocate with the verb *save*. Their research sample consisted of a massive file of news text including 44 million words drawn up by

the Associated Press news agency. They focused on the words immediately following the term *save* in an enormous passage of text running on a computer screen. In the statistical analyses, the following collocations were found:

> *save forests, ~ lives, ~ enormous, ~ annually, ~ jobs, ~ money, ~ life, ~ dollars ~ costs, ~ thousands, ~ face, ~ son, ~ estimated, ~ your, ~ billion, ~ million, ~ us, ~ less, ~ from . .*

With studies like these it becomes possible to gain valuable empirical information regarding the contexts in which particular words tends to appear. Through their analyses, Church and Hanks (1990) found, for instance, that nowadays people are very keen to save their money, environment, lives, etc. They also concluded that the verb *save* tends to co-occur frequently with the person or object that benefits from the course of action.

Dictionaries, especially the larger, pedagogical ones, quite rightly make considerable use of this kind of contextualisation (Palmer, 1983). In lexicography, there are three useful technical terms in the description of a collocation. The node word, its collocates and span. For instance, in the above example, *save* is called the node word in a collocation, whereas the other elements in the expressions are the collocates for *save*. The node word in a collocation is the one whose lexical behaviour is primarily under examination. The node words are, in fact, the core vocabulary items of English. The usual measure of proximity is a maximum of four words intervening. Finally, the collocates can be counted and this measurement is called the span. These and other findings are usually given in the lexical description of the item.

Since the range of collocations contracted by any particular word is one of the important elements in its purported meaning (Ball, 1993), a collocational analysis of the linguistic context of a given word helps to narrow down the explicit and connotative meanings associated with it. If this approach is taken to its "extreme" form, it enables to break down the sense of a word into its typical distinctive features and components. It can also help to construct different semantic fields or `clusters´ that consist of groups of words that are semantically and conceptually closely-related. Lexemes and other units that are semantically related within a given language-system can be said to belong to, or to be members of, the same semantic field (Lyons, 1982)

The collocational analysis in Article 2 is conducted to search for words which would constitute semantic `clusters´ of lexemes for describing the term *entrepreneur*. This is done by studying what kind of collocative adjectives and nouns (in pairs) the respondents use to depict entrepreneurs. Thus, the study comes up with frequent word combinations, which enable to narrow down the respondents´ definitions. Collocations are useful in this regard, since dictionary definitions of words are, to a large extent, also based on collocational restriction patterns (Bäcklund, 1981; Sinclair, 1991). Finally, and most importantly, through collocations, it is possible to explore the subjects´ perceptions and beliefs of entrepreneurs. Collocations are culture-specific and closely connected with the notions of prototype and categorisation (Liepka, 1992). The main functions served by collocations are summed up in Table 6. In the following subchapter, the methodological choices and starting-points of the thesis are discussed.

TABLE 6 Core functions of collocations

Indicate Lexical and Conceptual Contexts (Church and Hanks, 1990)	Collocations provide information of the conceptual and lexical contexts in which the words tend to appear.
Constitute Semantic Fields (Palmer, 1983)	The range of collocations contracted by any particular word is one of the important elements in its meaning. (´Definitions´)
Provide Cultural Insights (Liepka, 1992)	Collocations yield culture specific categorisations of phenomena.

6.2 Methodological choices and starting-points

This section consists of three elements which detail the methodological framework adopted for the study. First, a brief description of what constitutes exploratory research is given. Secondly, aspects of positivistic and hermeneutic research philosophies will be reviewed as regards their role in entrepreneurship research. Thirdly, the construction of knowledge in linguistic analysis is spotlighted to show how and why we should seek to gain linguistic insights into enterprise.

6.2.1 Exploratory research

Literature on research methodology has traditionally divided the basic types of research design into three classes: exploratory, descriptive, and causal research (Churchill, 1996). Besides employing more traditional statistical techniques, the present study uses exploratory methods, both quantitative and qualitative. In exploratory research, the main emphasis is laid on gaining new ideas and insights into the phenomenon under investigation (Burns and Bush, 1988). This type of research is suitable in cases where there is no or very limited previous research conducted in the specific area -as is the case in applying linguistic ideas in the study of entrepreneurship- and the phenomena to be studied is still relatively unknown (Pesonen, 1998). A number of researchers (e.g. Cunningham and Lischeron, 1991; Dunphy, 1988; Gartner et al., 1994) contend that entrepreneurship is still in the infancy stage of its paradigm development. Indeed, the theories are not usually grounded in prior entrepreneurship literature, they are more often based in theories of Sociology, Psychology, Social Psychology, Cultural Anthropology, Economics or Population Ecology. Thus, exploratory research can be used to try to increase people´s familiarity with the topic, clarify its concepts and to establish research priorities.

6.2.2 Explaining or understanding entrepreneurship

It has become customary to distinguish between the choices researchers make when confronted with physical events, and those deemed most appropriate when

encountering human efforts. It has been suggested that "understanding", in contrast to "explaining", should be reserved for the latter instance since the more "human" an activity is, the more important it is to understand rather than to explain (Bjerke, 1996). Since the beginning of social sciences, lines of controversy have been formed between those who do and those who do not make a distinction in principle between these two alternative modes of thought present in the construction of knowledge in physical and social sciences (Bjerke, 1997). Theorists rejecting any fundamental distinction between these two modes have traditionally been called positivists (or "explainers"). They assume that the same methods which have proved their unparalleled value in the analysis of the physical world are equally applicable to the materials of social sciences. They claim that while these methods may need to be adapted to suit the special subject matter of the social sciences, the logic of explanation in the physical and social sciences is identical.

Theorists who make a distinction between "understanding" and "explaining" can be labelled as anti-positivists or hermeneuticists ("understanders"). The critical element in hermeneutics is the insistence that methods of the physical sciences, however modified, are intrinsically inadequate for the subject material of the social sciences, such as entrepreneurship, since in the physical world man´s knowledge is external and empirical, whereas in the social sciences researchers are concerned with insights and interpretations and with man´s inner experiences. (Bjerke, 1996)

Hermeneuticists argue that physical sciences possess assumptions which are fundamentally different from the nature of the social science research (Arbnor and Bjerke, 1997). Physical science research usually focuses on cause-effect relationships and assumes that society has a concrete and real existence, which allows researchers to remain "objective" and value-free. Nevertheless, social (entrepreneurial) reality is never divorced from the context of the environment or the unique social systems in which it unfolds. Thus, according to the hermeneuticists, the ontological assumptions and the perceptions of reality, existence and meaning differ between the social and physical sciences which should lead to different ways of research to elicit the "necessary answers".

A common criticism from hermeneuticists is that "explanatic" types of analyses are only valid in a world with objectively rational individuals (Bjerke, 1991). It is claimed that such human acts as, for instance, aiming at specific goals, choosing means, and realising intentions do not have the slightest existential similarity to the way in which, say, "billiard balls are set in motion by external forces" (Bjerke, 1996, 3). Hermeneuticists argue further that there is a distinct difference between explaining something causally and understanding something dialectically. In other words, it is a decisive difference between explaining nature and understanding culture. Thus, "explanaticists" can be accused of seeing no problem in viewing social contexts and courses of events as "facts" and as "objects". Bjerke (1996)

Hermeneuticists have, of course, also received a torrent of criticism from the positivists (Arbnor and Bjerke, 1997). First, it has been argued that all hermeneuticists can do is to provide some insight into how social reality is constructed. Secondly, hermeneutic "objectivity" has been seen to rest with each

and every individual researcher rather than with solid, general rules of validation. Finally, it is often claimed that it might not be possible to generalise hermeneutic findings beyond specific studies.

The present thesis explores the complex and multidisciplinary field of entrepreneurship with an interdisciplinary approach. Data obtained through analyses of everyday language use will be complemented by findings gained from utilising well-established psychometric instruments. Moreover, the use of both qualitative and quantitative methods of inquiry and the employment of relatively large samples will hopefully lead to a slight degree of both "understanding" and "explaining" the Finnish enterprising phenomena. Nevertheless, it is to be noted that there is a clear and definite difference between understanding and interpretation as used by hermeneuticists (and outlined above) and in the way that these terms are employed in the present thesis. The present study, since it sets out to provide a general overview of the Finnish enterprise culture, is exploratory and descriptive in nature and thus does not claim to aspire to meet that type of criteria. Due to study emphasis and paucity, in the following methodological discussion, linguistic approach takes precedence.

6.2.3 Construction of knowledge: Linguistic inroads into enterprise culture

6.2.3.1 Language, culture and entrepreneurship

The foundation of our social life is everyday reality, and culture is the key to understanding it with language serving as the master-key (Bjerke, 1996). Webster's Dictionary (1993) defines culture as "the total pattern of human behaviour and its products, embodied in thought, speech, action, and artefacts and dependent upon man's capacity for learning and transmitting knowledge to succeeding generations through the use of tools, language and abstract thought". The crucial notion is that culture relies on man for its survival, and that much of the cultural heritage is transmitted via written and spoken language. This tendency allows the thesis to discuss how entrepreneurship is culturally present in thoughts, language and actions. Finally, language forms a central stage in the conceptual and communicative domains of our life:

> "In learning the language, the child absorbs a way of thinking and of expressing his thoughts that is predetermined by the language, and so he receives a stamp that he can scarcely remove from his life. The language opens up the way for a person exchanging thoughts with all those who use it: he can influence them and receive influence from them".
>
> -Ludwig von Mises, *Nation, State and Economy* (1981)

The reason why some people are surprised that the constituents of the world are so profoundly dependent on culture and language, may be due to our tendency to forget that we learn language and the world together, and that they become elaborated and distorted together, and in the same place (Pitkin, 1972). Figure 3 describes the interdependent dimensions and their interaction which is at the core of the process of creating knowledge in the first two articles of the thesis.

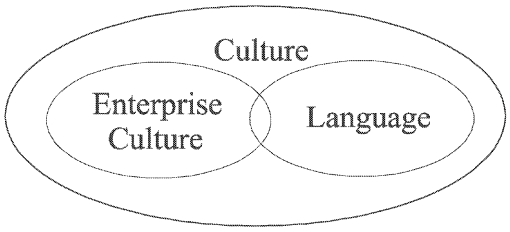


FIGURE 3 Constituent elements in the construction of knowledge about enterprise (Articles 1 and 2)

The origin of language is the same as the origin of reason and meaning, and since only humans possess reason and meaning, only they can give articulate expressions to conceptual thought (e.g. Bjerke, 1996; Gibbs, 1994; Lakoff and Johnson, 1980). Human consciousness and language are inseparable: language creates a conceptual realm in which man alone dwells. It is the medium which makes it possible for individuals to articulate and understand social reality, to link the individual to the common world of meanings. For every normal person, every experience is ´drained´ in words. For instance, we do not feel that we are able to manage entrepreneurship until we can speak its language.

Models in social sciences as used by positivists, are created by language and other symbols which become means to objectively depict the world, whereas for a hermeneuticist, language is integral part of social reality and its functions and consequences are not confined to the immediate contexts of communication (Bjerke, 1996). For hermeneuticists social reality is both reflected in and created by language (Berger and Luckmann, 1966); it not only describes, but also shapes, renews and creates features of social reality (Fairclough, 1998). It is a symbolic guide which has great controlling power: through reflecting and transmitting attitudes, beliefs and values, language enables the speakers to manage and create aspects of culture (Burrows, 1991c; Potter and Wetherell, 1998). The discourses of language can help to create assumptions and conceptions about people´s power of influence, rights and obligations (Fornäs, 1998; Potter and Wetherell, 1998). They legitimate and maintain relations of dependence and subordinance.

The Swiss Structuralist, Ferdinand de Saussure, was a linguist who extended the idea of language into the field of semiotics, suggesting that language was a social communication structure, with has two central components: the signifier and the signified (Giddens, 1984; Sturrock, 1981). Both are needed if we want to give a meaning to a phenomenon. They are two sides in the process of producing a meaning. The signifier and the signified are in an interaction process with each other (Kyrö, 1999). When these ideas of language are applied to humans, we enter the field of pragmatics which is reviewed in the next chapter.

6.2.3.2 Pragmatism as an epistemological approach

As regards Articles 1 and 2 of the present thesis, pragmatism is the epistemological approach affecting the creation of knowledge. For pragmatists, knowledge is born and evaluated through and for action (Kyrö, 1995). These

views derive from Charles S. Peirce (1893-1964), William James (1842-1910), John Dewey (1859-1952) and C.I. Lewis (1883-1964) who were central among the early contributors to pragmatism (Dewey, 1951; James, 1913; Rorty, 1986; Thayer, 1968).

Karl Popper´s ideas might be utilised as a starting-point in considering the nature and role of a human being in the construction of knowledge (Popper and Eccles, 1977, 36-48). He sees the human being as living in three different worlds. World 1 is organic and material, consisting of physical objects and living organisms. World 2 is the world of subjective experiences, made up of sentience and consciousness. Finally, World 3 comprises "products" created by human beings dependent on Worlds 1 and 2. A human being lives in all these different worlds, which are in constant interaction with one another. Through the interaction the individual participates in the creation of the world. Sarvimäki (1988, 40), referring to the views of Heidegger and Kant, states that:

> "Man and the world are inextricably intertwined with one another . .. There is continuous interaction between man and the world. The value aspect describes the way in which man relates to the world . . . The action terms, describes in which way man and the world influence each other . . . in his action, interaction and co-action with the world man also gains experiences of the world and himself. He gets to know the world and this knowledge guides his further action".

Referring to Popper, Sarvimäki (1988, 49-51) argues that "knowledge is something that man creates in his interaction with the worlds in which he lives". Sarvimäki as a social constructivist, refers to values as well as knowledge as constructs belonging to world 3, dependent on the human mind. For her, values and knowledge are products of the interaction between the human mind and the external world. With reference to pragmatism, action is seen as a priori element in the constitution of knowledge.

John Dewey (1951, 23-52) relates experiences to action through what is called the principle of continuity. For him this means that "experience both takes up something from those which have gone before and modifies in some way the quality of those which come after". Dewey combines the principle of continuity to the principle of interaction, according to which an experience is dependent of the environment and situation in which it takes place. Environment means whatever condition that interact with personal needs, desires, and capacities to create experience (Dewey, 1951, 41-42). Therefore, knowledge is always situational, tied up with time, personal qualities, and the context where it emerges.

Dewey (1951) saw man as a living being in interaction with the world, where there is a confrontation with things in the interaction process. That is how meaning, emotions and interests are seen to born. In this holistic process, knowledge is created and tested by its consequences. Meanings are like culture, at the same time collective and individual (Kyrö, 1999). From this perspective, knowing is a social phenomenon, referring to interaction with other people.

To conclude, pragmatists emphasise the human being as an actor in the process of creating knowledge. They view human experiences as key factors guiding the creation of knowledge which is seen as situational, dependent on time and context as well as on the personal qualities of the actor. Their ideas are suitable for examining entrepreneurship, since entrepreneurs are known to be

individuals who take pride in their ability to create their own reality by enacting upon their immediate environment.

6.2.3.3 Ontology in metaphorical analyses

Ontology is the theory of being. The ontological issue of concern as regards the metaphorical (as well as collocational) analysis is whether social reality is a cognitive act that does not exist independent of the names, concepts and symbols that purport to describe it or whether social reality exists independent of, and external to, individuals (Lakoff and Johnson, 1980; Palmer and Dunford, 1996). In other words, a subjectivist (nominalist) position is contrasted with an objectivist (realist) position (Burrell and Morgan, 1979). According to Palmer and Dunford (1996, 695), the differing views underlying various arguments in the metaphor literature can be summed up by asking: "Is reality produced through metaphor, or is reality something that exists independently of metaphorical descriptions of it?"

One set of researchers makes subjectivist ontological assumptions in their arguments about metaphor usage. For them, multiple metaphors are necessary, since there is no objective reality that a given metaphor may be said to best describe (cf. Morgan, 1980, 1990). The construction of metaphorical knowledge should be rooted in and is dependent upon a range of different metaphors. A plurality of metaphors is needed to avoid "excessive commitment to favored points of view" (Morgan, 1980, 612). According to this line of reasoning, any attempt to assert the dominance of one perspective or one set of perspectives over others will be an exercise in dogmatic opportunism (Morgan, 1990), because it will deny the existence of other cognitive realities. Thus, multiple metaphors produce liberation and emancipation, since they avoid the "imperialistic aspirations" of orthodoxy (Jackson and Carter, 1991, 111). Finally, if certain metaphors gain ascendancy, this is because of the compelling nature of their advocates´ arguments (Gioia and Pitre, 1990).

Another group of scholars holds positivist ontological assumptions about the employment of metaphors. For them, only certain metaphors best depict independently occurring reality and thus specific metaphors may be judged in terms of their ability to accurately capture essential features of a specific situation to which they are applied (Palmer and Dunford, 1996). They argue that the problem with uncritical use of multiple metaphors is that it can result in "political voluntarism" when there is a lack of appreciation of "the ideological roots of metaphor" (Tinkler, 1986, 34). The charge aimed at those who use a range of metaphors is "that they treat metaphors as being socially unstructured and assume that the world is infinitely pliable to be moulded at human will so that `anything goes´" (Tsoukas, 1992, 64).

In a similar vein, Norris (1992, 16) has criticised the idea that reality "is a purely discursive phenomenon, a product of the various codes, conventions, language games or signifying systems which provide the only means of interpreting experience". Instead, Norris advocates Solomon´s (1988) notion of ´potentialist realism´, which takes into account the inherent probabilities attached to any sequence of actions. From this view, theorists can judge explanations in

terms of their adequacy regarding "[their] knowledge of the broader regularities that characterize human experience in general" (Norris, 1992, 57). This realist perspective involves a rejection of the post-modernist idea that there is no appeal beyond the various structures of linguistic, rhetorical, or narrative representation. From this realist position, an unchecked plurality of metaphors produces a ´conservative libertarian anarchist viewpoint´ (Tinkler, 1986), since it ignores the impact of institutionalised power and the possibility for individual liberation and emancipation (Reed, 1990). Consequently, false consciousness, misperceptions, and misunderstandings are considered to be the products of analyses based on a range of metaphors (Reed, 1990). In short, from this viewpoint, the "promiscuous use of metaphor will fail to produce an adequate and accurate understanding of social reality" (Tinkler, 1986, 367).

6.2.3.4 Epistemology in analyses of metaphor

Issues concerning epistemology deal with the creation of knowledge. Positivist (realist) epistemologists search for cumulative knowledge of regularities and causal relationships (Palmer and Dunford, 1996). Non-positivist epistemologists adopt a subjectivist, relativist view and "maintain that one can only ´understand´ by occupying the frame of reference of the participant in action" (Burrell and Morgan, 1979, 5).

Authors who prescribe to positivist epistemological assumptions avoid the use of metaphorical, or other forms of symbolical language like collocations, in favour of literal language variants (Pinder and Bourgeois, 1982). According to the objectivists, metaphors can not be taken seriously, because they are not always objectively true. They prefer not to use expressions of this kind in the pursuit of scientific knowledge. They might argue that metaphors are only adept at capturing the "flow of experience" as a preliminary stage to the development of literal language.

In contrast to this positivist view, there are those who strive to move away from the search for a single truth and scientific rationality to a search for "truths" as constructed through different and subjective frames of reference (Palmer and Dunford, 1996). This search entails a rejection of an absolute truth (Lakoff and Johnson, 1980) and a shift from problem-solving and explaining to sense-making and understanding (Weick, 1989; Bjerke, 1996). This requires that authors recognise that construction of knowledge is an exercise in ´disciplined imagination´ (Weick, 1989, 516), ´imaginative rationality´ (Lakoff and Johnson, 1980, 193), or ´liberating imagination´ (Morgan, 1980, 612). Metaphors are crucial to this exercise because they structure not only language, but also a person´s conceptual system (Lakoff, 1987). They are not just catchy phrases, but also an important part of how reality is created (Weick, 1989).

In the next passage follows a summary of key information on sampling, data collection and instruments of measurement as regards the four research articles.

6.3 Sampling, data collection and instruments of measurement

In Articles 1 and 2, methodological approach was derived from linguistics. Since very few business studies with linguistic orientation have been conducted, there is a dearth of measures available for the constructs of interest. Therefore, these two studies relied primarily on measures developed specifically for this project. Meanwhile, in Articles 3 and 4 well-established psychometric instruments designed to assess cognitive traits were administered. The latter instruments were utilised only as a means to an end. They were employed to enable to develop an overview of entrepreneurial orientations of the respondents. Unlike in many past studies, the comparisons made between respondent groups are not meant to predict whether a subject is or is not going to be a successful small business owner-manager nor is there any intention to test for the incidence of any inborn ´entrepreneurial instincts´. In the following, brief reviews of the methodological and sampling procedures utilised in each of the four studies will be outlined. For more comprehensive accounts, turn to the articles attached at the end of the manuscript.

6.3.1 Article 1: Analysis of metaphor and suggested conceptual items

6.3.1.1 Conceptual items of entrepreneurship

In article 1 the questionnaire was divided into two sections. The first part involved a quantitative analysis of items of entrepreneurial concepts. The aim was to explore how people define the terms 'entrepreneur´ and 'entrepreneurship´ with the suggested conceptual equivalents. The respondents were requested to rate forty items portraying 'entrepreneurship´ and another twenty depicting 'entrepreneur´. They were asked to evaluate how closely they felt the items would correspond to the two terms. Responses were made on a 7-point Likert scale ranging from *the words have no shared meaning* to *the words have the same meaning*.

The main thrust of investigation at this early stage of analysis was directed at getting some first results from Finland. The Finnish sample consisted of 474 subjects, all native-born Finns. In order to obtain cross-cultural comparison, the Finnish sample was supplemented with data from five other countries: 96 respondents from Sweden and Norway, 77 from Australia, 71 from Canada, and 33 from Ireland. The survey was administered to 1789 respondents with the final data set consisting of 751 usable returns. This represented a response rate of 42 %.

In each country, the subjects represented the economically active population between 18 and 60 years of age. Forty-four per cent of the informants were females and 56 % males. Twenty-five per cent of respondents (N=188) were either entrepreneurs or small business owners. Some seventy-five per cent of these came from Finland. All entrepreneurial informants were owners or major share holders and principal managers of the businesses. The distribution of the types of businesses was as follows: service 45 %, retail 18 %, construction 15 %, manufacturing 15 %, wholesale 4 %, and others 3 %.

The statistical analysis of the conceptual items comprised factor analyses with Varimax rotation, and Student´s t-tests. Based on the factor scores, sum variables for each conceptual dimension of 'entrepreneurship´ and 'entrepreneur´ were computed. A set of t-tests was then run to examine potential differences in mean scores on the dimensions between subgroups of respondents. Finally, reliability for this scale was inspected for the sample. The Cronbach Alpha Reliability Coefficient (Cronbach, 1980) was calculated on the basis of the factor scores gained in the cross-cultural analysis. A high reliability coefficient (.70 or higher) means that the instrument accurately measures some characteristic and that the individual items on the test produce similar patterns of responses in different people (Stewart et al., 1999). Therefore, a high value means that the instrument items are homogeneous and valid (Bruning and Kintz, 1987; Hull and Nie, 1981). Cronbach´s alpha reliability estimates for the two scales of conceptual items of 'entrepreneurship´ and 'entrepreneur´ were .80 and .75 respectively.

6.3.1.2 Metaphorical statements

In the second part of the instrument used in Article 1, subjects were asked to form metaphorical expressions depicting the essential characteristics of entrepreneurs and entrepreneurship. They were instructed to come up with five metaphors in both categories. A metaphor is usually an assertion that A is B or that A is like B, for instance ´An entrepreneur is a Jack of All Trades´. As regards these types of expressive metaphors, a useful distinction between the source and target domain can be made (e.g. Easton and Araujo, 1991; Black, 1979). A metaphor implies that the target domain (´Entrepreneur´) is like the source domain (´Jack of All Trades´). The similarity between the domains is a central aspect in the process of using metaphors. The expressive metaphors describe by throwing a new light on the target domain. They evoke by asking the recipient to draw on their own experience in the source domain and extend it to the target domain. The informants created the metaphors of their own accord. They were encouraged to follow their first instincts in forming lexical associations portraying core features of entrepreneurial activity. The number of lexical items in each metaphor was unlimited. Later a content analysis was conducted in which the metaphors were grouped into different categories based on their semantic properties.

The data were collected between 1995 and 1997. To support the development of a large data base of informants from various countries, to minimise non-response bias, and to procure thoughtful, considered responses, it was determined that a data collection strategy different from traditional survey techniques would be required. Therefore, Professors and Lecturers from Business Schools in Finland, Sweden, Norway, the Republic of Ireland, Canada, and Australia were asked to distribute questionnaires to a general sample of informants in their respective countries. The rationale for this decision was that the academics would have contacts with a large number of people, and these relationships would increase the likelihood of response to a novel and exploratory questionnaire and prompt more meticulous respondent attention to the questions. The sample characteristics are the same as in the preceding chapter.

6.3.2 Article 2: Collocational analysis

Article 2 continues the work initiated in Article 1. The instrument employed in this exploratory analysis was based on the principles of semantics. The questionnaire was originally prepared in Finnish and later translated into English in cooperation with a certified translator. To ensure its validity, it was later reviewed by two native-speaking teachers of English with fluent knowledge of Finnish. In the pilot questionnaire, the goal was to explore how people would define 'entrepreneur´ with suggested collocational word pairs. The respondents were asked to fill in pairs of adjectives and nouns to complete a narrative text relating to entrepreneurs and entrepreneurial activities. The informants were asked to complete the "fill-in-the-blank" form by selecting 31 collocative word pairs (noun phrases) which in their view best fitted into the provided lexical context. Based on their preferences the informants were able to select from 30 suggested adjectives and 30 nouns in forming each statement (see Appendix). In a brief instruction session conducted, the subjects were encouraged to follow their first instincts in forming lexical associations depicting essential characteristics of entrepreneurs.

The survey was administered to 311 Finnish respondents with the final data set consisting of 120 usable returns. This represented a response rate of 38.6 %. Some 50 % of the subjects were under- and postgraduate students from the University of Tampere and University of Jyväskylä. They were in the age group of 18-35 years. Other half of the sample consisted of a cross-section of people from different backgrounds aged between 25- 62. These were contacted through their participation in various adult education seminars and training courses. They included small business owner-managers, hired employees, unemployed people, housewives and pensioners based across Finland. Some 20 % of all respondents were small business owner-managers. All entrepreneurial informants were owners or major share holders and principal managers of the businesses. Finally, 52 % of the subjects were female and 48 % male.

In a quantitative analysis of the data, the most frequent entrepreneurial collocations were discovered by computing multiple frequencies of co-occurrence of the adjectives and nouns appearing in the same noun phrase. Later, in a content analysis of the collocations, they were grouped into semantic clusters of lexemes based on the senses of the constituent items.

6.3.3 Article 3: Risk-taking propensity and orientation to innovation

In Articles 3 and 4 the pendulum swings towards a more quantitative research orientation. Article 3 utilised the Carland Entrepreneurship Index (CEI) to run a cross-cultural analysis of risk-taking propensity and preference for innovation between Finnish and US entrepreneurs and small-business owners. This investigation sets out to compare and contrast entrepreneurial tendencies and practices between the respondents of the two nationalities.

6.3.3.1 Cognitive psychology and entrepreneurship

Appropriate approach for studying entrepreneurial behaviour remains highly contentious (Carland et al., 1999; Chell and Adam, 1995; Gartner, 1988, Gartner et al., 1994). The field of psychology has a long history of measuring traits and characteristics of entrepreneurs (e.g. Brockhaus and Horowitz, 1986, Carland et al., 1984, 1988; Hull, Bosley and Udell, 1980; Shaver and Scott, 1991). Although the results of trait-based research are not flawless, there are enough interesting findings to merit consideration (De Pillis, 1998).

The scholars of the psychological school have countered the barrage of criticism levelled at them from the advocates of the process view and the sociological school by stating that even though environmental factors, situational events and social function are integral components of the entrepreneurial process, not all people will become entrepreneurs under comparable circumstances (Stewart et al., 1999). Therefore, personality attributes and cognitive constructs should be viewed as a necessary, but alone insufficient, condition for the process of entrepreneurship (Cromie and Johns, 1983). They possess at least some explanatory power with regard entrepreneurial behaviour and may yet turn out to be necessary conditions, or at least intermediating variables, for the emergence of such activities, though alone they do not possess sufficient explanatory power (Liles, 1981; Virtanen, 1997).

Given the limited success of the trait approach, contemporary researchers in this field have turned to the more advanced assessment techniques of cognitive psychology (Baron, 1998; Das and Teng, 1997; Palich and Bagby, 1995; Stewart et al., 1999). The cognitive approach sets out to examine how perceptions (Cooper, Woo and Dunkelberg, 1988), cognitive and decision-making styles (e.g. Carland and Carland, 1996; Kaish and Gilad, 1991; Kirton, 1994), heuristics (Busenitz, 1992; Manimala, 1992), biases (Busenitz and Barney, 1997), and intentions (e.g. Bird, 1988; Krueger, 1993; Krueger and Brazeal, 1994) of entrepreneurs affect their behaviour. One of the pioneers was Kirzner (1973, 1983) who proposed a theory of entrepreneurial alertness, which examines entrepreneurs´ ability to discover and exploit opportunities that others may fail to see. Shaver and Scott (1991) have made an eloquent case for the validity of this type of research as long as it is rigorous and takes environment into account. In this thesis two cognitively-grounded instruments will be used in examining entrepreneurial attitudes, orientations and practices among Finnish respondents. These are the Carland Entrepreneurship Index (1992) and Kirton Adaption-Innovation Inventory (1989).

6.3.3.2 Carland Entrepreneurship Index (CEI)

Much past empirical literature on psychology of the entrepreneur has remained primarily concerned with the uniqueness of the individuals behind the ventures (Krueger and Brazeal, 1994) and the discontinuous nature of the entrepreneurship (Carland and Carland, 1996). A number of authors (e.g. McClelland, 1967; Mancuso, 1975; Carland et al., 1984) have discussed entrepreneurs contrasted against other groups. Others (e.g. Smith, 1967; Webster, 1977; Dunkelberg and Cooper, 1982; Vesper, 1990) have categorised entrepreneurs as falling into one of

several classifications. The former school incorporates a tacit assumption that one either is, or is not, an entrepreneur: a dichotomous condition. The latter school is based on a tacit perspective that entrepreneurship describes a step function: a discontinuous distribution. (Carland and Carland, 1996).

In their more recent work Carland et al. (1992) and Carland and Carland (1996) challenge these assumptions and suggest that entrepreneurship might be a continuum. If it is, then much of the conflict in past findings could be explained: the people under investigation in all the studies shared entrepreneurial tendencies, but not in the same intensity. Carlands seem to be closing in on the views of Allan Gibb (1981) who posits that ´everyone is an entrepreneur´, and ´everyone has some enterprise´. Examining entrepreneurship as a continuum could explain why one entrepreneur is content with a small business while another strives to dominate the industry.

Carland et al. (1992) set out to develop an instrument tapping into this continuous nature of entrepreneurship. They constructed a continuous index designed to identify the strength of an individual´s entrepreneurial drive, the Carland Entrepreneurship Index (CEI). The theoretical basis of the approach and details of the methodology are given in Carland and Carland (1996). Carland et al. (1992) combined a stream of research on cognitive and managerial style with an extensive body of literature on aspects of entrepreneurial personality. This led them to conclude that entrepreneurial psyche might comprise a gestalt of drives. This gestalt of traits includes need for achievement, propensity for risk-taking, preference for innovation, and cognitive style. They demonstrated that the various factors are normally distributed and that the varying strengths of the cognitive traits in an individual entrepreneur combine to produce differences in entrepreneurial behaviour (Carland, Carland, and Koiranen, 1997). In essence, this view posits that the process of entrepreneurship is a result of an individual´s actions, and that the actions are profoundly affected by personality.

The purpose of CEI is to determine an individual's proclivity for four constructs. This is done by utilising the Myers-Briggs Type Indicator (Myers and Briggs, 1962) to measure individual cognitive style, the Jackson Personality Research Form (Jackson, 1974) to measure achievement motivation, and the Jackson Personality Inventory (JPI, 1976) to measure risk-taking propensity and preference for innovation. This thesis also reports findings from a study employing the JPI.

6.3.3.3 Jackson Personality Inventory (JPI)

The risk-taking and innovation scales consist of bipolar questions aimed at maximised content saturation and reduced response bias. They are not designed to separate subjects into entrepreneurial and non-entrepreneurial ones; rather, to identify levels of risk-taking propensity and innovativeness. The higher the score on the instrument, the stronger is an individual´s propensity or preference.

The Innovation Scale is a measure of a predisposition to be innovative and is conceptionally synonymous with creativity. It is similar to several cognitively-grounded indicators of creative style (Goldsmith, 1987), especially the Originality subscale of the KAI Inventory (Goldsmith, 1984). The Innovation Scale of the JPI

consists of 20 questions in a forced choice format to which a subject responds yes or no. The scale can be scored by untrained people. The instrument is scored by assigning a value of one to each question answered in an innovative mode and zero for each question answered in an innovation-averse mode. The scale has been reported to display high reliability and validity and to exhibit high correlations with self and peer ratings (Jackson, 1976). Jackson (1976), in tests involving two samples (N=82 & N=307), reported internal consistency reliability values of .94 and .93 using Bentler's coefficient theta and .83 and .87 using Kuder-Richardson´s coefficient alpha. In a test for validity, Jackson (1976) reported (N=70) correlations with the completion of an adjective checklist, with self rating and peer rating of .73, and .37 respectively

The Risk-Taking Scale was based on the work of Jackson (1976) who demonstrated that risk-taking consists of four relatively independent facets: monetary, physical, social and ethical risk-taking. The four are highly correlated and are subsumed in a single Risk Scale (Jackson, 1977). The scale comprises 20 forced choice questions to which a subject responds yes or no. It can be scored by untrained people. It is scored by assigning a value of one to each question answered in a risk-taking mode and zero for each question answered in a risk-averse mode. The scale has been reported to display high reliability and validity and to exhibit high correlations with self and peer ratings (Jackson, 1976). Jackson (1976), in a test involving two samples (N=82 & N=307), reported internal consistency reliability values of .93 and .91 using Bentler's coefficient theta and .81 and .84 using Kuder-Richardson´s coefficient alpha. In a test for validity, Jackson (1976) reported (N=70) correlations with the completion of an adjective checklist, with self rating and peer rating of .77 and .52 respectively.

6.3.3.4 Sampling and demographics

The CEI including the Jackson Personality Inventory was administered to some 1,000 subjects both in Finland and the USA. The sampling frame used in Finland was taken from the statistics of the Federation of the Finnish Enterprises. The CEI was translated into Finnish by Professors Salme Näsi, Juha Näsi and Matti Koiranen in close co-operation with a certified translator. Questionnaires were mailed to a randomly selected sample of 1,000 small business owners and entrepreneurs who met the U.S. Small Business Administration definition, using the mailing lists of the Federation of Finnish Enterprises. This procedure ascertained that the Finnish data were comparable with the US data. The data were stratified into two geographical districts, the counties of Pirkanmaa (centering on the Greater Tampere area) and Central Finland (with Jyväskylä at the core). After second mailing, the response rate climbed to 43 %. The sample consisted of 434 principal owners of small businesses, all of which were native-born Finns. A high response rate suggested a minimal non-response bias.

The Finnish and US data were collected between 1995 and 1996. The US sample was gathered in two phases. In the first instance, the sample consisted of business owners: 225 surveys were distributed using a convenience sampling technique. Graduate students were asked to have small business owner-managers complete the surveys and return them at the end of the semester. Of the 225 initial

surveys, 211 were usable. Others were eliminated, in most cases since the owner had omitted answers to key questions on the survey or the respondent only had a small percentage of ownership. The final sample were all individually owned and operated small businesses according to the U.S. Small Business Administration definition. Later, the sample was increased to 456 employing similar procedures as in the first instance.

All of the respondents were owners, partners, or major share holders and principal managers of the businesses. As to the ethnic background, 96 % were white and 4 % were minorities: African-Americans, Hispanics, and people of Chinese origin. The majority of the respondents, some 75 % were from South Carolina, North Carolina, Georgia, Florida, Tennessee, and Virginia. The remaining 25 % came from the North East, Midwest and Southwest. Demographic characteristics of Finnish and US data sets are displayed in Table 3 in Article 3.

In addition to variables pertaining to cognitive constructs, the questionnaire included strategic and demographic questions. As to strategic posture, the questionnaire asked whether the primary purpose for establishing the business was to make profits and achieve business growth or to provide for the economic needs of the families of the respondents. The second strategic question asked whether there was a formal written plan for the development and growth of the business. The issue was whether or not systematic planning had been conducted in the firm as reported by the owner-manager. Finally, statistical analysis of the JPI data consisted of t-tests which were conducted to explore similarities and differences in subgroups of respondents both within and across the two nations.

6.3.4 Article 4: Kirton Adaption-Innovation Inventory

6.3.4.1 The KAI Instrument

Article 4 examines entrepreneurial orientations among 1,479 subjects in Central and Eastern Finland. Kirton Adaption-Innovation Inventory (1994) was the cognitively-grounded tool used in distinguishing individuals with innovative approach to problem-solving from their more adaptive counterparts. The objective is to analyse on an aggregated level whether there are regional differences in cognitive styles of creativity in problem-solving between rural and urban regions of Central and Eastern Finland. Consequently, the findings are placed in a wider socio-economic context.

Michael Kirton (1989) developed the KAI inventory based on his Adaption-Innovation Theory (A-I). The inventory is a self-report measure designed to reveal different cognitive styles of creativity in problem-identification, solution and decision-making organisational environments. It locates individuals on a continuum, one end of which is labelled adaptive and the other innovative. Individuals are termed adaptors or innovators to a varying degree, depending on which side of the mean their scores place them. Well established behavioural characteristics are associated with each style (Kirton, 1994). In considering the significance of individual cognitive styles and/or their aggregation of a cognitive climate for an organisation, Kirton and Ciantis (1989) concluded that cognitive style is a primary source of influence on most

organisational variables, including size, function, technology, structure, task, and role determination. Much of the research has been carried out in industrial and commercial settings, in particular research concerned with the value of A-I theory and KAI in predicting behaviour in specific occupational groups.

Kirton (1989) defines Innovation-Adaptation as a function of three factors: Originality, Efficiency, and Rule/Group Conformity/Non-conformity. Originality refers to an ability and potential to constantly produce new ideas on the job/activity being pursued. An original person is creative and not bound by rules. Efficiency is deemed as the ability to carry out work assigned as soon as possible and effectively. An efficient person is one who is disciplined, methodical, precise, and reliable. Finally, Rule/Group Conformity/Non-conformity pertains to a tendency of the individual to accept or reject boundaries of structured situations or authority. Individuals with high levels of non-conformity are self-reliant and independent. An innovative person will, therefore, be more original, less efficient and more rule/group non-conformed (Kirton 1994).

The KAI Inventory (KAI) is a 32-item scale which is scored by the subject on a scale from one to five producing a continuum of total scores ranging from 32 t o 160, with a theoretical mean of 96. The higher an individual scores, the more innovative is his or her problem-solving style. Instead of emphasising any dichotomous features, individuals are conceptualised as being situated on a continuum ranging from an extreme adaptor to an extreme innovator. The internal consistency of the inventory, over numerous studies (Kirton 1987), has averaged .88, and test-retest reliability is .82 to .88.

6.3.4.2 Sampling and demographics

The KAI data in Article 4 is based upon a postal survey in Central and Eastern Finland. A sample of 3,200 subjects, representing the economically active population aged between 25-49, was developed from the total population of the area using the Official Population Register. The informants were residents of either the regional centre of the province, Jyväskylä, or one of three geographical regions located in the province or in its neighbouring regions. To ensure the representativeness of the four areas, 800 informants in each were randomly selected. The three rural subregions consisted of rather sparsely populated municipalities located quite far from big centres. They included areas where 1) small business activity has consistently been relatively high (Alajärvi and Lapua), 2) entrepreneurial activity has traditionally been low whereas agricultural activity has been relatively high (Iisalmi and Nilsiä) and 3) entrepreneurial activity is currently rather high, but has previously been relatively low (Saarijärvi and Viitasaari).

The original KAI Inventory was translated into Finnish by a certified translator and mailed to the respondents. The total number of usable returns received was 1,479, yielding a rate of 46.2 %. The returns consisted of 194 owner-managers, 263 aspiring owner-managers: and 1,022 other respondents including hired employees, students, unemployed and retired people, and housewives. All owner-managers were owners or major share holders and principal managers of their business. The founding owner-managers had set up

their current business, whereas the non-founders had either purchased or inherited an existing business.

A screening procedure was followed to differentiate aspiring entrepreneurs from the general population. Questions pertaining to the following entrepreneurial characteristics and inclinations were included in the questionnaire: a) extent of prior work experience in small business, b) parent(s) in small business c) indication of planned intentions towards start-up, d) level of occupational education, e) level of basic education, f) a score gained on a scale adapted from a Need for Achievement measure by Cassidy and Lynn (1989), and g) a score achieved on a scale adapted from Levenson´s Locus of Control measure (1973). Points were awarded from one to five for each of the criteria. The subject was required to have an average score of 21 points or more to be included as an aspiring owner-manager. Finally, in the statistical analysis of the KAI data t-tests, variance analyses and partial correlations were executed. The demographics of the sample are detailed in Table 1 in Article 4. In the next chapter, we turn to outlining the main findings from each of the four articles.

7 RESULTS

The study set out to investigate central attitudinal and socio-economic features apparent in the Finnish enterprise culture. In spite of the increasingly positive public image of entrepreneurship and the almost unanimous agreement about the virtues of entrepreneurship which is reflected in the political and societal discussions, little empirically grounded information is available regarding the state of Finnish enterprise. The four research articles tried to shed some early light on this enigmatic phenomenon by *examining attitudinal and motivational features of enterprise and relating them to their cultural and socio-economic contexts.*

In the present chapter, the main findings from the research articles are briefly reviewed. Firstly, in Articles 1 and 2 the focus was narrowed down to studying features of enterprise, ie. a) cultural and social climate of entrepreneurship among the adult population (´enterprise consciousness´). This was done by combining the ideas of entrepreneurship and linguistics. At this early stage, the aim was to get an overview of how people would perceive and conceptualise entrepreneurs and entrepreneurship in their verbal expressions.

Secondly, in Articles 3 and 4, the spotlight fell on exploring entrepreneurial orientations and tendencies manifested by entrepreneurial and non-entrepreneurial respondents (´enterprise mindedness´). This examination yielded insights into enterprising potential of the subjects. The entrepreneurial dimensions of risk-taking and innovativeness were studied with cross-national samples of entrepreneurs and members of general adult population. The analysis was related to entrepreneurial practices and contexts amongst the subjects to link attitudinal propensities to cultural context.

7.1 Perceptions of entrepreneurs and entrepreneurship

The first aim of the thesis was *to examine the ways in which members of Finnish adult population view and relate to entrepreneurship as it unfolds in the country*. To achieve

this, in Articles 1 and 2 the subjects were asked to employ metaphors, collocations and conceptual items in defining and depicting entrepreneurs and entrepreneurial activity. To enable cross-cultural comparisons, in Article 1 data was also gathered from Sweden, Norway, Ireland, Canada and Australia. Since the great majority of the respondents were Finnish, they naturally acted as a reference point in the analysis. In the following main findings from the Articles 1 and 2 are briefly elaborated upon.

7.1.1 Article 1: Analysis of conceptual items

In article 1, main thrust of investigation was on analysis of metaphor. A study of items of entrepreneurial concepts was also executed to supplement metaphor data and enable quantitative comparisons between groups of respondents. In conceptual item section, the aim was to explore how people would define the terms 'entrepreneur' and 'entrepreneurship' with suggested conceptual equivalents. The sampled 751 respondents from the five countries were requested to rate forty conceptual items portraying 'entrepreneurship' and another twenty depicting 'entrepreneur'. They were asked to evaluate how closely they felt these items would correspond to the two terms (see Tables 7 and 8). Responses were made on a 7-point Likert scale.

The means and standard deviations for ratings of the 40 conceptual equivalents of 'entrepreneurship' are given in Table 7. The 40 items were included in a factor analysis using varimax rotation, with separate analysis conducted for each country in the sample in order to test the degree of similarity across the countries in the items loading on each factor. Since the factors that emerged were generally similar across the six countries, the data from the countries were combined and factor analysed. The following conceptual dimensions of 'entrepreneurship' emerged: *Work Commitment and Energy, Economic Values and Results, Innovativeness and Risk-Taking, Ambition and Achievement* and *Egotistic Features* (see Table 3 in Article 1). In total, these factors accounted for 45.4 % of the variance.

As regards the 20 conceptual equivalents of the term 'entrepreneur', the means and standard deviations are listed in Table 8. Next, a factor analysis was conducted on the items to gather in different groups those highly correlated. It yielded a three-factor solution. The following dimensions of 'entrepreneur' were discovered: *Agent of Change*, *Self-serving Individualist*, and *Hard Worker* (see Table 5 in Article 1). These explained 42.3 % of the total variance.

There were several high-scored items of 'entrepreneur' and 'entrepreneurship' (see Tables 7 and 8) in the study which found their counterparts in past literature dealing with entrepreneurial behaviour and personality attributes. The dominant characteristics cited included the following: self-confidence, initiative, goal-orientation, positive work attitude, opportunism, willingness to risk-taking, creativity, and taking responsibility. For the sake of comparison, a review of related past findings is indicated in Table 9.

Further statistical analyses were run to look for differences in the conceptualisations between entrepreneurs and non-entrepreneurs, males and females, Scandinavians (mostly Finns) and native English speakers, younger and

older informants, and subjects with parents in small business and those without such role models. First, sum variable scores for each conceptual category of 'entrepreneurship' and 'entrepreneur' were computed. Second, a set of t-tests were conducted to examine differences in mean scores between respondent groups (see Tables 7 and 8 in Article 1).

TABLE 7 Means and standard deviations for conceptual items of 'entrepreneurship' (N=751)

Rank	Variable	Mean	SD
1.	Initiative	6.18	1.16
2.	Positive work attitude	6.04	1.26
3.	Work motivation	6.02	1.22
4.	Goal-orientation	6.00	1.19
5.	Taking responsibility	5.98	1.39
6.	Success-orientation	5.97	1.18
7.	Risk-taking willingness	5.88	1.35
8.	Activeness	5.83	1.32
9.	Inventiveness	5.75	1.31
10.	Creativity	5.75	1.33
11.	Desire to get results	5.72	1.29
12.	Target mindedness	5.71	1.30
13.	Respect for work	5.62	1.52
14.	Getting results by working well	5.59	1.34
15.	Resilience	5.57	1.52
16.	Energy	5.56	1.38
17.	Autonomy	5.56	1.52
18.	Productivity	5.53	1.31
19.	Working hard	5.53	1.41
20.	Diligence	5.53	1.58
21.	Drive	5.52	1.46
22.	Ambition	5.50	1.53
23.	Courage	5.49	1.40
24.	Effectiveness	5.40	1.37
25.	Assertiveness	5.29	1.43
26.	Desire to experiment	5.28	1.47
27.	Gamesmanship	5.24	1.57
28.	Alacrity	5.21	1.47
29.	Profitability	5.11	1.68
30.	Ability to organise work	5.03	1.54
31.	Desire to be influential	5.00	1.57
32.	Willingness to serve	4.94	1.90
33.	Desire to get money	4.86	1.56
34.	Economy	4.78	1.68
35.	Vigorousness	4.73	1.53
36.	Systematism	4.59	1.69
37.	Achievement	4.45	1.80
38.	Hardness	3.88	1.66
39.	Selfishness	3.15	1.77
40.	Insolence	2.92	1.76

Entrepreneurs held more positive attitudes towards entrepreneurial orientations and behaviour than the non-entrepreneurial subjects. In two categories, statistically significant differences were discovered. Firstly, the entrepreneurial

respondents scored much higher in rating the first dimension of 'entrepreneur', 'Agent of Change' (p=.031). Secondly, they likened 'entrepreneur' to a 'Self-serving Individualist' much less than the non-entrepreneurs (p=.000).

TABLE 8 Means and standard deviations for conceptual items of 'entrepreneur' (N=751)

Rank	Variable	Mean	SD
1.	Self-confident	6.91	1.09
2.	Opportunist	5.90	1.32
3.	Person taking responsibility	5.90	1.38
4.	Risk taker	5.82	1.33
5.	Diligent	5.41	1.57
6.	Self-made man/woman	5.34	1.69
7.	Professional	5.26	1.56
8.	Developer	5.24	1.40
9.	Leader	5.18	1.54
10.	Business man/woman	5.10	1.56
11.	Reconstructor	4.99	1.45
12.	Builder	4.90	1.52
13.	Change master	4.90	1.53
14.	Industrious	4.84	1.63
15.	Influential	4.80	1.44
16.	Spade worker	4.72	1.86
17.	Power seeker	3.77	1.74
18.	Speculator	3.30	1.90
19.	Overambitiously selfish	3.07	1.80
20.	Exploiter	2.73	1.83

TABLE 9 A profile of entrepreneurial characteristics in past literature

Characteristics	Typical Features
I Internal Locus of Control	Responsibility for Own Actions (Rotter, 1966; Timmons et al., 1977) In Control of Own Destiny (Pandey and Tewary, 1979) Manipulator of Situations (Welsch and Young, 1984)
II Achievement Motivation	Need to Achieve a Goal (Chell et al., 1991; McClelland, 1967) Strong Ego Drive (Swayne and Tucker, 1973) Need to Succeed (Salvers and Dedi, 1983; Solomon and Fernald, 1988)
III Risk-Taking Propensity	Not Content with Predictable Outcomes (Garfield, 1984) Calculating Risk-Taker (Heath and Tversky, 1991; Moore and Gergen, 1985) Willingness to Assume Risks (Carland and Carland, 1996; Masters and Meier, 1988)
IV Innovativeness	Ideas Man (Levitt, 1963; Schumpeter, 1965) Catalyst of Change (Schumpeter, 1965) Mould-Maker (Cannon, 1985) Innovative Thinker and Doer (Bird, 1989; Krausher, 1970)

In t-tests comparing the male and female scores, statistically significant differences emerged in five dimensions (see Tables 7 and 8 in Article 1). Females perceived the concepts in many respects more positively than males. This might imply that females´ affective orientation in reacting to and appreciating entrepreneurship could be better. The higher ratings might also reflect a wider appeal of entrepreneurship to women. In fact, the entrance of women into the ranks of small business owners has gained increasing momentum in the Western economies in the last decade. Finally, in a tentative cross-cultural comparison, the Scandinavians perceived the conceptual items more favourably than their English-speaking counterparts in most of the entrepreneurial categories. Statistically significant differences were found in four categories.

Respondents with parents in small business tended to hold entrepreneurs and entrepreneurship in somewhat higher regard than those without such role models. This fits well with past literature which has emphasised the role of parents in the inter-generational transfer of entrepreneurial attitudes and behaviour to the next generation (Stanworth et al., 1989). Nevertheless, the differences were not so clear cut as one might have expected. This could be partly attributed to the high percentage of Finns in the sample. As an integral part of the socioeconomic restructuring of Finland, entrepreneurship, both individual and corporate, has started to gain credence in the last ten years. It is highly likely that a number of respondents without much contact to small business have come to form overly optimistic and uncritical views of entrepreneurship.

Considering an increase in positive accounts of the virtues of entrepreneurship in the Western economies since the 1980s (in Finland since the early 1990s), one could expect younger subjects to hold entrepreneurship in higher regard than older subjects. After all, young people tend to be more susceptible to influences caused by changes in the socioeconomic climate. The results were rather mixed in this context. Economic values and results were clearly of more importance in entrepreneurship to older respondents (those >30 years of age) than to younger ones ($p=.011$). Meanwhile, younger informants valued hard work and industrious behaviour by entrepreneurs much more than the older respondents ($p=.013$). Finally, the egotistic qualities of entrepreneurs were deemed rather more desirable by younger subjects ($p=.002$) which might imply that individualistic behaviour by entrepreneurs could be getting more acceptable among younger people.

It appears that the recent socio-economic and cultural developments in Finland have had an effect in the emergence of a more pro-entrepreneurial social climate in the 1990s. Whether this positive attitudinal climate can be turned into increased entrepreneurship is still debatable. To expand on this perspective, let us now turn to outlining the results of a metaphor analysis.

7.1.2 Article 1: Analysis of metaphor

In the second analysis conducted in the Article 1, the metaphors of 'entrepreneur´ (e.g. ´Entrepreneur is [like] a Jack of All Trades´) formulated by the respondents (N=751) were grouped into seven categories based on their semantic properties. In the following examples from each "semantic cluster" are given (see Table 10):

TABLE 10 Metaphors of 'entrepreneur ´

a) Machine(ry) and Other Physical Objects	Duracell battery, generator, starting motor, Ferrari, locomotive, power station, machine gun, PC, shuttle, perpetuum mobile, supporting pillar of society, rubber band, razor blade, melting pot, a house of cards, tabula rasa, etc.
b) Adventurers, Warriors, Battlers	Columbus, perilous crusader, raider of an ark, captain of a ship, fighter pilot, tough guerilla, outlaw, Maverick.
c) Sportsmen and Game Players	A race car driver, mountain climber, walker on a tightrope, cross-country runner, team captain, jockey, talent scout, rip-off merchant, gambler, Casino frequenter, bookie.
d) Innovative and Industrious Actors	Jack of All Trades, self-made man/-woman, shepherd, village idiot, artist, sculptor, astrologist, hard worker, innovator, fortune-teller, Energizer bunny, mover and shaker, wheeler-dealer, go-getter.
e) Nature	God, chameleon, amoeba, bacteria, worker bee, eager beaver, cat with nine lives, dog, sly fox, lone wolf, lion, snake in the grass, guinea pig, owl, ugly duckling, rooster, black sheep, herd of lemmings, donkey, unicorn, cockroach, spider, slippery eel, octopus, cactus in desert, oasis, oak, wave of innovation, volcano, ´a nut ready to crack at anytime´, perpetual flame, rolling stone, whirlwind, well-endowed female, rough diamond.
f) ´Disease´	An ego maniac, workaholic, spoilt child, sociopath, misfit, eyesore to a tax inspector, parasite.
g) Food Items	A box of chocolates, block of cheese, bottle of wine.
h) Special Characteristics and Features	Donald Duck, Icarus, Roman Emperor Augustus, priest, witch doctor, ´as trusty as a two-bob watch´, the prisoner/ mainstay of society, crook, scavenger, unemployed in disguise, yuppy, capitalist, risk-seeker, dream accomplisher, maker of the future, electric jolt.

The metaphors of 'entrepreneurship´ were also grouped into seven semantic clusters (see Table 11). In interpreting these findings, an important limitation has to be noted. It is always difficult to make one-to-one comparisons between different languages in analysing entrepreneurial depictions of the respondents. It is an established fact that ordinarily spoken and written English contains some three times as many words as a Scandinavian language such as Finnish.

The categories, given in Tables 10 and 11, showed that Finnish people tended to perceive entrepreneurship and entrepreneurs in two opposite ways. A large number of metaphors conjured up glorifying images of entrepreneurs as some kind of modern day heroes whose independent and industrious efforts should not go unnoticed. A plethora of images preoccupied with exciting personal qualities emerged. At the same time, there were numerous metaphors with rather negative, cynical or downgrading undertones. These images were very non-messianic, often highlighting the harsh realities of the free marketplace and the hardships encountered in the daily grind of business.

TABLE 11 Metaphors of 'entrepreneurship'

a) Machine(ry) and Other Physical Objects	A well-lubricated machine, sledgehammer, money spinner, kaleidoscope, Ferris wheel, seesaw, greyhound bus, car with no direction, pincushion, dart, smoke sauna, 'blowing your own trumpet', magnifying glass, revolving door, treasure chest, etc.
b) Warfare and Adventure	A survival game, battlefield, fighting for success, conquering a hill, walking on a tightrope, turn in Russian Roulette, roller coaster ride, shot in the dark, skating on thin ice, military leadership, space travel, Holy Grail.
c) Sports and Games	Bungy/ski jumping, sky diving, marathon, tax inspector's game, a race for money, track race, circus, orienteering, hunting, wrestling, rugby game, gambling, monopoly with real money.
d) Creativity and Activity	Putting oneself about, making full use of one's abilities, blazing new trails, breaking the mould, constantly hitting one's head against the wall, playing music, free spiritedness.
e) Nature	A seed for new industry, ant farm, rat race, taking a raging bull by the horns, fire inside a person, storming sea, small boat at sea, wind breaker, rapids, aurora, sunset, sunrise, The North Star, lightning, uphill, downhill, genetic heritage, natural selection, finger on the pulse, laying an egg.
f) 'Disease'	A fever, mental trap, workaholism, stress factor, voluntary slavery.
g) Food Items	Chocolate topping, cake, dough, mixed soup, a tough nut to crack.
h) Special Features	Spreading the Gospel, Route 66, a way to the future, 'you reap what you sow', skating rink, flying flag, comprehensive school, rebellion, scramble, dynamics, an undertaker, comradeship, criminality within the law, buzz word.

As to differences between the sexes, paradoxically, females' metaphors often contained more controversial and negative imagery compared to male observations. In this way, the results of the metaphor analysis were opposite to those of the analysis of conceptual items where females exhibited a more conducive attitude to entrepreneurship than males. On the whole, metaphors created by females were more imaginative and varied in their content compared to those by males. The more striking symbolism and analogies reflected family issues, lifestyles, personal characteristics and natural surroundings. Most metaphors referring to food items and diseases were also of female origin. From the ironic and ambiguous expressions often dealing with obsessive and overtly individualistic behaviour exhibited by entrepreneurs, it appeared that many females perceived entrepreneurship as perhaps requiring too full a commitment to business, thereby reducing time and effort required to pursue other important avenues.

Males saw entrepreneurship in a more favourable light. Some of their images of entrepreneurs were very glorifying. The traditional view holding that every man has to fend for himself and make due sacrifices to succeed surfaced time and again. The figurative language preferred by males were often drawn

from the worlds of high tech, sports, warfare, adventure, and nature. In many instances the firms appeared to be like second homes for them. Underlying cultural values may be at play here. Finland has been profoundly influenced by the agrarian peasant work ethic, and by Lutheranism, with its emphasis on an individual´s personal responsibility (Lehtonen, 1999). For males, work has for centuries been equated to a constant struggle to carve out an existence in harsh environment (Roos, 1986; Virtanen, 1994). The self-esteem of Finnish males is closely intertwined with their work identity and career prospects. Males are what they do thus their commitment to work and career is notoriously high. On the other hand, Finnish females tend to have a more varied value set. Besides work and career aspirations, they place greater emphasis on issues such as maintaining a network of friends, pursuing pastime interests, self-improvement through education, quality time spent with family, etc.

In his framework detailing the development of enterprise culture in Britain in the 1980s, Ritchie (1991) divided the actors of the culture into four groups (*'subjects´*, *'believers´*, *'analysts´*, and *'sceptics´*) based on their differing attitudes towards entrepreneurial activities. The metaphors found in the present study tended to portray images pertaining either to the sceptics-driven, critical views about the supposedly limitless opportunities provided by entrepreneurship or to the believers´ stance which highlights a strong faith in the virtues of small businesses and their owners. The metaphors in the former category contained negative and cynical images playing down the importance of entrepreneurial attitudes and behaviour. Those in the latter group often emphasised priceless qualities associated with entrepreneurs. These contradictory images were no doubt influenced by lived experiences as well as the enduring myths and prejudices that prevail about entrepreneurship.

7.1.3 Article 2: Collocational study

The study of collocational statements set out to find out how the subjects conceived the role of entrepreneur and the essence of entrepreneurial behaviour in different lexical contexts. The respondents were asked to define the term 'entrepreneur´ with suggested collocational word pairs. In the process, they were asked to fill in pairs of adjectives and nouns to complete a narrative text relating to entrepreneurs and entrepreneurial activities. The sampled 311 informants from across the country were asked to complete the "fill-in-the-blank" form by selecting 31 collocative word pairs (noun phrases) which in their view best fitted into the provided lexical context. Based on their preferences the informants were able to select from 30 suggested adjectives and 30 nouns in forming each statement (see Appendix in Article 2).

In a quantitative analysis of the data, entrepreneurial collocations were discovered by computing multiple frequencies of co-occurrence of the adjectives and nouns appearing in the noun phrases discovered. Later, in a content analysis they were grouped into semantic clusters of lexemes based on the senses of the constituent items. The following six descriptive categories of entrepreneurs emerged (see Table 12).

TABLE 12 Semantic clusters of collocations

1) Empathy and High Ethics	A helpful professional, responsible toiler/devotee, cautious thinker, sensitive workaholic, etc.
2) Success-Orientation	A determined/resolute survivor, persistent fighter, industrious builder, determined growth-seeker.
3) Opportunism and Innovativeness	An innovative risk-taker/developer, persistent pioneer, creative experimenter/actor, brave opportunist.
4) High Energy and Work Commitment	An industrious professional, systematic toiler, energetic leader, self-directed actor.
5) Economic Values and Results	An efficient/shrewd businessman/woman, determined growth-seeker, ruthless speculator, shrewd opportunist.
6) Egotistic and Individualistic Characteristics	A selfish/ruthless exploiter/speculator, lazy/reluctant whiner, hard game player, assertive authority.

These word associations, which were extracted from a narrative text dealing with typical aspects of entrepreneurial activity and business practices, show how the Finnish respondents perceive entrepreneurial mindset and activities in different business contexts. Just like in the metaphorical analysis, a wide array of semantically diverse and contradictory collocations were discovered. The categories indicated the paradoxical nature of the expressions. Entrepreneurial activities and attitudes were mostly seen in a very positive light. A majority of the subjects held very favourable views with many collocations portraying entrepreneurs as self-reliant, innovative and determined individuals who perform priceless functions in the society and economy. A clear majority belonged to the categories of 1-5. The collocational statements indicated that the regard for entrepreneurship as an occupation was rather hospitable among most of the respondents.

At the same time, there were also a number of collocations with negative and cynical images playing down the importance of entrepreneurial behaviour, but they were clearly in the minority. These highlighted egotistic and individualistic traits associated with entrepreneurs. These statements indicate an ambivalence towards entrepreneurial behaviour. This is in accordance with recent history. Traditionally, entrepreneurial venturing has not been very prestigious or popular pursuit in Finland, neither financially nor socially rewarding. Unlike in many other countries, it has not been seen as a very important expression of personal achievement (see Article 3).

7.2 Findings on entrepreneurial orientations and tendencies

The second aim of the thesis was to explore entrepreneurial attitudes, orientations and practices among Finnish people. Entrepreneurship is currently seen as crucial to development of the Finnish economy which underlies present emphasis in private and public authority initiatives to promote a more enterprising economy. Nevertheless, a sustained emergence of an enterprising culture in society requires that a positive societal climate towards enterprise is accompanied by the presence of a pool of individuals who possess entrepreneurial attitudes and orientations and who are willing and able to make the sacrifices needed to acquire personal wealth. The findings from Articles 3 and 4 provide tentative, early evidence on this aspect of Finnish enterprise. To achieve this, national and cross-cultural analyses among various subgroups of respondents were executed to set the results in a wider socio-cultural perspective. Risk-taking behaviour, orientation to innovation as well as cognitive styles of creativity in problem-solving and decision-making were explored among the respondents. The results were related to findings on entrepreneurial goals and practices (see Articles 3-4 for thorough delineation).

7.2.1 Article 3: Risk-taking propensity and orientation to innovation

Article 3 compared and contrasted entrepreneurial tendencies and practices as exhibited by some 900 Finnish and U.S. entrepreneurs and small business owners. The results indicated that the Finnish subjects lagged behind their US counterparts. The empirically-grounded definitions of entrepreneurs and small business owners formulated by Carland et al. (1984, 1988) and Carland, Hoy, Carland (1988) in their landmark studies were used to interpret the results. The findings implied that the Finns fitted better the profile of a small business owner than that of an entrepreneur in the American model of entrepreneurship used. This could be inferred from the profile of the entrepreneurial orientations as well as from the preferred types of business goals and planning practices. The Finns manifested significantly lower risk-taking propensities than the Americans who were also much more profit and growth-oriented and planning conscious in their business operations. The same difference applied in a more limited sense also to the American dominance in innovation preferences.

The primary business goal for an overwhelming majority of Finnish respondents was to pursue family income often with no detailed plans for the business. In their well-cited study, Carland et al. (1988) concluded that an entrepreneur, because of his or her focus on profits and growth, would be more likely to pursue new avenues for business and would engage in more extensive planning than would be the small business owner. Moreover, the same authors have also posited that an entrepreneur´s focus on venture growth may entail extended risks relative to the small business owner´s goal of meeting family needs as the entrepreneur plans for the growth of the business. Carland et al. (1984, 1988) have also indicated that entrepreneurs have a predilection for strategic activities associated with innovative combinations of resources for profit and

growth. In doing so, the entrepreneur tends to have a higher preference for innovation than does the small business owner (Carland et al., 1988). These arguments as applied to the findings in Article 3 suggest that the cognitive profile and types of business goals and planning practices adopted by a majority of the sampled Finns do not seem to correspond to the dominant view of entrepreneurial behaviour depicted in American models.

7.2.2 Article 4: Cognitive styles of creativity and problem-solving

Article 4 took the analysis introduced in Article 3 further. It explored enterprising tendencies and motivations of owner-managers, potential owner-managers and members of the general population in Central and Eastern Finland. Tentative cross-cultural comparisons were also conducted to provide contrasts between the Finns and other nationalities.

7.2.2.1 Spatial variation in cognitive styles

Some 3,200 randomly-selected informants were sampled to study cognitive styles of creativity and problem-solving at an aggregated level. Kirton Adaption-Innovation Inventory (KAI, 1994) was utilised to distinguish individuals with innovative approach to problem-solving from their more adaptive counterparts. The findings were related to features in local entrepreneurial environments.

The first aim of the study was to compare urban and rural areas in terms of their residents´ innovative preferences. In the total sample, the residents of urban areas, whose mean was 91.6 (SD=13.8), were more innovative in their preferred style than those living in rural localities with a mean of 88.0 (SD=13.1), see Table 2 in Article 4. A significant difference in favour of the "townies" emerged in a t-test (p=.000).

In variance analyses of the rural and urban subgroups, the respondents of the urban areas gained more innovative scores in each subcategory (see Tables 4a-4c in Article 4). Most notably, the aspiring owner-managers based in the urban areas manifested rather innovative cognitive style with a mean of 99.7 (SD=15.6). They scored significantly higher than their rural-based counterparts at 92.6 (SD=13.5). Only a slight difference was discovered amongst the existing owner-managers. It appears that in the rural localities the owner-managers possess fairly similar capacity to innovate when compared with their more urban colleagues. Finally, a significant difference in favour of the urban areas was discovered among the non-entrepreneurs.

Further analyses were conducted to account for the discovered urban dominance. Partial correlations were computed to evaluate the relationship between the KAI scores and the place of residence. The results pointed to differences in local cultural features between the environments. Firstly, the urban ascendancy was related to demographic factors of age and educational level. A strong correlation was found between higher formal and occupational qualifications and innovative cognitive styles of problem-solving. The higher scores gained by the urban respondents are partly explained by their higher educational level. Moreover, as is shown in Table 13, the age of the subjects was

also clearly associated with the KAI score with younger people, on average, possessing more innovative cognitive style. Unfortunately, the younger people have lately been heavily represented among those leaving the rural areas in search of new educational and career opportunities in the economically more viable urban areas of the country.

TABLE 13 Partial correlation between the KAI score and demographic variables

Variable	Partial Correlation
Male	0.14***
Age between 30 and 40	-0.02
Age over 40	-0.06**
Secondary education	0.09***
Tertiary education	0.17***
Lives in an urban area	0.10***

Note The reference group for the subjects is formed by under 30-year-old females with no secondary level education, living in the countryside. *** denotes that the partial correlation is significant at one per cent level, ** denotes five per cent level, and * denotes 10 per cent level of significance.

These findings might reflect the structural change occurring in the Finnish economy. Paradoxically, the emergence of a more enterprising climate in the society as a whole, which is starting to take root in the context of an economic boom, is accompanied by a powerful locational shift in the distribution of employment and economic activity. The change over has affected labour markets resulting in a constant stream of selective out-migration from the rural communities. The migration flows seem to have started to drain many rural areas of their pool of younger people with entrepreneurial talent and higher formal educational qualifications. This is reducing those members of the countryside population most likely to possess the entrepreneurial skills and inclinations, such as capacity to innovate, required to form new enterprises. These developments do not bode well for the future economic developments of these areas.

Another underlying factor can be found by looking into recent history. Compared to other Nordic countries, Finland has been a very agrarian society. It remained predominantly agricultural until the late 1950s (Lehtonen, 1999). In the past, agricultural activity was central to the culture, as much a way of life as an economic activity. Consequently, the transition from an agrarian society into a modern industrial and consumer society meant a dramatic structural change of economy and society. The change over was one of the most drastic in Europe. The agrarian society relied on a strong sense of self-sufficiency, but at the same time the traditions of the communities tended to generate considerable resistance to forms of innovation. Perhaps these agrarian traditions are still exerting some influence in the countryside.

7.2.2.2 Potential owner-managers´ tendencies

The second objective in Article 4 was to examine entrepreneurial potential as displayed by aspiring owner-managers. As was already indicated, aspiring

owner-managers gained highest scores of the three subgroups both in the urban and rural communities (see Table 14).

TABLE 14 One-way analysis of variance between sub-groups in total sample

Source of Variation	Sum of Squares	DF	Mean Squares	F-Ratio
Between Groups	15006.1	2	7503.0	44.3 ***

Sub-groups		Mean (N)	S.D	Group 1 F-prob.	Group 2 F-prob.	Group 3 F-prob.
Non-entrepreneurs	Group 1	86.7 (1,022)	11.7			
Aspiring entrep.	Group 2	94.1 (263)	14.5	***		
Owner-managers	Group 3	92.7 (194)	14.2	***		
All groups		88.8 (1,479)	13.4			

Note *** Indicates a significant difference at 0.01 level between groups, ** 0.05 level, * 0.1 level

It was assumed that a high level of innovation in the cognitive style of the prospective business owners could predict their potential for initiating a small business venture. True to this expectation, prospective entrepreneurs gained the most innovative scores of the three subgroups of respondents. In a further analysis across the regions, it was discovered that potential entrepreneurs based in the urban areas gained the highest scores with a mean of 99.7 (SD=15.6), see Table 4b in Article 4. This is clearly above the theoretical mean of the KAI Inventory indicating a relatively high capacity to innovate.

Perhaps the aspiring entrepreneurs who, besides their more innovative style, possessed other suitable entrepreneurial characteristics have previously just lacked a proper opportunity to found a firm perhaps due to external factors. This contention hints at the existence in Central and Eastern Finland of a pool of individuals who are willing and able to establish a business, but are still looking for the proper opportunity. Nevertheless, there were discernable spatial differences in the orientations of the aspiring entrepreneurs. The more innovator-inclined ´wanna-bes´ were concentrated in less peripheral areas of the province.

7.2.2.3 Cross-national comparison of innovative preferences

Third goal in Article 4 was to conduct a tentative comparison of the KAI scores across nationalities. The low mean score of the total Finnish sample at 88.79 (SD=13.4) suggests the preponderance of a rather adaptor-inclined problem-solving style. Table 15 displays the KAI scores for our sample and general population means found in other countries. Moreover, in mean scores

for small business owner-managers in Finland, Ireland and the USA are given. The innovation orientations of the Finns appeared to lag behind those of other European countries. In this respect, the results paint a fairly bleak picture of the enterprising tendencies of the Finns. In the following, potential reasons for the relative shortage in entrepreneurial innovativeness are briefly sought.

TABLE 15 KAI mean scores for general population samples across countries

Country	Number of Observations	KAI Mean Score	Standard Deviation
Finland*	1479	88.79	13.4
France	265	94.61	19.3
Italy	835	94.07	17.7
The Netherlands	422	95.30	17.0
Slovakia	385	95.06	15.6
UK	562	94.99	17.9
USA	214	94.98	15.9

Note *Sample contains general population living in Central and Eastern Finland, source for other results: Kirton (1994).

Instead of turning to explanations pertaining to inborn entrepreneurial characteristics, perhaps the adaptive orientations of the Finns can be attributed to socio-economic and cultural aspects. National cultures are important variables affecting entrepreneurial attitudes and behavioural patterns. There are big differences in the ways they influence tolerance of new ideas and inquisitiveness (Wallace 1970). A variation in the cultural values can lead to greater innovativeness and inventiveness in different societies (Shane 1992).

In a recent study using the Carland Entrepreneurship Index (CEI, 1996) in the USA and Finland (N=1,000 in both countries), the US small business owners scored significantly higher than the respective Finns on the Innovation Scale of the Jackson Personality Inventory (Hyrsky and Tuunanen 1998). Like KAI, the JPI includes a sub-scale measuring Rule/Group Conformity/Non-conformity. Measured by these two scales, Finns exhibited fairly high levels of Rule/Group Conformity. This might imply a degree of dependence proneness among the Finns. The contention gets further support from other cross-cultural studies (e.g. Hofstede 1984) which have shown that uncertainty avoidance is a relatively strong tendency among the Finns compared to other European nationalities.

Another explanation for the low scores can be traced back to the fact that Finns in general seem to express themselves on a fairly low level of intensity. This is a tendency which should be observed since the results were based on self-report data. In the Finnish national culture there is a long-standing tradition of playing-down the levels of your personal skills, talents and their perceived importance (Rusanen 1993, Saarinen 1988). In this context, Scandinavians often refer to the Janteloven, unwritten laws against making too much of one´s self, lest one incurs the resentment of others. The culture is clearly different today, but the undertones persevere (Peterson, Peterson and Tieken 1988). The cult of individualism is not necessarily equally acceptable in every country of the world.

8 CONCLUSIONS AND DISCUSSION

This final chapter of the dissertation framework is devoted to a deliberation about central points of interest and implications which have surfaced in the course of research. Firstly, main findings from the four research articles will be discussed. Secondly, the chapter outlines a brief review of policy implications and suggestions for further research in the enterprise arena.

The thesis has investigated some of the central attitudinal and socio-economic features apparent in the Finnish enterprise culture. Prior to this study, there has been very little empirically grounded information available regarding the state of Finnish enterprise. The dissertation has provided early insights into this multi-faceted and complex phenomenon by examining attitudinal climate towards entrepreneurship among general population (Articles 1 & 2) as well as entrepreneurial orientations and tendencies of entrepreneurs, small business owner-managers and the wider public (Articles 3 & 4). In other words, the study has looked at how the respondents perceived entrepreneurial actors and activity and then proceeded to examine how the entrepreneurs and the general adult population lived up to these prevailing images and expectations.

8.1 Emergent features of Finnish enterprise culture

In the quest to explore the emergent features of enterprising culture, the research had two main goals. The first one *revolved around examining the ways in which members of adult population in Finland viewed and related to entrepreneurship* (see Articles 1 and 2). This was intended to provide early evidence of the cultural climate amongst Finnish people towards entrepreneurial activity. In the following, some of the more central findings are related to a wider, relevant discussion.

The growing importance of the SME sector in Finland and elsewhere in Western Europe is down to a constellation of interacting socio-economic and politico-cultural processes. The various national responses to enterprise culture

can be seen as alternative reactions to a common set of threats and opportunities faced by modern economies since the 1980s (Goss, 1991; Gray, 1998). As was previously outlined, these include, among others, persistently high levels of unemployment, insecurity of the global markets, decline in primary and manufacturing sectors, high growth in business services and knowledge-intensive industries, the proliferation of flexible models of production, the advent of more fragmented consumer markets, and the proliferation of free market orientation in the wider society.

The growing attraction of an entrepreneurial ethos is also said to reflect certain broader ideological and cultural shifts within the more industrialised and advanced Western European countries, shifts which have heightened people´s expectations of independence and self-fulfillment (Bechhofer and Elliott, 1985). The most relevant of these deals with the emergence of "new individualism" which surfaced in reaction to the corporatism of the 1960s and 1970s´, a new individualism which places a premium on self-reliance (Goffee and Scase, 1987). Over the past three decades, as Western economies have grown more affluent, people have become more concerned about obtaining a higher level of personal independence and satisfaction in their lives. Changes in educational system, family relationships and the widespread adoption of `democratic´ ideals have led to the reappraisal of traditional forms of authority in the home, workplace, and the wider society (Goss, 1991). The autonomy and independence of the individual is much greater in terms of life choices than previously. In short, society is starting to become more conducive to entrepreneurship. It remains to be seen whether this leads to a sustained increase in enterprise in the society or whether the attractiveness of entrepreneurship is just a passing reflection of the fact that more and more of American business practice has been adopted across Europe as business has become increasingly global and profitable. A deep-seated adoption of an entrepreneurial ethos takes a rather long time to develop. As was shown in Articles 1 and 2, it is very likely that many people have come to form overly optimistic and uncritical views of entrepreneurship under the growing influence of the business-oriented life-styles of our time.

We might expect to find in the Finnish enterprise culture features, such as those just outlined, that bear a relative resemblance to those found in other European countries. On the other hand, one would expect these analogous phenomena to differ reflecting contrasts which are the outcome of specific variations in historical, political and socioeconomic circumstances. The importance and popularity of the small business sector in various European countries show great differences across nationalities. Among other factors, national differences in the industrialisation process, the role of the state in the economy, small business traditions, and the relative strength of trade unionism can lead to significant variations in the culture of enterprise. This concluding section highlights central aspects in the emergent culture of enterprise in Finland.

8.1.1 Finnish attitudes towards entrepreneurs and entrepreneurship

Entrepreneurship tends to occur differently in various countries: if the socio-economic system surrounding the individual has a hospitable regard for

entrepreneurial activity, it is simply more likely to produce entrepreneurial events than an environment with other or contrasting values (Giamartino et al., 1993; De Pillis, 1998). The extent to which society regards the pursuit of entrepreneurial opportunity as socially legitimate will impact the level of entrepreneurial activity (Reynolds et al., 1999). Unlike, e.g., in the USA, where entrepreneurship is regarded as something of a noble calling, in Finland it has traditionally been viewed less amicably. This inhibits development since past research has shown that high social status of entrepreneurship is expected to encourage people to regard entrepreneurial careers positively and to encourage those with entrepreneurial intentions to move forward. Moreover, in Finland founding a business does not seem to be the ultimate expression of personal achievement. The critical attitudes of the Finns tend to mirror the cautious views shared by many Europeans, who have traditionally viewed entrepreneurship less favourably than, e.g. the US people who often see it as something of a noble calling. To quote McDermott (1987, 39, 44)

> "It sometimes seems to an American as if Europe´s working classes and upper classes are equally hostile to anyone who acquires new wealth . . . Traditionally, the best and brightest in Europe have aspired to become professional civil servants or employees in large corporations . . . Europeans regard business failure as a social disgrace . . . fail in business in Europe and you will probably never be able to borrow money again".

In Finland, influenced by powerful working-class movements and trade unions, governments have tended to pass laws designed to improve the wages, working conditions, welfare and legal rights of employees. This process was at it's most prominent in the 1970´s and took place in the context of Keynesian-liberal collectivist orientation to economic and social management which involved the expansion of the welfare state and the public sector more generally, and the nationalisation of the capital for the state. Government policies of that period encouraged close partnerships between privately-owned, large-scale corporations and state agencies to facilitate large-scale units of administration and production as well as economic growth.

As a result of these and other underlying factors, in the social climate of the 1960´s and 1970´s entrepreneurship was not regarded as a mainstream activity and owner-managers were often seen as rather exceptional and obsessive individuals who persevered against the odds. These and other indigenous developments have left a legacy of "obstacles" which are partly blocking the way leading towards a more enterprising culture in Finland. There are "costs" of business ownership for many of those wishing to go into business for themselves. These institutional factors include taxes, employment security laws, national pension systems, centralised wage-setting, and the big size of the public sector.

These critical voices were reflected in Articles 1 and 2 were a paradoxical outlook towards entrepreneurs and entrepreneurial activity emerged. Besides metaphors and collocations conjuring up glorifying images of entrepreneurs and entrepreneurial activity, there were numerous expressions with rather negative and cynical undertones. These images often highlighted the harsh realities of the free marketplace and the hardships encountered in the daily grind of business. The findings tend to reflect an enduring ambivalence towards entrepreneurship.

Until relatively recently, entrepreneurial venturing has not been deemed as a very prestigious or popular pursuit, neither financially nor socially rewarding in Finland. Due to historical reasons, the geographical position of the country, and structural and institutional properties of its economy, entrepreneurship has not been regarded as a mainstream activity. An unsuccessful endeavour may even have caused embarrassment or ridicule, whereas a successful venture might have invited "begrudgery", one´s peers resenting one´s success. Unlike in the more pro-entrepreneurially oriented countries the high achievers in the Finnish society with educational and professional qualifications and competencies have usually been creamed off for top jobs in large corporations or in public administration and government offices. The rather lukewarm attitude towards small business has also been evident in the venture capital market until very recently. In the past, Finland has not had the kind of venture capital that has been available in many advanced Western European countries.

8.1.2 Implications on enterprising orientations and tendencies

The second goal of the thesis was to explore entrepreneurial orientations and tendencies among entrepreneurs and the wider public (see Articles 3 and 4). This was achieved by looking into two key entrepreneurial constructs, risk-taking propensity and innovativeness. The examination yielded preliminary insights into enterprising tendencies of the Finnish subjects. The dimensions were studied with cross-national samples of entrepreneurs and members of general adult population. The analysis was also related to entrepreneurial practices amongst the subjects to link attitudinal propensities to cultural context.

It was found that Finnish entrepreneurs and small business owners on the whole were not so entrepreneurial as is often projected in public discussions. In Articles 3 and 4 entrepreneurial orientations, tendencies and practices among a range of Finnish entrepreneurs were under review. The findings implied that the respondents fitted better the profile of a small business owner than that of an entrepreneur. This could be inferred from their entrepreneurial orientations as well as from the preferred types of business goals and planning practices.

In Article 3, Finns were found to be rather risk averse individuals who instead of pursuing profit and business growth were oriented towards providing for the economic well-being of their families. They often operated in well-established sectors of the economy with no formal business plans prepared to guide the development of the business operations. They were found to be somewhat lacking in their enterprising attitudes and orientations compared with their US counterparts. The Finns manifested significantly lower risk-taking propensities than the Americans who were also much more profit and growth-oriented and planning conscious in business operations. This difference suggests that attempts to enhance Finnish enterprise must be predicated on activities which are perceived by the Finns to be less risky than would be required in the US. The same difference applied in a more limited sense to the US dominance in innovation preferences. Finally, the cognitive styles of problem-solving and decision-making among the Finnish owner-managers tended to be less creative than among many of their European and US colleagues (see Article 4).

Some parallel features with a previous research by Koskinen (1996) emerged. In his nationwide, longitudinal study of new small firms in Finland, Koskinen estimated that only some 15 % of the sampled 332 firms had growth objectives, whereas the rest could be classified as stable, unstable or declining. Most of the firms were found to operate in well-tried out areas of the economy, serving markets that already exist in a manner that mirrors established businesses. They also adopted modes of organisation that were traditional rather than innovative. The great majority of them did not export and their activities were often tied closely to local markets, since many of them were in services.

It appears that unlike the popular belief at times has us to believe, the great majority of Finnish small businesses tend to stay small and have little desire to expand and in case of many of the more successful small businesses, they tend to move quickly through the small business stage, either continuing to expand over time or reaching a steady state. Of the great majority of the small firms, only a small proportion could be termed as being high growth firms operating in the knowledge intensive or high tech sectors.

Overall, the findings paint a fairly bleak picture of the Finnish enterprising tendencies. The results suggest that the cognitive profile and the types of business goals and planning practices adopted by a majority of the sampled Finns do not necessarily correspond to the view of entrepreneurial behaviour which is depicted in the dominant American models of entrepreneurship. The less entrepreneurial attitudes and practices of the Finns might stem from socio-economic and cultural factors since entrepreneurship tends to occur differently across nations. National cultures are important variables affecting attitudes and behavioural patterns. In USA, for instance, entrepreneurial traditions may translate into greater proclivity among the population to consider entrepreneurial careers as desirable and attainable (Carland and Näsi, 1996) which, in turn, might account for a selective stream of more qualified, skilled and enterprising individuals entering into small business ownership than is the case in Finland.

This contention gained credibility in the analysis of the strength of risk-taking propensity where a great difference between the countries emerged. Fear of failure could play a role in the more risk-averse attitudes of the Finns towards entrepreneurial activity. Attitudes towards business risk are cultural phenomena that exist independent of government policies to encourage business development. In Finland there has been shortage of successful entrepreneurial role models as most people have sought employment in large enterprises or in civil service where the rewards can be good and there is very little risk.

American entrepreneur and research scholar Jack Rennie (as quoted by McDermott, 1987, 39) thinks that the reason why many Europeans do not like business risks stems from unfavourable risk/reward ratios that entrepreneurs experience. Rennie thinks that every potential entrepreneur instinctively appraises a risk/reward ratio before deciding to set up a business. He argues that in Europe the ratio is top heavy with risk and offers little in way of reward.

A study by Holm (2000) in Finland has indicated that the prospective financial rewards to be gained by embarking on an entrepreneurial career as opposed to those received by choosing a career in a well-paid salaried employment, which is currently available, are too small to encourage many

people to take the entrepreneurial option. Rather similar notions emerged in a recent study by Finnish Gallup (2000) conducted on the behalf of the Finnish Jobs and Society organisation. In a study of 860 randomly-chosen subjects representing the general workforce between 15-64 years of age, the personal interviews conducted revealed that 12 % of the respondents had on a number of occasions given serious thought towards going into small business. More than half of the respondents indicated that becoming an entrepreneur was either undesirable or at least not very desirable. The most positive attitudes towards small business ownership in the population were found to be amongst middle-aged male subjects, whereas younger people and those over 50 years of age tended to hold rather lukewarm attitudes. The most cited reasons for entrepreneurial aversion included perceived insecurity of future earnings, fear of running up a big debt, stiff competition in the markets, overbearing work commitments, and threat of losing personal assets in the case of business closure.

In Finland, if you go into business for yourself and you succeed, for the most part you tend to be rather heavily taxed. If you fail the stigma often attached means that you are almost unemployable and it will be very difficult to be able to borrow start-up capital again, due to the bankruptcy laws which are rather harsh. In this environment, a high-achieving individual with relatively moderate risk-taking propensity is more likely to direct his or her energies and ambitions towards a more yielding, safe and prestigious goal than entrepreneurship.

As was already mentioned, Shapero and Sokol (1982) have posited that cultural factors influence the prevalence of entrepreneurial activity and the way in which it is encouraged. These authors have observed that business formation rates vary from society to society because different cultures carry different beliefs about the desirability and feasibility of beginning a new enterprise. These beliefs help determine which actions will be seriously considered (since they are desirable) and which will be implemented (because they are feasible). Based on the findings of the present study and those by Holm (2000) and Finnish Gallup (2000) it seems that in Finland the desirability and feasibility of entrepreneurship are not yet at very high levels.

Additional research is required to validate such conclusion, however the findings of the present study suggest that national differences in entrepreneurial attitudes and orientations could turn out to be a fruitful area for study. Nevertheless, in order to really understand differences in business behaviour, factors, such as ideology, norms and rewards for behaviour, individual and national aspirations, situational events, business environments, religious doctrines and education as linked to entrepreneurship should also be examined on a comparative basis (cf. Giamartino et al., 1993; Gibb and Ritchie, 1981).

As regards limitations, it must be emphasised that Articles 3 and 4 of the study have only provided a general and geographically limited overview of the Finnish enterprising potential. In future more in-depth explorations, based on both qualitative and quantitative analyses are needed to come up with more detailed profiles of enterprising orientations and tendencies. The findings of the two articles are particularly ill at ease with accounts of Finnish cultural and political history which point to the conclusion that there is much potential for enterprising spirit and behaviour in the Finnish national character.

8.1.3 Post-recession shift towards enterprise

8.1.3.1 Entrepreneurial watershed is reached: The 1990s

Since the early 1990s, there seems to have appeared a shift towards enterprise in Finland. The year 1990 marked the start of the worst recession in the last 50 years. The growth figures of the late 1980s turned sharply down and signalled the start of a steep economic decline which left in its wake very high national levels of unemployment and financial crisis of the state. This also had a major impact on the SME sector as the number and turnover of firms went temporarily into a steep decline. The net decrease in the number of firms amounted to some 33,000 firms between 1990 and 1994. The turbulent events forced a radical overhaul of the Finnish economic system (Lehtonen, 1999). The ensuing downsizing of the public sector and the restructuring of the industrial sector led to the rediscovery of the importance of small scale economic activities. Government began to see SMEs as central tenets of programmes for enhancing economic growth and curing high levels of unemployment. The measures were expected to induce individual industriousness and economic rejuvenation of the economy.

The economic slump of the early 1990s generated high levels of insecurity as well as unemployment which is still persistently high with an average of more than 10 % over the last eight years. The labour market has changed significantly over the previous decade due to increasing flexibilisation, introduction of more part-time, temporary, casual and contract work, greater levels of out-sourcing and less job security. The development of a more enterprising culture is perceived as an important strategy in helping to address persistently high levels of unemployment.

The growing emphasis that is being placed upon entrepreneurship can also be regarded as a reaction against the corporatist nature of the economy as a whole. At the government level, this shift could be interpreted as signalling a move towards a more free market-based ideology. This has led to increasing deregulation of markets in order to free them from imbalances "disfavouring" small businesses relative to large businesses. Moreover, policies have been introduced to reduce public spending on welfare, to open provision to the discipline of market forces, and to privatise the state for capital. In government circles and the media the role of the individual economic activity and the development of wealth based on the self-help principle have been gaining increasing footage and legitimacy.

The state has taken steps to increase the number of new venture start-ups across the country through measures designed to support potential entrepreneurs and to compensate for the barriers to market entry. Considerable public funds are directed at putting small business ideology into practice through a multitude of programs and policies. Typical such measures relate to the provision of information and financial support as well as infrastructural support services. In this way, the state ensures a flow of advice and consultation to owner-managers either directly or indirectly as well as practical support through start-up sponsorship. These initiatives have played their part in the rather rapid increase in new SMEs and jobs. Finnish economy has gradually recovered and is currently

experiencing an economic upturn which has been influenced by a steadily increasing rate of new venture start-ups. The growth is expected to continue steadily and the improvements accomplished have enhanced the potential for further, more ambitious enterprise projects.

8.1.3.2 Current state and future prospects of Finnish enterprise

The Finnish situation is starting to parallel that of Britain in the 1980s in the sense that the indigenous developments are too sharply contrasted with the "benchmark" of the USA where entrepreneurs have a higher status and legitimacy in society, where new small business start-up rates are higher, where those successful establishing businesses are able to reap substantial material rewards and where there is more capacity in the society to accommodate differences in the level of income among individuals or households (cf. Arenius and Autio, 1999; MacDonald, 1992).

In the UK, the application of the American model of entrepreneurship, led to the government making conscious efforts to "ape" what it regarded as desirable in the US characteristics: tax rates were lowered, trade union power was reduced and a plethora of government initiatives introduced in order to promote small business (Storey and Strange, 1992). Unfortunately, too little cultural adjustments were made to acclimatise the American ideology and models of entrepreneurship to suit the British purposes in the quest to build an enterprise culture. It remains to be seen whether Finland follows the path trodden by the Brits.

Interestingly, the analysis in Article 3 indicated that the American models of entrepreneurship are not necessarily well-suited for the Finnish society either. In Finland, there seems to be much less small business owner-managers who are profit- and growth-oriented and willing and able to use strategic planning in expanding their business operations. This contrasts with the respective US situation. It appears that the US-based models of enterprise development need to be culturally adjusted to suit the Finnish context which is relatively less turbulent and dynamic and where a large proportion of entrepreneurial actors regard entrepreneurship as an important part of their life-style and thus see their operations mostly as a way of earning a living for themselves and their families. Entrepreneurship is meshed with culture, so there are bound to be differences and those differences vary from nation to nation. In order to build a Finnish model for enhancing entrepreneurship, we must first come up with an improved understanding of the assumptions about entrepreneurship that our culture carries.

In considering contribution of the notion of enterprise culture, it must be noted that this as well as most other theoretical models of entrepreneurship originate from the USA. This is only natural, since the US is the very archetype of an enterprising society. In entrepreneurship research it is very hard to avoid the American models, since most of the research in the area of entrepreneurship is done there. The entrepreneurial terms and associated concepts in modern time were developed there and they almost totally dominate academic thinking in the field. In applying the enterprise culture model in Finland we must take into account the potential cultural biases and prescriptive elements included the

model. If we really want to understand entrepreneurs and their world on their own terms, we must get away from culturally-biased and models and interpretations.

Presently, in public opinion entrepreneurs are offered up as examples of what can be achieved if people are prepared to seize opportunities and make the necessary self-sacrifices. According to Ruuskanen (1995), in the societal and political parlance entrepreneurship has been brought forward as a solution for the problems confronting Finnish economy. He thinks that entrepreneurship has come to be increasingly referred to from two interrelated aspects: firstly, as being an activity of the entrepreneur, and, in a much wider sense, as an economic way of life or mind set which is expressed in entrepreneurial thought, attitudes and actions. In its extreme, this ´free market-oriented´ rhetoric encourages people to live their life as a business and seek self-fulfilment and enrichment through materialistic consumption and production (Heelas, 1991). This type of discourse emphasising the necessity of a new entrepreneurial spirit could be interpreted as being part of a transition into liberalistic individualism and self-help.

Based on the evidence of the present study, we seem to be gradually moving in this direction. Reflecting the growing importance and popularity of entrepreneurship in Finland, over time the meanings of the term *entrepreneur* and *entrepreneurship* seem to have shifted in the popular view from being somewhat pejorative (greed, selfishness, unscrupulousness, disloyalty) to being complementary (innovation, giving, constructive, initiative, builder). It is often the case in everyday language use that when a term starts to lose some aspects of its meanings it takes on new ones which extend and refocus the frame of reference. It is also a well-known fact that language change both illustrates and contributes to the process of social and cultural change (e.g. Crawshaw, 1991; Selden, 1991). This semantic shift might have been partly induced by the gradually increasing importance of culture of enterprise over the course of the 1990s.

The shift might have had its origins in the steep economic depression of the early 1990s from which Finland has bounced back with a vengeance. It could have formed a turning point and signalled a change in attitudes towards entrepreneurial activities. This issue was under the spotlight in Articles 1 and 2. where it emerged that the socio-economic and cultural developments in Finland seemed to have had an effect in the emergence of a more pro-entrepreneurial societal climate. The ratings on the suggested entrepreneurial concepts (see Article 1) gave support to this causal link since the Finns clearly outscored respondents from other countries in rating the more positive aspects of entrepreneurship in a cross-cultural comparison. These and other findings of the study imply that the proliferation of both the actual entrepreneurial activity and the rhetoric of enterprise in the public discussions might have worked towards a more hospitable climate of entrepreneurship. It remains to be seen whether the increase in an entrepreneurial mood is mostly due to recent economic recovery or whether an entrepreneurial ethos is really taking root in the society.

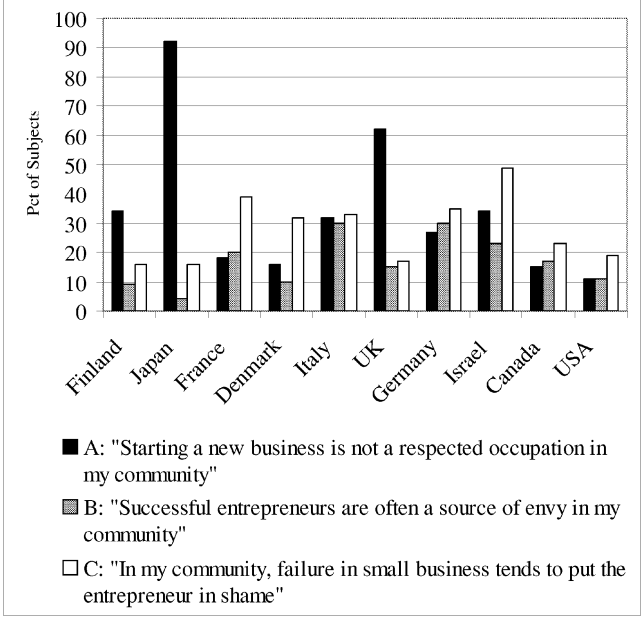
The available evidence provides rather paradoxical insights in this regard. As was earlier mentioned, one important measure of the "strength" or vitality of an enterprise culture is the level of interest in small business ownership indicated

by rates of new firm formation (Curran and Blackburn, 1991). The recent cross-national study conducted by the *Global Entrepreneurship Monitor* provides interesting Finnish findings. Among other things, the study examined potential differences in entrepreneurial activity, orientations and attitudes between the examined countries. In a comparison of the relative number of individuals in the working-age adult population engaged in setting up a new business venture, the Finnish respondents came up with the lowest rate of 1.4 % These findings provide further evidence on the contention that even though the social climate towards enterprise is rather hospitable in Finland, still it has not been translated into wide-ranging entrepreneurial intentions among the population at large. It appears that some Finnish people might have learned that it is socially acceptable to express verbal approval of the virtues of self-employment even if they are not going to enter it themselves. Another interesting finding from the GEM study shows that, unlike in the other surveyed countries, in Finland respondents with high level of education tended to be more averse to establishing businesses than those with lower educational qualifications. Besides the pull of available well-paid employment in the midst of an economic boom, there could well be underlying cultural reasons at play here, particularly, as regards the shortage of entrepreneurial role models which has persisted among those situated higher up in the social hierarchy.

Besides focusing on whether the informants were currently starting a firm, the GEM study collected national data on number of items. Three of these were related to cultural influences on entrepreneurship: social value of independence and self-reliance, respect for those starting new businesses and the capacity of the country to accommodate differences in the level of income among individuals or households. In the ratings of the Independence Index and the legitimacy of entrepreneurship as a career choice Finland fared very favourably in cross-national comparisons, but in the levels of income disparity Finland came "last". Particularly, in examining the social value and legitimacy of entrepreneurship, the Finns scored relatively high which echoes the findings of the present thesis (see Figure 4).

Establishing of SMEs has traditionally been less prevalent in Finland than in many Western European countries and current evidence suggests that this tendency seems to persist. ENSR statistics have showed that some seven per cent of the Finnish population are entrepreneurs, which remains clearly behind the European average of 12 % (ENSR, 1996 & 1997). Though the share of entrepreneurs has been growing in Finland over the last couple of decades, it still has remained somewhat lower that the European average (ENSR, 1996). Despite the fact that the societal climate is becoming conducive, the Finnish society possesses structural and cultural features which tend to inhibit fast birth and growth rates of small businesses. This is highlighted also by the fact that in the current period of rapid economic growth there are surprisingly few firms which are able to achieve high growth (Autio, Wallenius and Arenius, 1999). Moreover, as was already indicated the 1999 and 2000 statistics on the rate of new business start-ups in Finland do not offer very a positive outlook in this regard.

FIGURE 4 Attitudes towards entrepreneurship among general adult population in 10 countries included in the GEM study. Source: Arenius and Autio (1999, 38)



Here seems to be a congruence to the British situation of some ten years ago when Burrows and Curran (1991) suggested that the greatest value of enterprise culture in the 1980s was not its net effect but the role it played as a meaning system from which social actors could draw different rationalising ´vocabularies of motive´ (Mills, 1940) to make sense of their situations (Ritchie, 1991; Hobbs, 1991). It was deemed as part of ´cultural management´ required by this period of rapid economic, social and political change. These authors contend that the British restructuring which comprised a complex set of economic, social and political changes had to be represented within some new set of cultural meanings (Harvey, 1989; Thrift, 1989), dominant among which were those supplied by the rhetoric of the enterprise: individualism, independence, 'flexibility´, anti-collectivism, privatism, self-reliance, and risk-taking. Similarly, Bechhofer and Elliot (1981) have argued that the British enterprise culture should partly be understood as a construct which serves to rationalise and sustain political values of individualism, personal autonomy and supposed freedom from corporatist control.

It has been claimed that the true beneficiaries of the recent Europe-wide economic changes have not been SMEs, but multinational companies which have exploited deregulated markets, constrained unions, falling real wages, and free currency movements to combine and extend their increasingly global interests (Cross and Payne, 1991). The decline in manufacturing employment was also deemed as an important factor, with unemployment "forcing" entrepreneurship and the growth of the service sector allowing small firms a more central role. In this context, the rhetoric of enterprise culture then portrays itself as the justificatory language of social integration for a world characterised by an

economic insecurity unknown in the more corporatist and collectivist world of the 1960´s and 1970´s (Burrows, 1991a). It provides a wide ranging semiotic rationale for the socio-economic structuring, but does not necessarily have neat logical or necessary relationships with the economic changes they try to explain, i.e. any given set of cultural changes can be interpreted through various ideological frameworks (Burrows, 1991b).

There is some evidence that these tendencies are also taking root in Finland. For many, as is presently the case among many self-employed people providing health and social services for the public sector, entrepreneurship is an alternative to an employee job or unemployment rather than a case of being enticed into small business ownership by a conscious desire to accumulate small capital. Whilst these people are classified as self-employed, many of them have more in common with employees rather than small business owner-managers. They include many "reluctant" entrants who enter small business ownership not as a positive choice but out of necessity. Many of these people are in the service sector, where entry costs are low due to its labour-intensive nature. However, as the market for such services is overwhelmingly a local one and local demand is often fully justified, the effect is merely to displace existing businesses, without any expansion in the overall range of opportunities. Moreover, as applies the rural areas of Finland, it would appear that this tendency is especially marked in relatively less prosperous areas, where the chances of genuinely innovative small firm formation are restricted. It would be a mistake to interpret growth in this type of self-employment as an unambiguous indication of the advent of an enterprise culture.

Entrepreneurship should spring spontaneously from people and their own orientations, not from flexibility structures of the core sector companies which are trying to increase productivity, efficiency and numerical flexibilisation of labour by making everybody either a corporate or independent entrepreneur. Appealing to the ethos of entrepreneurship in this sense is somewhat questionable. If we start to widen the field and perceive entrepreneurship as being pledged and oriented towards the objectives and values of large-scale economic organisations, it will hollow out as regards its content. There is a risk that entrepreneurship then as an extended concept will become an almost insignificant tautology, something approaching `work heroism´ associated with socialism, rather than spontaneous economic action of the individual. (Ruuskanen, 1995)

Another major hurdle impeding a widespread proliferation of enterprise in Finland is the steep discrepancy appearing in economic circumstances between different regions. Paradoxically, the emergence of a more enterprising climate in the society as a whole, which is starting to take root in the context of an economic boom, is accompanied by a powerful locational shift in the distribution of employment and economic activity. The change over has affected Finnish labour markets resulting in a constant stream of selective out-migration from the rural communities. Following the deep recession of the early 1990s, there has occurred a strong relative shift of firms, output and jobs from the smaller towns and rural areas to bigger cities. Even though SMEs are currently an important source of new jobs created, too few of these have located in rural regions. They as well as larger manufacturing firms tend to concentrate in larger industrial centres, mainly in the

southern parts of the country, creating few new jobs in the more peripheral areas while drawing former rural residents to the bigger cities. Many rural regions are experiencing economic hardships in the midst of the general economic upturn. They must find new employers or face continued decline.

To conclude, the socio-economic and cultural processes outlined above, have worked towards making the small business sector an important focus of attention in Finland. A restructuring process has taken place in various fields of the economy, for instance in the manufacturing sector, employment patterns, the nature of consumption and the organisation of production (cf. Kovalainen, 1997). The enterprise ideology has also played its part in bringing about greater consciousness about small business ownership. Another force which seems to have been working towards making entrepreneurship more legitimate has been the increasing self-reliance and "new individualism" appearing in the wider society. The economic recovery being experienced is further fuelling the development.

8.2 Policy implications

Even though the social climate is gradually becoming more positive towards aspects of individual entrepreneurship, the structural properties of the Finnish economy do not yet allow for a widespread proliferation of individual entrepreneurship. Such wide-ranging patterns to changes in industrial structure that has been apparent in the UK have not yet been seen in the Finnish economy. Neither has the growth in the small business sector been substantively as large as in many other Western European countries. It seems that the effect of the ideological impact of the enterprise culture has thus far been a contingent rather than a necessary feature of the socio-economic and politico-cultural restructuring taking place in Finland. It will take time to achieve widespread changes in attitudes and culture, not only amongst children, students and other would-be entrepreneurs, but also amongst parents, teachers and the general public.

Bearing in mind what has just been outlined, there is still a lot of work to be done to enhance entrepreneurship in Finland. To be able to foster more enterprising behaviour in the society, we first need to know the starting points for the development work. In order to pursue a certain goal in developing society, organisations and individuals, it is, of course, a prerequisite that the starting-point is known. Therefore, more enterprise policy-related research must be conducted to outline the current state of entrepreneurial attitudes and potential for enterprise in Finland as well as the structural and socio-economic properties of entrepreneurial cultures. The present study has provided only a general overview in this regard. In future more in-depth and regional analyses are needed to be able to come up with profiles of local and regional entrepreneurial developments.

Programs and policies promoting small business development in Finland need to pay more attention to the indigenous features of the national culture of enterprise. The foreign models of enterprise development are not necessarily very

applicable in our context. These models must be culturally and locally adjusted. A greater sensitivity to political, economic and cultural differences must be developed before importing policies and programs. The British experiences recounted earlier provide an apt reminder in this regard.

Efforts must be made by the government to develop strategies based on information on the current level and type of interest in self-employment in each area. Policy makers could then develop a greater understanding of these issues to devise more effective and culturally adjusted strategies which can be more targeted and more successful in the development of more enterprising local economies.

The need for comprehensive action in fostering entrepreneurship has been recognized by political and economic actors as the key to unlocking greater employment growth and competitiveness. The pro-entrepreneurial activities initiated since 1995 by the *Decade of Entrepreneurship* have been working towards these types of goals. The general objective at macro level is to promote small business growth, competitiveness and employment with the reference to national and EU-based SME policies. The project aims to create a more entrepreneurial society by fostering a positive cultural climate of entrepreneurship and by improving the structural prerequisites at macro level.

As part of the *Decade of Entrepreneurship* programme, a nationwide study on entrepreneurial profiles and local cultural features is being carried out. The surveyed regions will include all 15 regional areas of the Finnish Employment and Economic Development Centres. The studies will focus on exploring entrepreneurial attitudes and potential as well as structural and socio-economic indicators which reveal data on the peculiarities of local entrepreneurial cultures in each area. The findings will enable comparisons between different areas and will also provide a base to direct the development efforts for promoting entrepreneurship. This helps to carry out better planned specified development activities and training. These profiles can later act as reference points for a longitudinal type of measuring of effectiveness of future enterprise policies.

Another nationwide policy initiative which holds promise for the future development of the Finnish enterprise has been launched at the beginning of the year 2000. In order to sustain stable economic growth and to enhance employment, Ministry of Trade and Industry has launched a two-year programme called the *Entrepreneurship Project*. It is included in the Government´s programme and forms the basis for current enterprise policy. The programme will be implemented in co-operation with eight other ministries and the Association of Finnish Local and Regional Authorities.

The goal of the *Entrepreneurship Project* is to enhance entrepreneurship, competitiveness and company growth by eliminating obstacles to enterprise and small business development. Another important aim is to increase the level of entrepreneurial activity by advocating a more positive attitudinal climate towards entrepreneurship. The project focuses on different phases in the life cycle of a company. Policy measures will be directed at those life cycle stages which are most critical in terms of the firms´ success. There are five programme stages which are highlighted: 1) Enhancing the functioning of markets, 2) Entrepreneurship as a rewarding career option, 3) Becoming an entrepreneur, 4)

The critical early years of the firms, and 5) The growth and development of the firm. More than 100 measures dealing with these categories will be undertaken in consecutive order throughout the programme.

It remains to be seen what kind of impact these two policy programs are able to exert. The creation of a more enterprising culture in society demands more than simply encouraging people to establish their own firms or adopt a more growth-oriented outlook in their business operations. A core theme of the enterprise culture has to be to encourage a wider section of the population to choose the "entrepreneurial option". Thus, one central indication of the success of the *Decade of Entrepreneurship* and the *Entrepreneurship Project* will be revealed in analysing whether a wider range of individuals are establishing businesses in the upcoming years. It is also interesting to see whether these projects succeed in developing more elaborate interaction between various actors in the field. The importance of increasing regional and local co-operation are crucial elements in sustained promotion of enterprise.

These policy efforts might constitute important advances in the quest for additional societal enterprise. In the future, we must go even further and look more carefully at possibilities to develop more balanced local enterprising cultures across the country. It is, of course, a fact that where an enterprising culture can be developed, there will be an increased level of interest in self-employment and consequently new business creations and job opportunities (Breen, 1998).

As regards implications for educational policy, it appears that there is a need for the development of more enterprising curricula in schools. This entails the emergence of activities which promote contacts with entrepreneurs and engagements with the small business community. Even though entrepreneurship education in schools has been activated in various parts of the country, the efforts made thus far have been too scattered in terms of objectives and the quality of instruction. From an entrepreneurial viewpoint, the example given by schools through teaching and learning methods and the curriculum is decisive. In terms of the contents of the curricula, students should, for example, be trained to be more eager and prepared to take social, psychological and economic risks. There also seems to be a need to develop more creative problem-solving and decision-making skills among other things.

The extension of entrepreneurship education also calls for an increase in teachers´ education as well as in the provision of teaching material. For example, there is a need to prepare Internet-based courses so that access to sources of knowledge can be guaranteed independently from location or quality of the school. Currently, teaching material varies in terms of quality and coherence. It also tends to focus too much on general business management not on entrepreneurship. Through more systematic development of teaching and learning material and through development of educational institutes, it is possible to create a more entrepreneurial approach among teachers from kindergarten to universities.

8.3 Future research

There still remains significant empirical gaps in the portrayals of Finnish small business sector. One area that especially needs more research attention concerns the process of cultural inheritance. In Finland there is a shortage of successful entrepreneurial role models. This is unfortunate since it has been shown that the presence of successful role models especially in the immediate family encourages entrepreneurial intentions and efforts among the next generation. It is a relatively common occurrence that entrepreneurs come from family with some form of business background. Entrepreneurial family background tends to provide strong grounding in the business ownership ethic at an early stage which is powerful driving force for children as they begin to choose future careers later on.

Parental role models encourage entrepreneurial behaviour. In entrepreneurial families young people tend to carry significant family responsibilities at an early age and are given opportunities to engage in entrepreneurial activities. Children need to be more actively encouraged to develop their skills and learn to accept responsibility at a relatively early age. This type of grounding provides the children with the skills, values and confidence they need to embark on an entrepreneurial career. More research needs to be conducted to increase our understanding about the processes of cultural inheritance and socialization taking place amongst entrepreneurial families. This way we could eventually find ways with which to enhance the tradition of self-employment in Finland.

On a more general level, we should move away from universal models and shift towards building a model of entrepreneurship that is based upon the idiosyncratic Finnish context. It has become apparent in the course of the present study that Finnish SMEs, their owner-managers and the socioeconomic circumstances in which they function are complex and unique.

Entrepreneurs do not generate their meanings and behaviour in a vacuum for most of their social interactions, but rely on an available stock of meaning, *culture* to make sense of specific social experiences and provide a framework for anticipated experiences aimed at achieving the actor´s ends or avoiding certain outcomes (Stanworth and Curran, 1986, 85). To get deeper insights of the real world of Finnish small business -and to enable to build a more purposeful foundation for future entrepreneurial and economic policies- more focus should be based upon socio-cultural research which is empirically grounded and capable of capturing the *´lived cultures´* of the entrepreneurs themselves.

There is a need to move towards models of entrepreneurial behaviour which place greater emphasis on the integration of social and psychological factors and the contingent nature of their interaction (Goss, 1991). The small business person uses his or her environment and personal community as a springboard in which to act upon. If this would be recognized in studies, there would be more tolerance of diversity as there would be no need to reduce the reality of the small business world to some underlying and theoretically privileged principals advocated in the "more entrepreneurial" parts of the world or in prestigious research communities. A more carefully controlled and scientifically rigorous studies would, for

instance, look at both failures and successes. Unfortunately, very little attention is currently being given to matters such as the level and consequences of failed entrepreneurship. Too many researchers tend to "pick the winners" and look at what are the supposed characteristic features accounting for the success and make overarching generalisations based on their findings.

An analysis of both human agency and socio-economic structure is required if we hope to start building a model of entrepreneurship which is culturally adjusted to serve the needs and purposes of the Finnish people and economy. In this quest, we should combine features from the voluntaristic and structural determinist theories to come up with a model of social and cultural processes of entrepreneurship in which socio-economic structures are recognised as being both the medium and the outcome of the human agency, as being both enabling and constraining at the same time (cf. Bhaskar, 1986; Burrows, 1991b).

For a persistently long time the emphasis of the social science research, particularly in entrepreneurship, has been on quantitative statistical methods. There is a scarcity of studies employing qualitative methods of inquiry. Quantitative methods tend to provide a wide but shallow emphasis, whereas qualitative methods give a narrowed but a more detailed focus (Bryman, 1988). Surveys are useful for gathering statistical data, but they cannot adequately account for notions of process or system, and cannot be reactive (Holliday, 1992). In studying the indigenous features of the Finnish enterprising culture, there is a need for a more active use of exploratory and qualitative methods and approaches. These would give an idea of interactions and interrelationships of humans and socio-economic phenomena and a sense of process that can not be captured by employing only quantitative methods. To get to the root of the matter, we need to move towards understanding Finnish entrepreneurship on its own terms instead of continuing to explain it with reference to outside influences.

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PART II: THE ARTICLES

FIRST ARTICLE: ENTREPRENEURIAL METAPHORS AND CONCEPTS: AN EXPLORATORY STUDY

Hyrsky, Kimmo
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Abstract

In the past research there has been continued controversy over the definition of entrepreneurship and the identification of entrepreneur. By combining the ideas of entrepreneurship and linguistics, this paper takes a new approach to examining the definitions. An exploratory analysis of entrepreneurial metaphors and concepts is conducted to achieve this goal. In a quantitative analysis of entrepreneurial concepts respondents defined the terms 'entrepreneur´ and 'entrepreneurship´ with suggested conceptual equivalents. In an analysis of metaphor, informants formed metaphorical expressions of entrepreneurship. The sample consisted of 751 respondents from Finland, Sweden, Norway, Ireland, Canada, and Australia. Entrepreneurs perceived the concepts more positively than other respondents. The same applied to differences between females and males respectively. In a cross-cultural comparison, the Scandinavians held more favourable views than their English-speaking counterparts. This might reflect the current, very positive socioeconomic climate in Northern Europe towards entrepreneurial activities.

As to the entrepreneurial metaphors, they were grouped into following semantic categories: 'Machine(ry) and other Physical Objects´, 'Warfare and Adventure´, 'Sports and Games´, 'Creativity and Activity´, 'Nature´, 'Disease´, 'Food Items´, and 'Special Features´. The metaphorical statements revealed the paradoxical nature of respondents´ perceptions of entrepreneurs and their ventures. A majority of the metaphors contained very positive, even idealistic images. Especially in the Finnish sample they seemed to conjure up glorifying images of entrepreneurs as some kind of modern day heroes whose independent and industrious actions are of priceless value to society. At the same time, there were numerous metaphors with negative, cynical or downgrading undertones. The critical observations often highlighted egotistic qualities associated with entrepreneurs.

Keywords: enterprise culture, metaphor, conceptual item, definition

Entrepreneurial definitions

In past literature there have been continuous attempts to conceptualize the phenomenon of entrepreneurship and to identify who the entrepreneur is. Researchers have been like the proverbial blind men describing an elephant (Carland and Carland, 1996). Since McClelland (1961) much controversy has focused on the individual who creates a venture. Many researchers have addressed this absence of a consensus by positing types of entrepreneurs (e.g. DeCarlo and Lyons, 1979; Gartner et al., l989; Louis et al., 1989; McClelland, 1987; Smith, 1967; Vesper, 1980). A large number of studies have also focused on the personality characteristics of entrepreneurs (e.g. Brockhaus, 1980 & 1982; Carland et al., 1984; Chell et al., 1991; Drucker, 1985; Gartner, 1988; Schumpeter, 1965). Other scholars have discussed the inherent limitations in these approaches (Gartner, 1988; Shaver and Scott, 1991) arguing that even should one develop an understanding of the personality of an entrepreneur that would not be valuable since individual behaviour is not consistent over time nor can personality traits predict behaviour. It has also been shown in past reviews of entrepreneurship literature that psychological variables that are assumed to differentiate entrepreneurs from non-entrepreneurs frequently do not bear up under close scrutiny (Gartner, 1988). This has led some researchers to decry the need to shift the focus from individual to the entrepreneurial process (Bygrave and Hofer, 1991). Consequently, the process view has been examined from social (Reynolds, 1991), anthropological (Stewart, 1991), economic (Kirchhoff, 1991), strategic management (Sandberg, 1992) and other approaches.

Despite of the multitude of articles focusing on various identifications, no consensus about the definitions has emerged (Shaver and Scott, 1991). One reason is that entrepreneurship is a widespread business phenomenon embracing a wide diffuse range of economic activities and that definitions differ and vary as they try to adapt to the specific characteristics of these differing economic activities (Gibb and Ritchie, 1981). Steel (1977) has also argued that finding a useful definition of entrepreneurship is insufficient by itself since business activity does not take place in a vacuum, but within a set of political, institutional and socioeconomic systems.

In sum, entrepreneurship seems to be a function of a multitude of variables including individual, situational, organizational and socio-cultural ones. With such a large scope of study and variation in viewpoints, it is not surprising that a consensus has not been reached. The present study adds yet another approach to examining these elusive definitions. The methodology is derived from the field of linguistics, more precisely semantics. At this early stage of analysis, the main aim is to get a broad overview of how people from various cultures perceive and conceptualize the two entrepreneurial terms in their everyday language use. Finland acts as the reference point in the analysis. Focusing on observations by a wide range of people, not just entrepreneurs and academics, we might get fresh insights into the ways that people perceive the role of the entrepreneur and the essence of entrepreneurial activity.

The rest of the paper is organized into five sections. First, past metaphor studies in business literature are outlined. This is followed by a brief look at

enterprise culture in Finland. The third part describes the methodology and samples. In the fourth section, the results are reported. The paper concludes with a discussion of the main conclusions and the potential role of metaphor analysis in future studies.

Linguistic approach: Metaphors

A metaphor is a figure of speech in which a term is transferred from the object it ordinarily designates to an object it may designate by implicit comparison or by analogy, as in the phrase ´evening of life´ (Lakoff and Johnson, 1980, 4). These authors have observed how a language reflects the conceptual system of its speakers and argue that metaphors provide the foundation not only for our language, but for our entire conceptual system. Since the latter plays an important role in determining our thought and deeds, metaphors have a fundamental influence on thoughts and actions.

The influence that metaphors exert can be illustrated by taking up the functions and purposes they serve. The general assumption is that metaphor fulfills the necessary communication function of conveying experiential information, using a discrete symbol system (Paivio, 1980, 152). One function is that a metaphor provides a compact way of representing the subset of cognitive and perceptual features that are salient to it. The second function is the ´inexpressibility´ hypothesis which states that metaphors enable us to talk about experiences which cannot be literally described. Metaphors portray difficult and complex concepts more concisely than a literal explanation, so they lead to enhanced understanding. They render abstract ideas and concepts more concrete and more easily remembered. The third function is that, through imagery, metaphor provides a vivid, memorable and emotion-arousing representation of perceived experience. Finally, metaphors help us to explore stereotypical images. As Pearce and Osmond (1996, 25) have put it: "*A metaphor is not intended as a universal syllogism applicable to all individuals, but rather becomes a form of socio-typing, providing guidance in understanding the mind-set of a culture*". All these functions implicate cognitive processes, but at the same time they explain what motivates the use of metaphor in communication.

Metaphorical language is superior to literal language, since it captures experiences and emotions better and can communicate meaning in complex, ambiguous situations where literal language is inadequate (Srivastva and Barrett, 1988). Thus, metaphors are very useful instruments in studying people´s attitudes and thought processes. Moreover, metaphors suggest ways of defining and operationalising concepts (Lakoff and Johnson, 1980). They provide a way of understanding complex concepts in terms of simpler ones. Thus, through metaphors we might gain fresh insights into the ways in which people define the elusive terms of `entrepreneur´ and `entrepreneurship´ in their everyday language use.

Although the analysis of metaphor has a long tradition in linguistics and philosophy (e.g. Beardsley 1958; Black, 1962 & 1979; Lakoff and Johnson, 1980;

Miall, 1982; Ortony, 1979; Richards, 1936; Ricoeur, 1986), it has not yet been actively employed in business studies. Nonetheless, few studies with metaphors can be found (see Clark and Salaman, 1996; Eston and Araujo, 1991; Koiranen, 1995; Kunkel, 1997; Marshak, 1993; Pearce and Osmond, 1996). For instance, Easton and Araujo (1991) studied perceptions by small business managers of firms that they identified as competitive. They conducted semi-structured interviews with managers in different industries in the UK. These were recorded, transcribed and metaphorical statements of competitor firms were identified. The following nine semantic categories of metaphors were found: 'Perceiving´, 'Discovery´, 'Hunting´, 'Eating´, 'Games´, 'Race´, 'War´, 'Interpersonal´, and 'Incest´. Meanwhile, in a study of organizational transition, Marshak (1993) concluded that in communicating with employees, managers need to synchronize their metaphorical language with the type of change pursued in the company.

Encouraged by past studies like these, the present paper tries to shed more light on this under explored area of research by taking metaphor analysis into the field of entrepreneurship. The metaphor data is supplemented by findings from a quantitative analysis of suggested entrepreneurial concepts. This combination aims to provide a comprehensive analysis of potential differences and similarities between various groups of respondents. Next, the scene will be set for the analysis by briefly outlining the advent of the culture of enterprise in Finland.

Enterprise culture in Finland

Traditionally, entrepreneurial activity has not been too highly appreciated in Finland. It has not been regarded as a mainstream activity and entrepreneurs have often been seen as rather exceptional and somewhat obsessive individuals who persevere against the odds. Entrepreneurial venturing was not deemed as a very prestigious or popular pursuit, neither financially nor socially rewarding. A successful venture might even have invited "begrudgery", one´s peers resenting one´s success. Moreover, an unsuccessful endeavour may have caused embarrassment or ridicule.

After the economic depression of the early 1990s things have begun to change rather rapidly. The year 1990 marked the start of the worst recession in Finland in the last 50 years. The traditional large-scale trade with former Soviet Union collapsed at a time when international recession further weakened the western exports. The growth figures of the late 1980s turned sharply down and signalled the start of a steep economic decline which left in its wake very high levels of unemployment (from 3.5% in 1990 to 20% in 1995) and financial crisis of the state. Against this background, drastic changes in the society and economy were needed to stimulate business growth and create employment. The ensuing major downsizing of the public sector and the restructuring of the industrial sector led to the rediscovery of the importance of small scale economic activities. This was expected to result in widespread industriousness, regeneration and national recovery.

Gradually, Finnish economy has recovered and is currently experiencing an economic upturn which has been influenced by the steadily increasing rate of new venture start-ups. The situation is somewhat parallel with that of Britain in the 1980s when enterprise culture flourished among the defining words of the decade (Hobbs, 1991). It seems that Finland is now experiencing similar trends with entrepreneurship, both individual and corporate, being very popular and endowed with the task of ensuring that the current more positive economic situation is sustained and enhanced. Entrepreneurship is regarded as crucial to development of the economy which underlies the current emphasis in government and local authority initiatives to promote a more enterprising economy. In the society at large these developments have resulted in a climate which favors individualism, especially the role of individual economic activity both in terms of consumption and economic action. In the midst of the emerging importance of small business activity, the terms 'entrepreneurship´ and 'entrepreneur´ have started to thrive as catch words in the political and social arena.

Methodology and sample

The methodological approach was derived from linguistics. Since very few business studies with linguistic orientation have been conducted, few measures exist for the constructs of interest. Therefore, the research relied primarily on measures that were developed specifically for this project. The instrument was constructed by reviewing past metaphor studies and prior research on entrepreneurial behaviour and characteristics (see Koiranen, 1995). The scale was later examined by a pretest procedure among one hundred Finnish entrepreneurship students. Most of the variables in the scale originated from the affective side of the entrepreneurship. Little attention was paid to knowledge or skill factors. The questionnaire was prepared both in English and Finnish in cooperation with a certified translator. Later, it was translated into Swedish and Norwegian to gather data in two other Scandinavian countries.

The questionnaire was divided into two sections. The first part involved a quantitative analysis of suggested items of entrepreneurial concepts. The aim was to explore how people would define the terms 'entrepreneur´ and 'entrepreneurship´ with suggested conceptual equivalents. The respondents were requested to rate forty conceptual items portraying 'entrepreneurship´ and another twenty depicting 'entrepreneur´ (see Tables 2 and 4). The informants were asked to evaluate how closely they felt these items would correspond to the two terms. Responses were made on a 7-point Likert scale ranging from *the words have no shared meaning* to *the words have the same meaning*.

In the second part of the instrument respondents were asked to form metaphorical expressions describing entrepreneurs and entrepreneurship. Informants were instructed to come up with five metaphors in both categories. A metaphor is usually an assertion that A is B or that A is like B, for instance ´An entrepreneur is a Jack of All Trades´ or ´Entrepreneurship is like a survival

game´. As regards these type of expressive metaphors, a useful distinction between the source and target domain can be made. A metaphor implies that the target domain (´entrepreneur´) is like the source domain (´Jack of All Trades´). The similarity between the domains is a central aspect of the process of using metaphors. Metaphors relate one area of experience to another and in doing so can create new meaning and better understanding. The expressive metaphors describe by throwing a new light on the target domain. They evoke by asking the recipients to draw on their own experience in the source domain and extend it to the target domain.

The informants created the metaphors of their own accord. They were encouraged to follow their first instincts in forming lexical associations depicting the essential characteristics of entrepreneurship and entrepreneur. The number of lexical items in each metaphor was unlimited. In the consequent content analysis, the metaphors were grouped into different clusters based on their semantic properties. Eight categories or clusters of metaphorical statements pertaining to both entrepreneurs and entrepreneurship were discerned in the content analysis.

The data were collected between 1995 and 1997. To support the development of a large data base of informants from various countries, to minimize non-response bias, and to procure thoughtful, considered responses, it was determined that a data collection strategy different from traditional survey techniques would be required. Therefore, Professors and Lecturers from Business Schools in Finland, Sweden, Norway, Ireland, Canada, and Australia were asked to distribute questionnaires to a general sample of informants in their respective countries. The rationale for this decision was that the academics would have contacts with a large number of people, and these relationships would increase the likelihood of response to a novel and exploratory questionnaire and prompt more meticulous respondent attention to the questions. This would also ensure a higher response rate than that of a typical mail survey particularly for surveys of entrepreneurs that produce notoriously low response rates (Aldrich, 1992).

The main thrust of investigation at this early stage of analysis was directed at getting some first results from Finland. The Finnish sample consisted of 474 subjects, all native-born Finns. In order to get a more cross-cultural view, the Finnish sample was supplemented with data from five other countries: 96 respondents from Sweden and Norway, 77 from Australia, 71 from Canada, and 33 from Ireland. The survey was administered to 1789 respondents with the final data set consisting of 751 usable returns. This represented a response rate of 42%. In large part this high rate was an indication of the keen interest which Finnish people have in supporting entrepreneurship research.

In each country, the subjects represented the economically active population between 18 and 60 years of age. Forty-four percent of the informants were females and fifty-six percent males. Twenty-five percent of respondents (N=188) were either entrepreneurs or small business owners. Some 75 percent of these came from Finland. All entrepreneurial informants were owners or major share holders and principal managers of the businesses. The distribution of business types was as follows: service 45%, retail 18%, construction 15%, manufacturing 15%, wholesale 4%, and others 3%. Despite the sample limitations, it was sufficiently large to eliminate most criticism since the central limit theorem holds that larger

samples have a level of confidence which approaches that of a random sample (Mason, 1982). The demographic statistics are given in more detail in Table 1.

TABLE 1 Sample description

		Pct	N
Nationality	Finnish	63	474
	Australian	10	77
	Canadian	10	71
	Swedish	9	66
	Irish	4	33
	Norwegian	4	30
Gender	Male	56	419
	Female	44	332
Age	20 years or less	13	100
	21 to 30	43	324
	31 to 40	21	155
	41 or more	23	172
Background	Entrepreneur	25	188
	Other Respondent	75	563
Entrepreneurial Experience	5 years or less	61	114
	6 to 12	26	50
	13 or more	13	24
Type of Business	Service	45	85
	Retail	18	34
	Construction	15	28
	Manufacturing	15	28
	Wholesale	4	7
	Other	3	6
Work Experience	5 years or less	47	355
	6 to 12	19	140
	13 to 19	11	80
	20 to 40	23	174
Parents in Small Business	Yes	50	378
	No	50	373

Results

Entrepreneurial Concepts. The means and standard deviations for ratings of the 40 concepts of 'entrepreneurship´ are given in Table 2. The 40 items were included

in factor analyses using Varimax rotation, with separate analysis conducted for each country in the sample in order to test the degree of similarity across the countries in the items loading on each factor. Since the factors that emerged were generally similar across the six countries, the data from the countries were combined and factor analysed. The overall factor structure evident in the scree plots indicated that five-factor solution best depicted the data. Each factor was named according to the variables with highest loadings. The following conceptual dimensions of 'entrepreneurship´ emerged: ´Work Commitment and Energy´, ´Economic Values and Results´, ´Innovativeness and Risk-Taking´, ´Ambition and Achievement´ and ´Egotistic Features´ (see Table 3). In total, these factors accounted for 45.4% of the variance.

As regards the 20 conceptual equivalents of the term 'entrepreneur´, the means and standard deviations are listed in Table 4. Next, a factor analysis was conducted on the items to gather in different groups those highly correlated. It yielded a three-factor solution. The following dimensions of 'entrepreneur´ were discovered: ´Agent of Change´, ´Self-serving Individualist´, and ´Hard Worker´. These explained 42.3% of the total variance (see Table 5).

There are several high-scored items of 'entrepreneur´ and 'entrepreneurship´ (see Tables 2 and 4) which find their counterparts in past literature dealing with entrepreneurial behaviour and personality attributes. The dominant cognitive and behavioural characteristics cited included the following: self-confidence, initiative, goal-orientation, positive work attitude, opportunism, willingness to risk-taking, creativity, and taking responsibility. For the sake of comparison, a review of related past findings is indicated in Table 6.

Further statistical analyses were executed to look for differences in the conceptualizations between entrepreneurs and non-entrepreneurial respondents, males and females, Scandinavians and native English speakers, younger and older informants, and subjects with parents in small business and those without such role models. First, sum variable scores for each conceptual category of 'entrepreneurship´ and 'entrepreneur´ were computed. Second, a set of t-tests were conducted to examine differences in mean scores between respondent groups (see Tables 7 and 8).

Entrepreneurs held more positive attitudes towards entrepreneurial orientations and behaviour than the non-entrepreneurial respondents. In two categories, statistically significant differences were discovered. Firstly, the entrepreneurial respondents scored much higher in rating the first dimension of 'entrepreneur´, ´Agent of Change´ ($p=.031$). Secondly, they likened 'entrepreneur´ to a ´Self-serving Individualist´ much less than the non-entrepreneurs ($p=.000$). When interpreting the results it should be noted that 45% of the sampled entrepreneurs were operating small firms in the service sector. These types of firms are often run by petit bourgeois people familiar with the constraints of conducting business in not so entrepreneurially venturing atmosphere (Burrows, 1991; Kovalainen, 1997).

TABLE 2 Means and standard deviations for conceptual items of ´entrepreneurship´ (N=751)

Rank	Variable	Mean	SD
1.	Initiative	6.18	1.16
2.	Positive work attitude	6.04	1.26
3.	Work motivation	6.02	1.22
4.	Goal-orientation	6.00	1.19
5.	Taking responsibility	5.98	1.39
6.	Success-orientation	5.97	1.18
7.	Risk-taking willingness	5.88	1.35
8.	Activeness	5.83	1.32
9.	Inventiveness	5.75	1.31
10.	Creativity	5.75	1.33
11.	Desire to get results	5.72	1.29
12.	Target mindedness	5.71	1.30
13.	Respect for work	5.62	1.52
14.	Getting results by working well	5.59	1.34
15.	Resilience	5.57	1.52
16.	Energy	5.56	1.38
17.	Autonomy	5.56	1.52
18.	Productivity	5.53	1.31
19.	Working hard	5.53	1.41
20.	Diligence	5.53	1.58
21.	Drive	5.52	1.46
22.	Ambition	5.50	1.53
23.	Courage	5.49	1.40
24.	Effectiveness	5.40	1.37
25.	Assertiveness	5.29	1.43
26.	Desire to experiment	5.28	1.47
27.	Gamesmanship	5.24	1.57
28.	Alacrity	5.21	1.47
29.	Profitability	5.11	1.68
30.	Ability to organize work	5.03	1.54
31.	Desire to be influential	5.00	1.57
32.	Willingness to serve	4.94	1.90
33.	Desire to get money	4.86	1.56
34.	Economy	4.78	1.68
35.	Vigorousness	4.73	1.53
36.	Systematism	4.59	1.69
37.	Achievement	4.45	1.80
38.	Hardness	3.88	1.66
39.	Selfishness	3.15	1.77
40.	Insolence	2.92	1.76

TABLE 3 Factor analysis: Items of 'entrepreneurship'

Item	Factor I	Factor II	Factor III	Factor IV	Factor V
Working hard	.65				
Respect for work	.63				
Resilience	.61				
Work motivation	.59				
Vigorousness	.54				
Courage	.54				
Taking responsibility	.50				
Ability to organ. work	.48				
Diligence	.47				
Energy	.47				
Positive work attitude	.46				
Activeness	.43				
Economy		.67			
Effectiveness		.65			
Willingness to serve		.59			
Systematism		.59			
Productivity		.58			
Profitability		.57			
Alacrity		.51			
Getting results by working well		.51			
Target-mindedness		.50			
Desire to get results		.49			
Inventiveness			.65		
Desire to experiment			.55		
Initiative			.54		
Creativity			.54		
Willingness to risk-taking			.45		
Achievement				.56	
Drive				.49	
Ambition				.45	
Insolence					.76
Selfishness					.71
Hardness					.62
Eigenvalues	5.67	4.74	2.07	1.35	1.56
Variance explained	16.7	14.0	6.1	4.0	4.6
Cumulative variance	16.7	30.7	36.8	40.8	45.4
Alpha	0.90	0.87	0.76	0.73	0.75

Note Loadings of ≥.40 entered

TABLE 4 Means and standard deviations for conceptual items of ´entrepreneur´ (N=751)

Rank	Variable	Mean	SD
1.	Self-confident	6.91	1.09
2.	Opportunist	5.90	1.32
3.	Person taking responsibility	5.90	1.38
4.	Risk taker	5.82	1.33
5.	Diligent	5.41	1.57
6.	Self-made man/woman	5.34	1.69
7.	Professional	5.26	1.56
8.	Developer	5.24	1.40
9.	Leader	5.18	1.54
10.	Business man/woman	5.10	1.56
11.	Reconstructor	4.99	1.45
12.	Builder	4.90	1.52
13.	Change master	4.90	1.53
14.	Industrious	4.84	1.63
15.	Influential	4.80	1.44
16.	Spade worker	4.72	1.86
17.	Power seeker	3.77	1.74
18.	Speculator	3.30	1.90
19.	Overambitiously selfish	3.07	1.80
20.	Exploiter	2.73	1.83

TABLE 5 Factor analysis: Items of 'entrepreneur´

Item	Factor I	Factor II	Factor III
Reconstructor	.72		
Change master	.69		
Developer	.61		
Influential	.54		
Self-confident	.47		
Person taking responsibility	.47		
Opportunist	.43		
Builder	.43		
Exploiter		.78	
Speculator		.74	
Power seeker		.69	
Overambitiously selfish		.61	
Diligent			.71
Spade worker			.55
Industrious			.52
Professional			.42
Eigenvalues	3.00	2.10	1.64
Variance explained	18.8	13.1	10.3
Cumulative variance	18.8	31.9	42.3
Alpha	0.79	0.80	0.66

Note Loadings of ≥.40 entered

TABLE 6 A profile of entrepreneurial characteristics in past literature

Characteristics	Typical Features
I Internal Locus of Control	Responsibility for Own Actions (Rotter, 1966; Timmons et al., 1977) In Control of Own Destiny (Pandey and Tewary, 1979) Manipulator of Situations (Welsch and Young, 1984)
II Achievement Motivation	Need to Achieve a Goal (Chell et al., 1991; McClelland, 1961) Strong Ego Drive (Swayne and Tucker, 1973) Need to Succeed (Salvers and Dedi, 1983; Solomon and Fernald, 1988)
III Risk-Taking Propensity	Not Content with Predictable Outcomes (Garfield, 1984) Calculating Risk-Taker (Heath and Tversky, 1991; Moore and Gergen, 1985) Willingness to Assume Risks (Carland and Carland, 1996; Masters and Meier, 1988)
IV Innovativeness	Ideas Man (Levitt, 1963; Schumpeter, 1965) Catalyst of Change (Schumpeter, 1965) Mould-Maker (Cannon, 1985) Innovative Thinker and Doer (Bird, 1989; Krausher, 1970)

In t-tests comparing the male and female scores, statistically significant differences emerged in five dimensions (see Tables 7 and 8). Females perceived the concepts in many respects more positively than males. This might imply that females´ affective orientation in reacting to and appreciating entrepreneurship could be better. The higher ratings might also reflect a wider appeal of entrepreneurship to women. In fact, the entrance of women into the ranks of small business owners has gained increasing momentum in the Western economies in the last decade.

In a tentative cross-cultural comparison, the Scandinavians perceived the conceptual items more favourably than their English-speaking counterparts in most of the entrepreneurial categories. Statistically significant differences were found in four categories. The increasingly important role occupied by entrepreneurship in Scandinavia may partly account for this.

Subjects with parents in small business held entrepreneurs and entrepreneurship in higher regard than those without such role models. This fits well with past research which has shown the role of parents in inter-generational transfer of entrepreneurial attitudes and behaviour to the next generation (Stanworth and Curran, 1989). Nevertheless, the differences were not so clear cut as one might have expected. This could be partly attributed to the high percentage of Finns in the sample. As an integral part of the socioeconomic restructuring of Finland, entrepreneurship, both individual and corporate, has gained credence in recent years. Perhaps some people without much contact to small business have come to form overly optimistic and uncritical views of entrepreneurship under the influence of a society becoming more oriented towards enterprise.

TABLE 7 T-tests for dimensions of 'entrepreneurship'

Dimension	Mean	SD	t-value	Sig.
Work Commitment and Energy				
Entrepreneurs (n=188)	5.50	0.98		
Other Respondents (n=563)	5.36	0.94	-1.78	.076
Females (n=332)	5.52	0.96		
Males (n=419)	5.30	0.94	3.21	.001
Parents in SB (n=378)	5.47	0.89		
Parents not in SB (n=373)	5.32	1.01	-2.17	.030
16-30 years of age (n=424)	5.41	0.91		
31 years or more (n=327)	5.38	1.01	0.39	.696
Scandinavians (n=570)	5.43	0.97		
Nat. Engl. Speakers (n=181)	5.29	0.88	1.71	.087
Economic Values and Results				
Entrepreneurs	5.51	1.10		
Other Respondents	5.37	1.01	-1.68	.094
Females	5.49	1.03		
Males	5.33	1.04	2.12	.035
Parents in SB	5.41	0.98		
Parents not in SB	5.40	1.09	-0.17	.869
16-30 years of age	5.32	0.97		
31 or more	5.52	1.11	-2.54	.011
Scandinavians	5.50	1.04		
Native English Speakers	5.10	0.94	4.63	.000
Innovativeness and Risk-taking				
Entrepreneurs	5.77	0.77		
Other Respondents	5.64	0.87	-1.85	.065
Females	5.78	0.87		
Males	5.58	0.81	3.19	.001
Parents in SB	5.71	0.79		
Parents not in SB	5.63	0.90	-1.35	.178
16-30 years of age	5.65	0.82		
31 or more	5.69	0.88	-0.64	.526
Scandinavians	5.69	0.85		
Native English Speakers	5.59	0.82	1.41	.158
Ambition and Achievement				
Entrepreneurs	5.65	1.09		
Other Respondents	5.55	1.04	-1.13	.259
Females	5.62	1.12		
Males	5.53	0.99	1.22	.225
Parents in SB	5.58	1.07		
Parents not in SB	5.57	1.04	-0.12	.904
16-30 years of age	5.53	1.05		
31 or more	5.62	1.06	-1.11	.268
Scandinavians	5.56	1.09		
Native English Speakers	5.59	0.91	-0.34	.737
Egotistic Features				
Entrepreneurs	3.56	1.30		
Other Respondents	3.75	1.22	1.87	.062
Females	3.62	1.27		
Males	3.77	1.22	-1.64	.100
Parents in SB	3.63	1.28		
Parents not in SB	3.77	1.20	1.55	.121
16-30 years of age	3.69	1.16		
31 or more	3.72	1.35	-0.30	.761
Scandinavians	3.69	1.29		
Native English Speakers	3.74	1.07	-0.45	.653

TABLE 8 T-tests for dimensions of 'entrepreneur'

Dimension	Mean	SD	t-value	Sig.
Agent of Change				
Entrepreneurs	5.46	0.87		
Other Respondents	5.30	0.88	-2.16	.031
Females	5.45	0.91		
Males	5.25	0.85	3.04	.002
Parents in SB	5.37	0.84		
Parents not in SB	5.31	0.92	-0.94	.349
16-30 years of age	5.34	0.80		
31 or more	5.34	0.97	0.12	.901
Scandinavians	5.38	0.90		
Native English Speakers	5.21	0.82	2.31	.021
Self-serving Individualist				
Entrepreneurs	2.81	1.42		
Other Respondents	3.35	1.43	4.51	.000
Females	3.11	1.43		
Males	3.30	1.45	-1.86	.063
Parents in SB	3.18	1.45		
Parents not in SB	3.25	1.44	0.69	.489
16-30 years of age	3.36	1.36		
31 or more	3.03	1.53	3.13	.002
Scandinavians	2.88	1.35		
Native English Speakers	4.29	1.17	-13.67	.000
Hard Worker				
Entrepreneurs	5.00	1.23		
Other Respondents	4.98	1.31	-0.17	.862
Females	5.14	1.32		
Males	4.87	1.26	2.79	.005
Parents in SB	5.03	1.24		
Parents not in SB	4.95	1.34	-0.85	.396
16-30 years of age	5.09	1.20		
31 or more	4.85	1.39	2.50	.013
Scandinavians	5.15	1.29		
Native English Speakers	4.48	1.14	6.63	.000

Considering the increase in positive accounts of the virtues of entrepreneurship in the Western economies since the 1980s (in Finland mostly since the early 1990s), one could expect younger respondents to hold entrepreneurship in higher regard than older respondents. After all, young people tend to be more susceptible to influences caused by changes in the socioeconomic climate. The results were rather mixed in this context. Economic values and results were clearly of more

importance in entrepreneurship to older respondents (those more than 30 years of age) than to the younger ones (p=.011). Meanwhile, younger informants valued hard work and industrious behaviour by entrepreneurs much more than the older respondents (p=.013). Finally, the egotistic qualities of entrepreneurs were deemed rather more desirable by younger respondents (p=.002). This might imply that individualistic behaviour by entrepreneurs could be getting more acceptable among younger people. To expand the study perspective, let us now turn to outlining the results of a metaphor analysis.

Entrepreneurial Metaphors. The respondents´ metaphors were mostly expressive ones describing similarity between the target domain and source domain (´Entrepreneur is like a perilous crusader´). Metaphors like these often highlight new, surprising and interesting similarities between two concepts or objects by transferring meaning from a relatively familiar source domain to the target domain under investigation. The force of these metaphors comes, not so much from providing new information about the world, rather from a (re)conceptualization of information that is already available to us (Kittay, 1987, 39). A content analysis of the metaphors of 'entrepreneur´ provided seven semantic categories:

1) *Machine(ry) and other Physical Objects*: Duracell battery, a generator, a starting motor, Ferrari, a locomotive, a power station, a machine gun, PC, a shuttle, a perpetuum mobile, a supporting pillar of society, a rubber band, a razor blade, a melting pot, a house of cards, tabula rasa.

2) *Adventurers, Warriors or Battlers*: Columbus, a perilous crusader, the raider of an ark, a captain of a ship, a fighter pilot, a tough guerilla, an outlaw, Maverick.

3) *Sportsmen and Game Players*: a race car driver, a mountain climber, a walker on a tightrope, a cross-country runner, a team captain, a jockey, a talent scout, a rip-off merchant, a gambler, Casino frequenter, a bookie.

4) *Innovative and Industrious Actors*: Jack of All Trades, a self-made man/-woman, a shepherd, a village idiot, an artist, a sculptor, an astrologist, a hard worker, an innovator, a fortune-teller, Energizer bunny, a mover and shaker, a wheeler-dealer, go-getter.

5) *Nature*: God, a chameleon, an amoeba, bacteria, a worker bee, an eager beaver, a cat with nine lives, a dog, a sly fox, a lone wolf, a lion, a snake in the grass, a guinea pig, an owl, an ugly duckling, a rooster, a black sheep, a herd of lemmings, a donkey, a unicorn, a cockroach, a spider, a slippery eel, an octopus, cactus in desert, an oasis, an oak, a wave of innovation, a volcano, ´a nut ready to crack at anytime´, perpetual flame, a rolling stone, a whirlwind, a well-endowed female, a rough diamond.

6) *´Disease´*: an ego maniac, a workaholic, a spoilt child, a sociopath, a misfit, eyesore to a tax inspector, a parasite.

7) *Food Items*: a box of chocolates, a block of cheese, a bottle of wine.

8) *Special Characteristics and Features*: Donald Duck, Icarus, Roman Emperor Augustus, a priest, a witch doctor, ´as trusty as a two-bob watch´, the prisoner/mainstay of society, a crook, a scavenger, an unemployed in disguise, a yuppy, a capitalist, a risk-seeker, a dream accomplisher, a maker of the future, electric jolt.

Where the target domain of metaphors is large in scope and complex, as is the case with entrepreneurship, it is likely that multiple, partial and overlapping metaphors emerge in an attempt to describe it. Thus, the more consistent definition of a concept is provided by a cluster of metaphors. As Lakoff and Johnson (1980, 12) have stated: "Each metaphor highlights some part of a concept and hides others". In the present study, the metaphors of `entrepreneurship´ (´Entrepreneurship is [like] a survival game´) were grouped into the following semantic clusters:

1) *Machine(ry) and other Physical Objects*: a well-lubricated machine, a sledgehammer, a money spinner, a kaleidoscope, a Ferris wheel, a seesaw, a greyhound bus, a car with no direction, a pincushion, a dart, a smoke sauna, ´blowing your own trumpet´, a magnifying glass, a revolving door, a treasure chest.

2) *Warfare and Adventure*: a survival game, a battlefield, fighting for success, conquering a hill, walking on a tightrope, a turn in Russian Roulette, a roller coaster ride, a shot in the dark, skating on thin ice, military leadership, space travel, Holy Grail.

3) *Sports and Games*: bungy/ski jumping, sky diving, a marathon, a tax inspector´s game, a race for money, a track race, a circus, orienteering, hunting, wrestling, a rugby game, gambling, monopoly with real money.

4) *Creativity and Activity*: putting oneself about, making full use of one´s abilities, blazing new trails, breaking the mold, constantly hitting one´s head against the wall, playing music, free spiritedness.

5) *Nature*: seed for new industry, ant farm, a rat race, taking a raging bull by the horns, fire inside a person, a storming sea, a small boat at sea, a wind breaker, rapids, an aurora, a sunset, a sunrise, The North Star, lightning, an uphill, a downhill, a genetic heritage, natural selection, finger on the pulse, laying an egg.

6) *´Disease´*: fever, a mental trap, workaholism, a stress factor, voluntary slavery.

7) *Food Items*: chocolate topping, a cake, dough, mixed soup, a tough nut to crack.

8) *Special Features*: spreading the Gospel, Route 66, a way to the future, ´you reap what you sow´, a skating rink, a flying flag, a comprehensive school, a rebellion,

a scramble, dynamics, an undertaker, comradeship, criminality within the law, a buzz word.

On a closer inspection, the above categories showed that people perceived entrepreneurship and entrepreneurs in two opposite ways. Especially in the Finnish sample, a large number of metaphors conjured up glorifying images of entrepreneurs as some kind of modern day heroes whose independent and industrious efforts should not go unnoticed. A plethora of images preoccupied with exciting personal qualities emerged. At the same time, there were numerous metaphors with rather negative, cynical or downgrading undertones. These images were very non-messianic in nature, often highlighting the harsh realities of the free marketplace and the hardships encountered in the daily grind of business.

The critical observations could mirror the cautious views shared by many Europeans, who have traditionally viewed entrepreneurship less favourably than, e.g. the US people who often see it as something of a noble calling. To quote McDermott (1987, 39, 44)

> "It sometimes seems to an American as if Europe´s working classes and upper classes are equally hostile to anyone who acquires new wealth . . . Traditionally, the best and brightest in Europe have aspired to become professional civil servants or employees in large corporations . . . Europeans regard business failure as a social disgrace . . . fail in business in Europe and you will probably never be able to borrow money again".

Turning to differences between the sexes, paradoxically, females´ metaphors often contained more controversial and negative imagery compared to male observations. In this way, the results of the metaphor analysis were opposite to those of the analysis of concepts where females exhibited a more positive attitude to entrepreneurial activities than the males. On the whole, the metaphors created by females were more imaginative and varied in their content compared to those formulated by males. The more striking symbolism and analogies reflected family issues, lifestyles, personal characteristics and natural surroundings. Most of the metaphors referring to food items and diseases were also of female origin. From the ironic and ambiguous metaphors often dealing with obsessive and overtly individualistic behaviour exhibited by entrepreneurs, it appeared that many females perceived entrepreneurship as perhaps requiring too full a commitment to business, thereby reducing the time and effort required to pursue other important avenues.

Male respondents saw entrepreneurship in a more favourable light. Some of the male images of entrepreneurs were very glorifying. The traditional view holding that every man has to fend for himself and make due sacrifices in order to succeed surfaced time and again. The figurative language preferred by males were often drawn from the worlds of high tech, sports, warfare, adventure, and nature. In many instances the firms appeared to be like second homes for them. Underlying cultural values may be at play here. For Finnish males, work has for centuries been equated to a constant struggle to carve out an existence in harsh environment (Roos, 1986; Virtanen, 1994). The self-esteem of Finnish males is closely intertwined with their work identity and career prospects. Males are what

they do thus their commitment to work and career is notoriously high. On the other hand, Finnish females tend to have a more varied value set. Besides work and career aspirations, they place greater emphasis on issues such as maintaining a network of friends, pursuing pastime interests, self-improvement through education, quality time spent with family, etc.

Conclusions

This exploratory paper used linguistic methods to study respondents´ entrepreneurial definitions in Scandinavia, Ireland, Canada and Australia. Finland acted as a reference point in the study. The emphasis was placed on an analysis of metaphor. An analysis of suggested entrepreneurial concepts was also performed to supplement the metaphor data and enable quantitative comparisons between groups of respondents.

As regards the limitations, the original questionnaire, which was drawn up both in English and Finnish, was later translated into Swedish and Norwegian. The use of four languages, the translations involved and the relatively small number of respondents from each country (excluding Finland) made the cross-cultural comparisons preliminary and tentative. In addition, the metaphors were used expressively. Expressive metaphors are usually rich in texture, concrete in terms of form and the experience they evoke, ambiguous, holistic and allow a variety of interpretations. Finally, the figures of speech were filtered through and characterized by the national cultures which contributed to the wide diversity of expressions.

In his framework detailing the development of enterprise culture in Britain in the 1980s, Ritchie (1991) divided the actors of the culture into four groups (*'subjects´*, *'believers´*, *'analysts´*, and *'sceptics´*) based on their differing attitudes towards entrepreneurial activities. The metaphors found in the present study tended to portray images pertaining either to the sceptics-driven, critical views about the supposedly limitless opportunities provided by entrepreneurship or to the believers´ stance which highlights a strong faith in the virtues of small businesses and their owners. The metaphors in the former category contained negative and cynical images playing down the importance of entrepreneurial attitudes and behaviour. Those in the latter group often emphasized priceless qualities associated with entrepreneurs. These contradictory images were no doubt influenced by lived experiences as well as the enduring myths and prejudices that prevail about entrepreneurship.

As is evident from the previous literature, entrepreneurship research has struggled with the definitions of the entrepreneurial terms. The ongoing debate might reflect the inherently paradoxical nature of the entrepreneurial function. This view is proposed by Johanisson and Senneseth (1990) who contend that the entrepreneur´s main task is the management of paradox in the marketplace. The wide array of entrepreneurial metaphors discovered in the present study were also semantically too diverse and contradictory to categorize neatly. It seems that 'entrepreneur´ and 'entrepreneurship´ are no different from a number of other

complex concepts that defy a universal or simplistic definition. Entrepreneurship is a dynamic and widespread activity which is mainly concerned with producing change. Therefore, it comes as no surprise that its definitions also tend to vary greatly across social space and time. As noted by Lema (1993), the tradition of social sciences has it that concepts and theories do not appear *ex nihilo*; they are very often context specific, as they are often formulated on the basis of specific spatial and historical contexts.

Interestingly, over time the two terms seem to have shifted in the popular view, in Scandinavia at least, from being somewhat pejorative (greed, selfishness, unscrupulousness, disloyalty) to being complementary (innovation, giving, constructive, initiative, builder). It is often the case in everyday language use that when a term starts to lose some aspects of its meanings it takes on new ones which extend and refocus the frame of reference. This semantic shift might have been induced by the gradually increasing importance of enterprise culture. Especially in Finland, entrepreneurship has been brought forward in the societal and political parlance, as a solution for the problems confronting the economy (Ruuskanen, 1995). The ratings on the suggested entrepreneurial concepts gave support to this causal link since the Scandinavians clearly outscored respondents from other countries in rating the more positive aspects of entrepreneurship.

The employment of metaphors in future entrepreneurship studies may prove to be fruitful, since the idea of alternative ways of thinking and seeing is central to the new, emerging ideas of entrepreneurship. Metaphors are well-suited to this task due to their ability to provide new ways of seeing in a way that goes beyond the reach of literal language (Ortony, 1979). It would be very interesting to conduct cross-cultural studies of various nationalities with a revised, more extensive instrument and bigger samples. Besides yielding conceptualizations, metaphors could reveal a lot about the attitudes that we both as individuals and as part of society have towards entrepreneurial attitudes and activities.

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SECOND ARTICLE: ´PERSISTENT FIGHTERS´ AND ´RUTHLESS SPECULATORS´: ENTREPRENEURS AS EXPRESSED IN COLLOCATIONS

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Abstract

In examining Finnish enterprise culture, the present study explores how people perceive and relate to entrepreneurs and entrepreneurship. This is done by combining the ideas of entrepreneurship and linguistics. This pilot study is based on a collocational analysis. Three hundred and eleven respondents from across the country were asked to fill in pairs of adjectives and nouns (collocational noun phrases) to complete a one-page narrative text on entrepreneurs and entrepreneurial activities. A wide range of semantically diverse and contradictory collocational statements pertaining to entrepreneurs emerged. A content analysis of the collocations yielded semantic clusters of noun phrases describing senses associated with the term *entrepreneur* by the respondents in different lexical and business contexts. Most of the subjects held very positive views about entrepreneurs with numerous collocations containing glorified images of entrepreneurs as self-reliant, innovative and determined individuals who fulfill a priceless function in the society. Many expressions were preoccupied with exciting personal qualities of individuals. On the other hand, a number of statements with negative undertones emerged. These conjured up images of entrepreneurs as egotistic and overtly individualistic economic actors. On the whole, it would appear that aspects of the senses of *entrepreneur* might be gradually shifting in reflection of the emerging, more hospitable attitudinal climate towards entrepreneurial activity in the country.

Keywords: enterprise, entrepreneurial definition, collocation, semantics

Introduction

In past literature there have been continuous attempts to conceptualize the phenomenon of entrepreneurship and to identify who the entrepreneur is. Despite a multitude of articles focusing on various identifications, no consensus about the definitions has emerged (see Shaver and Scott, 1991; Carland and Carland, 1996). This is unsurprising since entrepreneurship is a widespread business phenomenon embracing a wide diffuse range of economic activities (cf. Gibb and Ritchie, 1981). The definitions tend to vary as they try to adapt to the specific characteristics of these differing economic activities as they unfold in a variety of contexts. Moreover, entrepreneurship is a function of a multitude of variables including individual, situational, organizational and socio-cultural ones. With such a large and complex scope of study, it is not unexcepted that a consensus has not been reached.

The present study adds yet another approach to examining the elusive entrepreneurial definitions. It constitutes an early, exploratory effort in trying to combine the ideas of linguistics and entrepreneurship. The main goal is to get an overview of how Finnish people perceive entrepreneurs and entrepreneurial activities. This is achieved by examining the ways in which the respondents depict and define entrepreneurs in their everyday language use.

Motivation for the study stems from the situation arising in Finland where the definitions of the terms *entrepreneurship* and *entrepreneur* seem to cover increasingly wide range of different meanings. Finnish economy has bounced back from the deep recession of the early 1990´s and is currently experiencing an economic upturn which has been influenced by a steadily increasing rate of new venture start-ups. Entrepreneurship is regarded as crucial to development of the economy which underlies the current emphasis in private, government and local authority initiatives to promote a more enterprising culture. The situation is somewhat parallel with that of Britain in the 1980s when 'enterprise culture´ flourished among the defining words of the decade (Hobbs, 1991). We are now experiencing similar trends with entrepreneurship being very popular and endowed with the task of ensuring that the current more positive economic situation is sustained. In the society at large these and other socio-economic developments have been working towards a climate which tends to favour individualism and self-reliance especially as regards economic activity.

In the present study, collocational analysis is used to explore Finnish enterprise culture. Collocations as frequent word combinations serve their purpose in this regard. A collocational study of the linguistic context of a given word -in this case the term 'entrepreneur´- helps to narrow down the explicit and connotative meanings associated with it by members of the speech community (cf. Ball, 1993). Besides gaining entrepreneurial definitions, through collocations we can examine how Finnish people view and relate to entrepreneurial activity as it unfolds in the country.

The rest of the paper is organized into five sections. In the first one, the role of language in providing information on the Finnish culture of enterprise is outlined. This is followed by a review of past collocational studies. In third

section, aspects of methodology and sampling are detailed. Fourth section presents the results of an empirical analysis. The study concludes with a discussion of main findings and implications for further research.

Language, culture and entrepreneurship

The foundation of our social life is everyday reality, and culture is the key to understanding it with language serving as the master-key (Bjerke, 1996). Webster's Dictionary (1996, 353) defines culture as "the total pattern of human behaviour and its products, embodied in thought, speech, action, and artefacts and dependent upon man's capacity for learning and transmitting knowledge to succeeding generations through the use of tools, language and abstract thought". The crucial part of the definition is that culture relies on man for its survival, and that much of the cultural heritage is transmitted by written and spoken language. The reason why some people are surprised that the constituents of the world are so profoundly dependent on culture and language, may be due to our tendency to forget that we learn language and the world together, and that they become elaborated and distorted together, and in the same place (Pitkin, 1972).

The origin of language is the same as the origin of reason and meaning, and since only humans possess reason and meaning, only they can give articulate expressions to conceptual thought (e.g., Gibbs, 1997; Lakoff and Johnson, 1980). Human consciousness and language are inseparable: language creates a conceptual realm in which man alone dwells. It is the medium which makes it possible for us to articulate and understand social reality, to link the individual to the common world of meanings. For every normal person, every experience is "drained" in words. For instance, we do not feel that we are able to manage entrepreneurship until we can speak its language. (Bjerke, 1996)

Language is an integral part of social reality and its functions and consequences are not confined to the immediate contexts of communication (Bjerke, 1996). Language is a symbolic guide which has great controlling power: through reflecting and transmitting attitudes, beliefs and values, language enables the speakers to manage and create aspects of culture (Burrows, 1991; Potter and Wetherell, 1998). The discourses and rhetoric of language can help to create assumptions and conceptions about people´s power of influence, rights and obligations (Fornäs, 1998; Potter and Wetherell, 1998). In short, social reality is both reflected in and created by language (Berger and Luckmann, 1966). Language not only describes, but also shapes, renews and creates features of social reality (Fairclough, 1998). The relationship between culture and language is interdependent, dynamic, and constantly changing (Crawshaw, 1991).

The present study taps into entrepreneurial discourses by examining how a cross-section of people define entrepreneurs in various lexical contexts. Through collocations we can explore how the respondents view and value entrepreneurs and entrepreneurial activity. Collocations suit the purpose of the study since they are culture-specific and closely connected with the notions of prototype and

categorization (Liepka, 1992). In the following section, the versatility of collocations as linguistic constructs is highlighted.

Past collocational research

Collocation is the linguistic construct used as an analytical device in the study. The exploratory analysis conducted in the present study constitutes first, tentative exercise in utilizing collocations in business economics. A collocation, which plays an important role in British linguistics, where it originated, designates the co-occurrence of lexical items, independently of word class and syntactic structure. Collocations are syntagmatic formations of two or more words that have a strong tendency to be used together. They are "composite units which permit the substitutability of items for at least one of its constituent elements" (Cowie, 1981, 224). These frequent word combinations are close to idiomatic expressions and are integral parts of our everyday language (see, e.g., Liepka, 1992; Sinclair, 1991). The range of collocations contracted by any particular word is an important element in its purported meaning (Ball, 1993). Consequently, dictionary definitions of words are, to a large extent, based on their collocational restriction patterns (Bäcklund, 1981; Sinclair, 1991).

In spite of the scarcity of comprehensive, widely-used theories of collocation, numerous studies with them have been conducted in linguistics (see, e.g., Bolinger, 1986; Church and Hanks, 1990; Leech, 1975; Liepka, 1992). J.R. Firth (1957) introduced the notion of collocation as part of his overall theory of meaning. It is at the collocational level of analysis, intermediate between the situational and the grammatical, that he proposes to deal with lexical meaning, i.e. with that part of the meaning of words which depends upon their tendency to co-occur in texts. More particularly, Firth (1968, 179) argued: "You shall know a word by the company it keeps" and this "keeping company" he called collocation and considered it a significant part of the word´s meaning. His familiar example was that of *ass* which occurred in *You silly -, Don´t be such an -* and with a limited set of adjectives such as *silly, obstinate, stupid, awful* and *egregious*. Similarly, he wrote, for example, that "one of the meanings of *night* is clearly its frequent co-occurrence or collocation with *dark*".

One of the main principles of the organisation of a language is that the choice of one word affects the choice of others in its vicinity (Cruse, 1986). An adjective together with a noun is a regular grammatical structure in collocations, and examples of it may be multiplied. The adjective in the noun phrase names a quality that is frequently associated with the noun in what linguists call ´salient feature copying´ (Bolinger, 1986, 78):

stubborn ox	*proud father*
scared rabbit	*dirty tramp*
flighty girl	*dumb broad*
irresponsible child	*lazy foreigner*

Leech (1975, 20) also argues that collocative meaning consists of the associations a word acquires on account of the meanings of other words which tend to occur in its environment. *Pretty* and *handsome* share common ground in the meaning

'good-looking´, but may be distinguished by the range of nouns with which they are likely to co-occur or collocate:

pretty	*girl/boy/woman/flower/garden/colour/village/etc.*
handsome	*boy/woman/car/vessel/overcoat/airliner/typewriter/etc.*

The ranges may well overlap: *handsome woman* and *pretty woman* are both acceptable, although they suggest a different kind of attractiveness because of the collocative associations of the two adjectives. Further examples are quasi-synonymous verbs such as *wander* and *stroll* (*cows* may *wander*, but may not *stroll)* or *tremble* and *quiver* (one *trembles* with *fear,* but *quivers* with *excitement*). Cruse (1986) clarifies this when he suggests that the constituent elements of collocations are, to an extent, mutually selective; the constituents have a kind of semantic cohesion that binds them together.

Palmer (1983, 76) contends that collocation is not simply a matter of association of ideas. For although *milk is white*, we should not say *white milk*, though the expressions *white paint* or *white coffee* are common enough. Even though collocation is very largely determined by meaning, it is sometimes fairly idiosyncratic and can not easily be predicted in terms of the senses of the associated words. One example is blond hair. We should not talk about **a blond door* or **a blond dress*, even if the colour is exactly that of a blond hair. Collocation is also neutral with respect to which element is primary or dominant in the relation, in a noun phrase it can be the noun or the adjective.

It is obvious that by looking at the linguistic context of a word we can often distinguish between different meanings. Nida (1964, 98), for instance, takes up the use of *chair* in:

a)	*sat in a chair*
b)	*the baby´s high chair*
c)	*the chair of philosophy*
d)	*has accepted a University chair*
e)	*will chair the meeting*
f)	*the electric chair*
g)	*condemned to the chair*

These are clearly in pairs, giving four different meanings of the word. But this does not so much establish, as illustrate, differences of meaning. Dictionaries, especially the larger, pedagogical ones, quite rightly make considerable use of this kind of contextualization (Palmer, 1983). In lexicography, there are three useful technical terms in the description of a collocation. The node word, its collocates and span. For instance, in the above example, *chair* is called the node word in a collocation, whereas the other elements in the expressions are the collocates for *chair*. The node word in a collocation is the one whose lexical behaviour is primarily under examination. The node words are, in fact, the core vocabulary items of English. The usual measure of proximity is a maximum of four words intervening. Finally, the collocates can be counted and this measurement is called the span.

In another collocation study, Church and Hanks (1990) examined the words which would most frequently collocate with the verb *save*. Their research sample consisted of a massive file of news text including 44 million words drawn up by the Associated Press news agency. They focused on the words immediately following the term *save* in an enormous passage of text running on a computer screen. In the statistical analyses, the following collocations were found:

> *save forests, ~ lives, ~ enormous, ~ annually, ~ jobs, ~ money, ~ life, ~ dollars ~ costs, ~ thousands, ~ face, ~ son, ~ estimated, ~ your, ~ billion, ~ million, ~ us, ~ less, ~ from . . .*

With studies like these it is possible to gain valuable empirical information on the contexts in which particular words tends to appear. Through their analyses, Church and Hanks (1990) found, for instance, that nowadays people are very keen to save their money, environment, lives, etc. They also concluded that the verb *save* tends to co-occur frequently with the person or object that benefits from the course of action. These and other findings are usually given in the lexical description of the item.

The above-described method bases the meaning on the context enabling to narrow down the explicit and connotative meanings associated with the word. If this approach is taken to its "extreme" form, it enables to break down the sense of a word into its typical distinctive features and components. On the other hand, it can help to construct different semantic (lexical) fields and networks consisting of groups of words that are semantically and conceptually closely-related. Lexemes and other units that are semantically related within a given language-system can be said to belong to, or be members of, the same semantic field (Lyons, 1982).

A considerable amount of semantic research has been guided by the principle that the sense of a lexeme is, to an extent, determined by the network of substitutional (words that are in contrast/substitutable by each other) and, as is the case with collocations, syntagmatic (word combinations/co-occurrence) relations that hold between the lexeme in question and its neighbours in the same lexical fields. The lexical or semantic fields pertain to lists of words referring to items of a particular class, such as entrepreneurship. According to Lyons (1982), it is often possible to identify lexical fields across languages and speech communities. In the present study, a collocational analysis will yield semantic `clusters´ of words describing what lexemes the respondents tend to associate with the term *entrepreneur*. In the following chapter, the methodological base on which the study rests is discussed in more detail.

Methodology and sample

The instrument employed in this exploratory analysis was based on the principles of semantics. Since very few business studies with linguistic orientation have been conducted, few measures exist for the constructs of interest. Therefore, the research relied on a measure that were developed specifically for this project. The questionnaire was originally prepared in Finnish and later translated into English

in cooperation with a certified translator. To ensure its validity, it was later reviewed by two native-speaking teachers of English with fluent knowledge of Finnish.

In the pilot questionnaire, the goal was to explore how people would define an 'entrepreneur´ with suggested collocational word pairs. The respondents were asked to fill in pairs of adjectives and nouns to complete a narrative text relating to entrepreneurs and entrepreneurial activities. The informants were asked to complete the "fill-in-the-blank" form by selecting 31 collocative word pairs (noun phrases) which in their view best fitted into the provided lexical context. Based on their preferences the informants were able to select from 30 suggested adjectives and 30 nouns in forming each statement (see Appendix). In a brief instruction session conducted, the subjects were encouraged to follow their first instincts in forming lexical associations depicting essential characteristics of entrepreneurs. The suggested words were chosen after carefully reviewing past entrepreneurship studies. A few of the items were adapted from a previous scale of conceptual items of entrepreneurship developed by Koiranen (1995).

The data were collected in 1997 and 1998. In order to minimize non-response bias, and to procure thoughtful, considered responses, it was determined that a data collection strategy different from traditional survey techniques would be required. Therefore, academic scholars from two universities were asked to distribute the questionnaires. The rationale for this was that the academics would have contacts with a large number of people, and these relationships would increase the likelihood of response to a novel and exploratory questionnaire and prompt more meticulous respondent attention to the questions.

The survey was administered to 311 Finnish respondents with the final data set consisting of 120 usable returns. This represented a response rate of 38.6%. Some 50% of the subjects were under- and postgraduate students from the University of Tampere and University of Jyväskylä. They were in the age group of 18-35 years. Other half of the sample consisted of a cross-section of people from different backgrounds aged between 25- 62. These were contacted through their participation in various adult education seminars and training courses. They included small business owner-managers, hired employees, unemployed people, housewives and pensioners based across Finland. Some 20% of all respondents were small business owner-managers. All entrepreneurial informants were owners or major share holders and principal managers of the businesses. Finally, 52% of the subjects were female and 48% male.

In a quantitative analysis of the data, entrepreneurial collocations were discovered by computing multiple frequencies of co-occurrence of the adjectives and nouns appearing in the same noun phrase. Later, in a content analysis of the collocations, they were grouped into semantic clusters of lexemes based on the senses of the constituent items.

Results

Entrepreneurial adjective-noun collocations.

The following pairs of adjectives and nouns were most frequently found to collocate with the term *entrepreneur* in the provided text relating to some typical entrepreneurial activities. The informants were asked to fill in the blanks (1a, 1b, etc.) in the text, by choosing between the suggested adjectives and nouns (see Appendix). The following most frequent adjective-noun collocations were discovered. Please, note that this text is a translation from the original questionnaire prepared in Finnish:

In order to succeed an entrepreneur must be 1a, 1b: *an industrious professional* or at least 2a, 2b: *a persistent fighter*. Compared to the business environment of the 80s, nowadays he or she must also be 3a, 3b: *a creative experimenter*. In my view, a so-called speculator as an entrepreneur is 4a, 4b: *a ruthless game player*. The opposite type is 5a, 5b: *a responsible toiler*.

In my hometown the annual achievement award often goes to an entrepreneur who is 6a, 6b: *an innovative developer*. Growth-oriented entrepreneurs are usually 7a,7b: *determined growth-seekers*. In my opinion you do not succeed as entrepreneur if you are 8a, 8b: *a reluctant whiner*.

A typical small-business owner is 9a, 9b: a *self-directed professional*. On the other hand, running a business together with a team of entrepreneurs is best suited to a personality type who is 10a, 10b: *a responsible devotee*. A person who goes into business with a totally new set of business ideas and company policies should be 11a, 11b: *a brave opportunist*.

My impression is that Henry Ford was 12a, 12b: *a persistent pioneer* . Bill Gates personifies entrepreneurs who are 13a,13b: *determined businessmen*. As an entrepreneur Edison was 14a, 14b: *an innovative developer*, but he died a penniless man. In light of this one cannot help but arrive at the conclusion that maybe he was not 15a,15b: *an efficient businessman*. Walt Disney struck it rich in his business ventures because he appeared to be 16a, 16b: *a creative opportunist*.

In Finland, the vehicle inspection policies of the not-too-distant past resulted in a bureaucratic administration and services for the clients. In those days, the vehicle inspectors used to be 17a, 17b: *conservative bureaucrats*. However, nowadays, because of the recent privatization process in this field, the situation has begun to change: intrapreneurship has been gaining a foothold in the organizations. Consequently, the inspectors have gradually turned into 18a, 18b: *helpful professionals*.

According to the entrepreneurship education promoted in the Finnish schools, an ´ideal´ type of personality needed to succeed in the current business environment is 19a, 19b: *a self-directed builder.* This kind of person takes responsibility for her/his own actions regarding, for instance, her/his future in the labor market. She or he achieves this by being 20a, 20b: *a determined opportunist*.

Self-employed persons are typically 21a, 21b: *persistent fighters*. To make sure that their business rivals do not overtake them, they must learn to be 22a, 22b: *resolute survivors*. Meanwhile, innovative business managers are 23a, 23b: *reformative developers.* At the same time, they must also be 24a, 24b: *brave builders*. An entrepreneur accustomed to cornering is usually 25a, 25b: *a ruthless speculator*. I honestly cannot appreciate an entrepreneur who is clearly 26a, 26b: *a selfish exploiter.*

I look up to entrepreneurs who are 27a, 27b: *self-directed professionals.* This is my view because an ideal entrepreneur should be 28a, 28b: *a creative opportunist* and/or 29a, 29b: *a determined builder*. Personally, as a potential entrepreneur my personality traits amount to 30a, 30b: *a systematic toiler.* Thus, I am of the opinion that my business partner should be 31a, 31b: *an innovative risk-taker.*

In Tables 1a & 1b a simple frequency listing of the entrepreneurial collocations is given, alongside each collocate, in this case the adjective that appears to the left in the word pairs (a), is its frequency of co-occurrence with the node words, ie. the nouns that appear to the right in the word pairs (b). The frequencies for the various node words (noun) are also given in brackets. Due to space limitations, an exhaustive listing of all combinations of the items is not given here.

Descriptive categories

In a content analysis of the noun phrases, six descriptive, semantic clusters of collocations emerged (see Table 2). These word associations, which were extracted from a narrative text dealing with typical aspects of entrepreneurial activity and business practices, give clear implications how the respondents perceive entrepreneurial behaviour in different business contexts.

The categories indicated the paradoxical nature of the expressions. A clear majority belonged to the categories of 1-5 with many collocations being preoccupied with exciting personal qualities. Entrepreneurs were held in high esteem. These pro-entrepreneurial statements tended to indicate that the regard for entrepreneurship both as an occupation and "ideology" was rather hospitable among most of the respondents. Perhaps the growing importance of small business activities in the wider society is reflected in these findings. A more positive attitudinal climate towards enterprise seems to be on the increase. Nevertheless, it must be noted that the age structure among the respondents might have had a bearing on the findings. More than half of the sampled respondents were between 18-35 years of age. Young people tend to be more susceptible to influences caused by changes in socioeconomic climate, such as the gradual advance a more enterprising economy. In the present situation, one could

thus perhaps expect younger people in Finland to hold entrepreneurship in higher regard than older persons.

TABLE 1a Simple frequency listing of collocative word pairs: Items 1-16

1a: Industrious (22%); persistent & determined (18%); creative (12%); self-directed (11%)
1b: Opportunist (18%); professional (17%); toiler (14%); risk-taker (9%)
2a: Industrious (23%); persistent (18%); self-directed (13%); determined (11%)
2b: Toiler (16%); fighter (14%); developer (11%); opportunist (10%)
3a: Creative (12%); innovative & determined (11%); helpful (10%)
3b: Experimenter (11%); developer, fighter & innovator (9%)
4a: Ruthless (50%); shrewd (19%); brave (11%); selfish (4%)
4b: Speculator (44%); game player (24%); pusher (11%); opportunist (7%)
5a: Responsible (25%); cautious (14%); timid (12%)
5b: Builder & toiler (14%); devotee (12%); developer (11%)
6a: Helpful (12%); innovative (11%); determined (9%)
6b: Developer (21%); professional & authority (12%)
7a: Determined (26%); persistent (12%); self-directed (11%)
7b: Growth-seeker (24%); developer (13%); builder & opportunist (9%)
8a: Reluctant (23%); lazy (22%); timid (18%); inefficient (10%)
8b: Whiner (35%); bureaucrat (15%); slave (11%)
9a: Industrious (17%); persistent (14%); self-directed (13%)
9b: Toiler (17%); professional (13%); fighter (12%); workaholic (10%); opportunist (9%)
10a: Responsible (34%); brisk (12%); creative (10%)
10b: Devotee (31%); builder (19%); actor (14%)
11a: Brave (34%); innovative (18%); creative (15%); experimental (12%)
11b: Opportunist (20%); experimenter (16%); risk-taker (15%)
12a: Persistent (29%); industrious (16%); assertive (13%)
12b: Pioneer (21%); toiler (14%); survivor (12%); fighter (11%)
13a: Determined (17%); brave & hard (10%); experimental (9%).
13b: Businessman/-woman (14%); developer & adventurer (10%)
14a: Innovative (36%); creative (22%); experimental (9%)
14b: Developer (26%); workaholic (13%); experimenter & toiler (12%); innovator (10%)
15a: Efficient (14%); determined (12%); systematic (10%)
15b: Businessman/-woman (46%); professional & opportunist (8%)
16a: Creative (29%); innovative (24%); determined (13%); efficient (9%)
16b: Businessman/-woman (18%); opportunist (13%); developer (9%)

In contrast to the overtly positive conceptualisations, a few collocations with rather negative and downgrading undertones were in evidence. These highlighted egotistic and individualistic traits associated with entrepreneurs. These statements indicate that there is still ambivalence towards entrepreneurial

behaviour. This is in accordance with recent history. Traditionally, entrepreneurial venturing has not been very prestigious or popular pursuit in Finland, neither financially or socially rewarding. Self-employment has not been regarded as very attractive option among the most go-ahead and ambitious individuals. While entrepreneurship is seen as something of a noble calling in some countries, most notably the USA, in Finland it has not been seen as the ultimate expression of personal achievement.

TABLE 1b Simple frequency listing: Items 17-31

17a: Conservative (16%); systematic (14%); reluctant (13%); sceptical (12%); ruthless (10%)
17b: Bureaucrat (66%); whiner (7%)
18a: Helpful (78%); brisk (4%)
18b: Professional (55%); actor (15%)
19a: Self-directed (20%); creative (18%); industrious (17%); determined (11%)
19b: Toiler (15%); risk-taker (12%); professional & builder (11%); developer & opportunist (9%)
20a: Determined (18%); self-directed (17%); responsible (15%)
20b: Opportunist (12%); survivor (11%); actor (10%); professional (9%)
21a: Self-directed (21%); persistent (16%); determined (10%); industrious (9%)
21b: Fighter (14%); survivor (13%); professional (10%)
22a: Resolute & efficient (12%); determined (10%); shrewd (9%)
22b: Survivor & professional (13%); developer (10%); bus. man/-woman, fighter & innovator (9%)
23a: Reformative (33%); experimental (26%); creative (13%); brave (11%)
23b: Developer (17%); risk-taker & innovator (13%); opportunist (12%); experimenter (9%)
24a: Determined (14%); brave (13%); reformative (10%); responsible (9%)
24b: Developer (12%); builder, opportunist & innovator (9%)
25a: Ruthless (42%); shrewd (18%); selfish (13%)
25b: Speculator (23%); pusher (19%); game player & exploiter (11%)
26a: Selfish (37%); ruthless (28%); shrewd (12%)
26b: Exploiter (23%); pusher (25%); speculator (10%); game player (9%)
27a: Industrious (16%); self-directed & determined (12%); creative (10%)
27b: Professional (14%); opportunist (11%); survivor (10%)
28a: Creative (16%); innovative & persistent (11%); assertive & determined (9%)
28b: Opportunist (12%); developer (11%); professional (10%); fighter (9%)
29a: Creative & determined (12%); self-directed & efficient (9%)
29b: Opportunist (11%); builder & risk-taker (10%)
30a: Helpful (13%); creative & determined (12%); systematic (11%); resolute (6%)
30b: Toiler & actor (12%); survivor & opportunist (10%); developer (6%)
31a: Creative (18%); innovative (12%); systematic (8%); determined, self-directed & efficient (7%)
31b: Professional (16%); risk-taker (11%); developer (9%); builder (8%)

TABLE 2 Semantic clusters of collocations

1) Empathy and High Ethics
e.g. *a helpful professional, responsible toiler/devotee, cautious thinker, sensitive workaholic.*
2) Success-Orientation
e.g. a *determined/resolute survivor, persistent fighter, industrious builder, determined growth-seeker.*
3) Opportunism and Innovativeness
e.g. *an innovative risk-taker/developer, persistent pioneer, creative experimenter/actor, brave opportunist.*
4) High Energy and Work Commitment
e.g. *an industrious professional, systematic toiler, energetic leader, self-directed actor.*
5) Economic Values and Results
e.g. *an efficient/shrewd businessman/-woman, determined growth-seeker, ruthless speculator, shrewd opportunist.*
6) Egotistic and Individualistic Traits
e.g. *a selfish/ruthless exploiter/speculator, lazy/reluctant whiner, hard game player, assertive authority.*

Conclusions

The results of the present, exploratory study should be generalized with caution. The paper has produced first results in an area previously having had practically no research attention. At this early stage of analysis, the emphasis was laid on testing the validity and reliability of the questionnaire and the viability of the study approach. Moreover, the sample size was relatively small and not necessarily very representative of general population. In addition, the respondents were not able to freely formulate their own set of collocative expressions, instead they had to choose from a limited set of options provided. Finally, the collocations were produced in Finnish and later translated into English. This may have caused slight shifts to aspects of the senses conveyed by the words. These limitations make the conclusions very tentative.

The study set out to explore Finnish enterprise culture by looking at how the subjects conceived the role of entrepreneur and the essence of entrepreneurial behaviour in different lexical contexts. A wide array of semantically diverse and contradictory collocations were discovered. Entrepreneurial activities and attitudes were mostly seen in a very positive light. A majority of the subjects held

very favourable views with many collocations portraying entrepreneurs as self-reliant, innovative and determined individuals who perform priceless functions in the society and economy. At the same time, there were also a few collocational expressions which contained negative and cynical images playing down the importance of entrepreneurial behaviour. Nevertheless, these were clearly in the minority.

It appears that over time the term 'entrepreneur´ has shifted in the popular view from being somewhat pejorative to being rather complementary. This semantic shift might have been induced by the gradually increasing importance of enterprise culture in Finland. Currently, entrepreneurship is being brought forward in the societal and political parlance, as a solution for the problems confronting the economy (Ruuskanen, 1995). Consequently, the terms *entrepreneurship* and *entrepreneur* have started to thrive as catchy words to be uttered in public discussions. The changes evident in our everyday language use, of course, reflect the changes occurring in the surrounding society (Crawshaw, 1991; Selden, 1991). Language change both illustrates and contributes to the process of social and cultural change. The findings of the study imply that the proliferation of the rhetoric of enterprise might have worked towards a more hospitable climate of entrepreneurship.

Entrepreneurship has been widely studied by people with different backgrounds such as economists, organization theorists, psychologists, sociologists, etc. The approach of this study was derived from semantics. In spite of its limitations, the study could have some implications for future research. Collocations are useful instruments in studying people´s cultural attitudes as reflected in their definitions of a given phenomenon. All words have a range of acceptable collocations, and when we know a word´s collocational range we have gone a long way towards understanding its meaning for the members of a language community (Ball, 1993). Future collocation studies should employ bigger and more general samples than was the case in the present study. Moreover, the linguistic data should be collected from real-life discourses on entrepreneurship or by analyzing research articles, literature, news and other related writings available in electronic format, for example on the World Wide Web. A sophisticated form of processing coded language material such as NUDIST would be required to help reveal the intricate collocational structures.

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APPENDIX

Sample part of the questionnaire

The following instructions were presented to informants in the questionnaire (note that this is a translation from the Finnish questionnaire):

Fill in the blanks in the text below to create collocations depicting essential characteristics of entrepreneurs. Collocations are frequent word combinations. A collocative expression typically consists of an adjective followed by a noun, such as in the expression a 'ruthless speculator' which might describe one type of an entrepreneur. In formulating the collocative word pairs pay attention to the compatibility of the two words you choose to combine. To fill in the [a]-blanks in the text, please choose between the following adjectives. You should select one that in your view best fits into the provided context.

1) industrious, 2) timid, 3) sceptical, 4) reluctant, 5) sensitive, 6) unsuspecting, 7) ruthless, 8) selfish, 9) assertive, 10) systematic, 11) innovative, 12) experimental, 13) hard, 14) lazy, 15) persistent, 16) creative, 17) determined, 18) self-directed, 19) helpful, 20) brisk, 21) brave, 22) energetic, 23) efficient, 24) inefficient, 25) responsible, 26) conservative, 27) cautious, 28) shrewd, 29) resolute, 30) reformative.

To fill in the [b]-blanks in the text, please choose between the following nouns. Again you should select one that you feel is best suited for the context.

1) toiler, 2) professional, 3) bureaucrat, 4) seeker, 5) leader, 6) developer, 7) speculator, 8) experimenter, 9) growth-seeker, 10) businesswoman/-man, 11) whiner, 12) owner, 13) slave, 14) bully, 15) game player, 16) thinker, 17) pusher, 18) pioneer, 19) builder, 20) exploiter, 21) adventurer, 22) survivor, 23) devotee, 24) fighter, 25) opportunist, 26) actor, 27) workaholic, 28) risk-taker, 29) innovator, 30) authority.

THIRD ARTICLE: INNOVATIVENESS AND RISK-TAKING PROPENSITY: A CROSS-CULTURAL STUDY OF FINNISH AND U.S. ENTREPRENEURS AND SMALL BUSINESS OWNERS

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Abstract

Entrepreneurship is currently viewed as very important for the continued economic development of Finland which underlies the emphasis in private and public initiatives to promote a more enterprising economy. It is widely acknowledged that through entrepreneurship economic growth can be enhanced, employment opportunities created and the quality of life of individuals improved. Despite the proliferation of a more enterprising climate, little is known about the enterprising tendencies amongst Finnish people. The emergence of a more enterprising culture in society requires that a positive business climate is accompanied by the presence individuals who possess proper entrepreneurial attitudes and orientations and who are willing and able to make the sacrifices needed to acquire personal wealth. The study provides some early answers in this regard by reporting findings of a cross-cultural examination of entrepreneurial attitudes, behaviour and goals among some 900 Finnish and US entrepreneurs and small business owners.

Carland Entrepreneurship Index was employed in examining innovativeness, risk-taking propensity, business goals and planning activities among the subjects. Americans displayed much greater risk-taking propensity than the rather risk-averse Finns. US entrepreneurs also exhibited somewhat higher levels of innovation orientation. Moreover, unlike the Americans, most of whom were profit- and growth-oriented in their outlook to business, a majority of the Finns were oriented towards providing for family income. Differences in these and other findings were attributed to variations in cultural and socio-economic factors relating to entrepreneurship in the two countries.

Keywords: entrepreneurial orientation, cognitive psychology, culture, risk-taking, innovativeness

1 INTRODUCTION

Entrepreneurship is currently seen as crucial to the economic development of Finland which underlies present emphasis in private and public authority initiatives to promote a more enterprising economy. It is acknowledged that through entrepreneurship, both individual and corporate, economic growth can be enhanced, employment opportunities created and the quality of life of individuals improved (cf. Sexton and Kasarda, 1992; Timmons, 1994). Finland has bounced back from the deep economic depression of the early 1990s, which left in its wake very high levels of unemployment and financial crisis of the state. Drastic changes were needed to stimulate business growth and create employment. The ensuing major downsizing of the public sector and the restructuring of the industrial sector led to the rediscovery of the importance of small scale economic activities. Gradually, Finnish economy has recovered and is currently experiencing an economic upturn which has been influenced by the steadily increasing rate of new venture start-ups. The revival has been accompanied by a shift towards a more hospitable climate of entrepreneurship. The growth is expected to continue steadily and the improvements accomplished have enhanced the potential for further, more ambitious enterprise projects.

In society at large these developments allied to other globally and nationally-induced socio-economic processes have resulted in a climate which favours individualism and self-reliance especially the role of individual economic activity and accountability. Small business owner-managers are offered up as examples of what can be achieved if people are prepared to seize opportunities and make the necessary self-sacrifices. In public discussions, they are portrayed as innovators and risk-takers who leave the ranks of the unemployed or reject the security of employment in large organizations to set up on their own.

In spite of the proliferation of a more enterprising climate, next to nothing is known about the enterprising tendencies amongst the entrepreneurial population of the country. The emergence of an enterprising culture in society requires that a positive business climate is accompanied by the presence individuals who possess proper entrepreneurial attitudes and orientations and who are willing to make the sacrifices needed to acquire personal wealth.

The study provides some early answers in this regard by reporting findings of a cross-cultural examination of entrepreneurial attitudes, behaviour and goals among some 900 Finnish and US respondents. By utilizing the Carland Entrepreneurship Index (CEI, 1992), it explores risk-taking propensity and innovativeness among entrepreneurs and small business owners of these two nationalities. Moreover, a related analysis of the depth of business planning, types of business goals adopted and the role of the respondent in the business start-up will yield valuable information on entrepreneurial practices.

To set the findings in a wider perspective and to provide a "benchmark" for evaluating the entrepreneurial tendencies and practices of the Finns, the study contrasts the Finnish findings with those of the US-based respondents. American entrepreneurs are well-suited for acting as standards of comparison. In the United States, there is a long tradition of business enterprise permeating daily life

(Briedlid et al., 1996; Grund, 1837) which has resulted in a central role for entrepreneurship in providing for personal and national economic wealth. The country is well-known for the high societal legitimacy of entrepreneurship, whereas in Finland there has traditionally been a more lukewarm regard for entrepreneurship both in the wider society and the economy. Although the focus here is on identifying potential differences and similarities between the nationalities in cognitive aspects the inclusion of goals, planning practices and the respondent´s role in start-up activities links the psychological constructs with the cultural context. Finally, on the basis of the CEI data, we also try to make a slight contribution towards an understanding of entrepreneurial growth in Finland.

The paper is divided into seven sections. In sections two and three, we turn to examining Finnish and US attitudes towards entrepreneurship. Section four delineates the role of innovativeness and risk-taking in explicating entrepreneurial behaviour. This is followed by a description of the methodological base and sampling procedure employed in the inquiry. Sixth section outlines the results of the empirical analysis. The study concludes with a discussion of the main findings and theoretical and practical implications.

2 FINNISH SOCIETY AND ATTITUDES TOWARDS ENTREPRENEURSHIP

To understand the relationship between entrepreneurial behaviour and cognitive traits, we must understand how entrepreneurship fits into its cultural context (De Pillis, 1998). Entrepreneurship tends to occur differently in various countries: if the socio-economic system surrounding the individual highly values entrepreneurial behaviour and attitudes, e.g., innovativeness, risk-taking, and achievement motivation, it is simply more likely to produce entrepreneurial events than an environment with other or contrasting values (Giamartino et al., 1993).

Unlike in the USA, where entrepreneurship is regarded as something of a noble calling in Finland it has traditionally been viewed less amicably. The Finns seem to have an ambivalence towards entrepreneurial activity. These critical attitudes tend to mirror the cautious views shared by many Europeans, who have traditionally viewed entrepreneurship less favourably. To quote McDermott (1987, 39, 44):

> "It sometimes seems to an American as if Europe´s working classes and upper classes are equally hostile to anyone who acquires new wealth . . . Traditionally, the best and brightest in Europe have aspired to become professional civil servants or employees in large corporations . . . Europeans regard business failure as a social disgrace . . . fail in business in Europe and you will probably never be able to borrow money again".

Until relatively recently, entrepreneurial venturing has not been deemed as a very prestigious or popular pursuit, neither financially nor socially rewarding in Finland. Due to the Finnish history, the geographical position of the country, and structural properties of its economy, entrepreneurship has not been regarded as

a mainstream activity and entrepreneurs have often been seen as rather exceptional and somewhat obsessive individuals who persevere against the odds. A successful venture might even have invited "begrudgery", one´s peers resenting one´s success. Unlike in the more pro-entrepreneurial USA, the high achievers in the Finnish society with educational and professional qualifications and competencies have usually been creamed off for top jobs in large corporations or in public administration and government offices. Self-employment has not been viewed as a very attractive option.

There are still powerful "obstacles" blocking the way leading towards a more enterprising culture in Finland. For instance, the influence of powerful working-class movements and trade unions have resulted in laws designed to improve the wages, working conditions, welfare and legal rights of employees (Korpi, 1983). This process was at it's most prominent in the 1970´s and took place in the context of a Keynesian-liberal collectivist orientation to economic and social management which involved the expansion of the welfare state and the public sector more generally. Government policies of that period encouraged close partnerships between privately-owned, large-scale corporations and state agencies to facilitate economic growth. These and other indigenous developments have led to increased "costs" of business ownership for those wishing to go into business for themselves.

3 US SOCIETY AND ATTITUDES TOWARDS ENTREPRENEURSHIP

In comparison to Finland, American society has always held entrepreneurship in a much higher regard. Ever since its enterprising beginnings, American culture has developed features that make it hospitable towards entrepreneurial activities. American culture evolved under unique circumstances which have predisposed Americans to display pro-entrepreneurial attitudes and behaviour (De Pillis, 1998). According to Hammond and Morrison (1996), America does have its own culture, one of the unique aspects of which is Americans´ tendency to deny the existence of an American culture. American culture has been shaped by explorers, pilgrims, and immigrants, many of which have come in the pursuit of wealth. Many of the colonies were established out of commercial motives. This entrepreneurial tendency took root and has continued to flower throughout America´s history (De Pillis, 1997). In 1837 an observer remarked as follows (Grund, 1837, 191-192):

> "An American carries the spirit of invention to the counting-room. He is constantly discovering some new sources of trade, and is always *willing to risk* his capital and credit on some terra incognita, rather than follow the beaten track of others . . . He is an *inventor*, not an imitator; he creates new sources of wealth, instead of merely exhausting the old ones".

America has a long tradition of business enterprise permeating daily life (Briedlid et al., 1996; Grund, 1837). Thus, the societal legitimacy of entrepreneurship is high. Much more than in Finland, founding a business has there been seen as an ultimate expression of personal achievement. Besides their drive to achieve, Americans admire entrepreneurs for the individual expression and freedom of choice that they embody. An entrepreneur makes a living by choosing which of his or her ideas to turn into profitable reality. Americans with their love of individualism, romanticize the maverick figure of the mythic entrepreneur. In the words of Shapiro (1993, 57):

> "The fascination of American society and of business scholars with the figure of the entrepreneur is a long-standing one. This should not be surprising, since the nearly mythical figure of the entrepreneur partakes an old and enduring mythical figure in our society- the frontiersman or the cowboy. Like the entrepreneur, the frontiersman was a loner who did things his own way, who moved on when he saw the smoke of his new neighbor´s hearth fire, who insisted on individualism and individual accomplishment, and who opened new lands for those who followed".

The entrepreneurial ethos has continued to flourish to the present day. Entrepreneurs are widely perceived as necessary and highly beneficial part of the economic life. A nationwide study by Jackson and Brophy (1986) showed that US entrepreneurs were perceived as very important for economic growth and were better-liked than company executives, union leaders or federal employees. These attitudes were found to be consistent across different regions of the country. Let us now switch the focus from cultural aspects of entrepreneurship to its behavioural and cognitive features. This is done by reviewing two distinctive entrepreneurial characteristics, innovativeness and risk-taking.

4 INNOVATION AND RISK-TAKING IN SMALL BUSINESS

A lot of research on entrepreneurship has been founded upon the premise that entrepreneurs embody distinctive personality or cognitive characteristics which can be identified and used to indicate potential for entrepreneurship (e.g., Lachman, 1980; Cooper and Dunkelberg, 1987; Carland and Carland, 1996). A number of psychological attributes have been identified of which risk-taking propensity (e.g., Begley and Boyd, 1987; Brockhaus, 1980, 1982; Carland and Carland, 1991; Carland et al., 1984, 1988a, 1988b, 1995, 1997, 1999; Das and Teng, 1997, 1984; Masters and Meier, 1988; Palich and Bagby, 1995; Ray, 1994; Sexton and Bowman, 1986; Unni, 1990 Yates and Stone, 1992) and innovativeness (e.g., Hornaday and Aboud, 1971; Kets de Vries, 1977; Timmons, 1978; Carland and Carland, 1991; Carland et. al., 1984, 1988a, 1988b, 1997; Gartner, 1990; Sexton and Bowman-Upton, 1991; Stewart, 1996; Stewart et al., 1999) have remained at the forefront. These two cognitive traits are among the distinctive psychological and behavioural characteristics which have been seen to identify the entrepreneur. Thus, they serve their function as starting-points for a comparative analysis of entrepreneurial tendencies among Finnish and US respondents.

4.1 Entrepreneurial innovation

There are several generally accepted definitions of innovation available in small business literature. One is formulated by Gabor (1970) who sees innovation as "The process that turns an invention through development, pilot manufacture and sales propaganda into a marketable product". Similarly, Bird (1989) sees innovation involving the commercialization of ideas, their implementation, and the change of already existing products, systems and resources.

The process of entrepreneurship is sparked by the recognition and pursuit of an opportunity (Stevenson and Jarillo, 1990; Timmons, 1990), *suggesting an important link between innovativeness and entrepreneurship*, since opportunities are more apparent to, and attainable by, the creative individuals (Stewart, 1996). This view of powerful set of links existing between innovativeness, creativity and small business has long been built into thinking about small firms (Cannon, 1985). Much of the past literature reflects a belief that the nature of the entrepreneur allied to the particular properties of the small enterprise as a method of organization is particularly appropriate for innovative or creative activities. Various factors have contributed to this belief: the notion of the entrepreneur as a ´mould maker´; the link between open and organic organization and creativity; the proposition that smallness, decisiveness and flexibility counterbalance absolute investment; and the evidence that small businesses account for a disproportionate number of new processes and products.

The ability of the entrepreneurial ´mould-maker´ to break free from bureaucratic rigidities, to fan the flames of innovation and create new situations has been the basis of the growth of many current successful corporations (Cannon, 1985, 33). Schumpeter (1942) regarded this ´mould maker´ as the driving force of industrial innovation; an innovator whose role was crucial in economic development. For him, entrepreneurs were those who created new ways of fulfilling currently unsatisfied needs. These individuals who introduced new combinations evidenced the special quality of entrepreneurship, a quality that should be distinguished from other aspects of the business role such as risk-taking and management. Later, Schumpeter (1965, 12) defined an entrepreneur as "an idea man and a man of action who possesses the ability to inspire others, and who does not accept boundaries of structured situations. He is a catalyst of change who is instrumental in discovering new opportunities, which makes for the uniqueness of the entrepreneurial function".

Similarly, Bird (1989, 35) thinks that an entrepreneur is a combination of innovative thinker and doer: when the entrepreneur sees an opportunity for a new product, service, new approach, new policy or a novel way of solving an old problem, he or she subsequently does something about it. Accordingly, the implementation of the results of innovative thinking is a characterizing feature of the entrepreneur. With their proactive tendencies, entrepreneurs seek to have impact on the existing system (with an idea or service), for example, by using an ability to recognize and develop commercial applications of technological advance.

A number of empirical studies have been conducted to ascertain this conceptionally proposed relationship between innovativeness and entrepreneurial behaviour. While most of them have shown entrepreneurial respondents to be more innovative than various groups of non-entrepreneurs (e.g., Carland and Carland, 1991; Carland et al., 1984, 1988a; Stewart et al., 1999; Timmons, 1990), some others have found no significant differences between these groups (e.g., Brockhaus and Horwitz, 1986; Perry, 1990).

Despite of the contradictory findings, existing research tends to agree that market-oriented innovativeness is a key factor in defining an entrepreneur. Carland et al. (1988a) have suggested that innovativeness could be the most significant component of an entrepreneurial psyche: a factor distinguishing entrepreneurs from less innovative managers and small business owners. In an extensive study of small business founders, Carland et al. (1988a, 1988b) investigated preference for innovation of these two groups based upon the work of Schumpeter (1934) and extended by their earlier study (Carland et al., 1984). Entrepreneurs were found to set up a business principally for profit and growth, to utilize strategic management practices and scored significantly higher on the innovation scale of the Jackson Personality Inventory. Alternatively, small business owners were found to set up a business primarily as an avenue for family income and/or personal goal attainment. The scholars discovered that entrepreneurs demonstrated a significantly higher preference for innovation than small business owners.

4.2 Risk-taking in entrepreneurial setting

Risk-taking was the earliest identified entrepreneurial characteristic. Cantillon (1755) and later J.S. Mill (1848) both portrayed an entrepreneur as an individual who assumed the risk for the firm. In fact, Mill included the term risk-bearing to distinguish ´entrepreneur´ from ´manager´. According to Mill (1848), entrepreneurial functions consisted of direction, control, superintendence and risk-taking. Later, Schumpeter (1934) noted the innovating nature and drive of the entrepreneur in terms of developing new methods and enterprises and the inherent *risks* associated with this kind of behaviour.

In contemporary literature, risk is conventionally defined as substantial variances in outcomes that are of consequence (MacCrimmon and Wehrung, 1996; Yates and Stone, 1992). Meanwhile, risk-taking, as it applies to business setting, is defined by Brockhaus (1980, 513) as follows: "the perceived possibility of receiving the rewards associated with success of a proposed situation, which is required by an individual before he will subject himself to the consequences associated with failure, the alternative situation providing less reward as well as less severe consequence than the proposed situation". Finally, risk-taking propensity has been viewed as an individual´s orientation towards taking chances in a decision making scenario (Sexton and Bowman, 1985).

Risk taking is one of the most distinctive features of entrepreneurial behaviour, since creating new ventures is by definition a risky business (Das and

Teng, 1997). Entrepreneurial behaviour is a rather special case of human behaviour since entrepreneurs and small business owner-managers, as individuals, have to control a complex system of risky and uncertain situations. Risk taking affects decision making which is a key element of the managerial processes. The whole process of management revolves around decision making and entrepreneur and managers can not avoid it (Carson 1985). Therefore, it is essential for the success and growth of a business how entrepreneurs and small business owners perceive and manage risks in their environment (Delmar, 1994).

Some writers hold the view that entrepreneurs, small business owners and managers, worldwide, perceive their role in making risky decisions as rather similar, even though risk-management is culturally conditioned (Boone and Kurz, 1984; Carson, 1985; Delmar, 1994). Especially entrepreneurs are widely believed to be willing risk-takers (e.g., Das and Teng, 1997; Masters and Meier, 1988). Thus, Burch (1986, 34) argues: "the antithesis of the entrepreneur is a person who never loses because he or she never puts himself or herself at risk". Meanwhile, Carland et al. (1984, 1988a) have shown that entrepreneurs, because of their focus on profits and growth are more likely to pursue new avenues for business and engage in more extensive planning than small business owners. In their empirical analysis they showed that an entrepreneur´s focus on venture growth entailed extended risks relative to the small business owner´s goal of meeting family needs as the entrepreneur plans for the growth of the business. The higher propensity for risk-taking found among entrepreneurs relative to small business owner-managers was also strongly associated with more meticulous planning.

On the other hand, a number of other research findings have indicated that the attitudes of entrepreneurs towards risk-taking do not necessarily differ from those of the general population (Brockhaus, 1980; Bowen and Hisrich, 1986; Unni, 1990). This may be partly explained by the fact that many entrepreneurs seem to take risks only after carefully analysing the situation in hand. This contention stems from the literature of Cognitive Psychology which has shown that risk-taking is mainly domain specific (Sjöberg, 1978, Heath and Tversky, 1991).

Despite findings that entrepreneurs do not necessarily have much higher risk-taking propensities compared to the general population, they do take many risks. The reason might be their greater ability to manage risk in the specific domain of their business (Delmar, 1994). Entrepreneurs tend to accept the risk in the opportunities they seize: they actively manage the risk of their ventures by assuming control, being hands-on and involved in the nitty-gritty of the business. They limit the risks they initiate by carefully defining and strategising their ends and controlling and monitoring their means (Unni, 1990).

Finally, Palich and Bagby (1995) argue that the reason why entrepreneurs are not necessarily more disposed to taking risks than non-entrepreneurs is that entrepreneurs simply perceive risky situations more optimistically than others. Therefore, they are more willing to undertake those entrepreneurial efforts than others see as too risky. If they have a strong belief in their ability to achieve goals, their perceived possibility of failure will be relatively low and therefore their perceived risk level will be low. Ultimately, the perception of risk is subjective and not derived from actuarial tables or from calculators. Even though from an outside observer´s perspective the entrepreneur may be viewed as a risk taker,

from the entrepreneurs´ perspective, he or she may just view him- or herself as "hedging the bets" and attempting to minimize risk.

5 METHODOLOGY AND SAMPLES

5.1 Instruments utilized in the study

Much past empirical literature on the psychology of the entrepreneur has remained concerned with the uniqueness of the individuals behind the ventures (Krueger and Brazeal, 1994) and the discontinuous nature of the entrepreneurship (Carland and Carland, 1996). A number of authors (e.g., McClelland, 1961; Mancuso, 1975; Carland et al., 1984) have discussed entrepreneurs contrasted against other groups. Others (e.g. Smith, 1967; Webster, 1977; Dunkelberg and Cooper, 1982; Vesper, 1990) have categorized entrepreneurs as falling into one of several classifications. The former school incorporates a tacit assumption that one either is, or is not, an entrepreneur: a dichotomous condition. The latter school is based on a tacit perspective that entrepreneurship describes a step function: a discontinuous distribution. (Carland and Carland, 1996).

In their more recent work Carland et al. (1992) and Carland and Carland (1996) challenge these assumptions and suggest that entrepreneurship might be a continuum. If it is, then much of the conflict in past findings could be explained: the people under investigation in all the studies shared entrepreneurial tendencies, but not in the same intensity. Examining entrepreneurship as a continuum could explain why one entrepreneur is content with a small business while another strives to dominate the industry.

Carland et al. (1992) set out to develop an instrument that would tap into this continuous nature of entrepreneurship. They constructed a continuous index designed to identify the strength of an individual´s entrepreneurial drive, the Carland Entrepreneurship Index (CEI). They combined a stream of research on cognitive and managerial style (e.g., Brodzinski, Scherer and Wiebe, 1990; Dugan, Feeser and Plaschka, 1990; Hoy and Boulton, 1983) with extensive literature on aspects of entrepreneurial personality. The latter included authors such as McClelland (1961) in the study of achievement, Brockhaus (1980, 1982) on risk-taking propensity, Drucker (1985) on innovation, Jung (1923), Keirsey and Bates (1984) and Myers and Briggs (1962) on cognitive typologies, studies of entrepreneurial traits and characteristics of Borland (1974), Davids (1963), Dunkelberg and Cooper (1982), Gasse (1977), Hartman (1959), Hornaday and Aboud, (1971), Liles (1974), Mancuso (1975), Palmer (1971), Sexton (1980), Timmons (1978), Vesper (1990), Welsh and White (1981), Williams (1981) and many studies bysame authors since that time, and Carland et al.´s own research (Carland, 1982; Carland et al. 1984, 1988a; Carland and Carland 1983, 1991, 1992).

Evaluation of the mass of literature led Carlands and their associates to conclude that entrepreneurial psyche is a gestalt of drives. This gestalt of multiple

personality factors include the need for achievement, propensity for risk-taking, preference for innovation, and cognitive style. They demonstrated that the various factors are normally distributed and that the varying strengths of the cognitive traits in an individual entrepreneur combine to produce differences in entrepreneurial behaviour (Carland et al., 1997). In essence, this view posits that the process of entrepreneurship is a result of an individual´s actions, and that the individual´s actions are profoundly affected by his or her personality.

The purpose of the Carland Entrepreneurship Index is to determine an individual's proclivity for four constructs: need for achievement, preference for innovation, risk-taking propensity and individual cognitive style. This is done by utilizing the following instruments: the Myers-Briggs Type Indicator (Myers and Briggs, 1962) to measure individual cognitive style, the Jackson Personality Research Form (1974) to measure Achievement Motivation, and the Jackson Personality Inventory (JPI, 1976) to measure Risk-Taking Propensity and Preference for Innovation. The present paper reports findings from a study which employed the JPI (see Appendix for a sample part of the questionnaire). The trait descriptions for the two scales are displayed in Tables 1-2.

TABLE 1 Trait descriptions for the Innovation Scale of JPI

Description of High Scorer:	*Description of Low Scorer:*
A creative and inventive individual; capable of originality of thought; motivated to develop novel solutions to problems; values new ideas; likes to improvise.	Has little creative motivation; seldom seeks originality; conservative thinker; prefers routine activities.
Defining Trait Adjectives:	*Defining Trait Adjectives:*
Ingenious, original, innovative, productive, imaginative.	Unimaginative, deliberate, practical, sober, prosaic, literal, uninventive, routine.

TABLE 2 Trait descriptions for the Risk-Taking Scale of JPI

Description of High Scorer:	*Description Of Low Scorer:*
Enjoys gambling and taking a chance; willingly exposes self to situations with uncertain outcomes; enjoys adventures having an element of peril; takes chances unconcerned with danger	Cautious about unpredictable situations; unlikely to bet; avoids situations of personal risk, even those with great rewards; does not take chances regardless of whether the risks are physical, social, monetary or ethical.
Defining Trait Adjectives:	*Defining Trait Adjectives*:
Reckless, bold, impetuous, intrepid, enterprising, incautious, venturesome, daring, rash.	Cautious, hesitant, careful, wary, prudent, discrete, heedful, unadventurous, precautionary, security minded, conservative.

The Risk-Taking and Preference for Innovation Scales consist of bipolar questions aimed at maximized content saturation and reduced response bias. They are not designed to separate subjects into entrepreneurial and non-entrepreneurial ones;

rather, to identify levels of risk-taking propensity and innovativeness. Instead of emphasizing dichotomous features, the aim is to demonstrate a continuum in risk-taking propensity and preference for innovation. The higher the score on the instrument, the stronger is an individual´s propensity or preference.

The Innovation Scale is a measure of a predisposition to be innovative and is conceptionally synonymous with creativity. It is similar to several cognitively-grounded indicators of creative style (Goldsmith, 1987), especially the Originality subscale of the KAI Inventory (Goldsmith, 1984). The Innovation Scale of the JPI consists of 20 questions in a forced choice format to which a subject respond yes or no. The scale can be scored by untrained people. The instrument is scored by assigning a value of one to each question answered in an innovative mode and zero for each question answered in an innovation-averse mode. Jackson (1976) established norms for each question and includes the scoring instructions in the Personality Inventory Manual. The scale has been reported to display high reliability and validity and to exhibit high correlations with self and peer ratings (Jackson, 1976). Jackson (1976), in tests involving two samples (N=82 & N=307), reported internal consistency reliability values of .94 and .93 using Bentler's coefficient theta and .83 and .87 using Kuder-Richardson´s coefficient alpha. In a test for validity, Jackson (1976) reported (N=70) correlations with the completion of an adjective checklist, with self rating and peer rating of .73, and .37 respectively

The Risk-Taking Scale was based on the work of Jackson (1976) who demonstrated that risk-taking consists of four relatively independent facets: monetary, physical, social and ethical risk-taking. The four are highly correlated and are subsumed in a single Risk Scale (Jackson, 1977). Jackson (1976, 18) reports that the JPI Risk Scale has substantial correlation with all four facets, but it weighs monetary risk-taking more heavily. This weighting is consistent with the use of the instrument in evaluating risk-taking propensity as it relates to business undertakings. The scale comprises 20 forced choice questions to which a subject respond yes or no. It can be scored by untrained people. It is scored by assigning a value of one to each question answered in a risk-taking mode and zero for each question answered in a risk-averse mode. Jackson (1976) established norms for each question and includes the scoring instructions in the Personality Inventory Manual. The scale has been reported to display high reliability and validity and to exhibit high correlations with self and peer ratings (Jackson, 1976). Jackson (1976), in a test involving two samples (N=82 & N=307), reported internal consistency reliability values of .93 and .91 using Bentler's coefficient theta and .81 and .84 using Kuder-Richardson´s coefficient alpha. In a test for validity, Jackson (1976) reported (N=70) correlations with the completion of an adjective checklist, with self rating and peer rating of .77 and .52 respectively.

5.2 Sampling procedure and demographic details

The Carland Entrepreneurship Index including the Jackson Personality Inventory was administered to some 1,000 respondents both in Finland and the USA. The sampling frame used for the Finnish sample was taken from the statistics of the Federation of the Finnish Enterprises. The CEI was translated into Finnish by Professors Salme Näsi, Juha Näsi and Matti Koiranen in close co-operation with a certified translator. The questionnaires were mailed to a randomly selected sample of 1,000 small business owners and entrepreneurs who met the U.S. Small Business Administration definition, using the mailing lists of the Federation of Finnish Enterprises. No piece of information in this register is more than a few months old. This procedure ascertained that the Finnish data were comparable with the US data. The data were stratified into two geographical districts, the counties of Pirkanmaa (centering on the Greater Tampere area) and Central Finland (with Jyväskylä at the core). After second mailing, the response rate climbed to 43%. The sample consisted of 434 principal owners of small businesses, all of which were native-born Finns. The high response rate was a clear indication of the keen interest which entrepreneurs have in supporting their field of research. Furthermore, it suggested a minimal non-response bias.

Both the Finnish and US data were collected between 1995 and 1996. To support the development of a large database of respondents in the US, which was perceived necessary due to the cross-cultural nature of the study, to minimize non-response bias, and to procure thoughtful, considered responses to the personality instruments, it was determined that a data collection strategy different from traditional survey techniques would be required (Carland et al., 1997). Therefore, it was decided to utilize graduate business students to approach candidates and solicit their participation. The rationale for this decision was that the students would have contacts with a large number of people, and these relationships would increase the likelihood of response to a lengthy survey and prompt more meticulous attention to the questions. Subsequently, over a period of two years, more than 200 graduate business students from Western Carolina University were asked to locate and secure participants for the study. These students were first exposed to issues of psychological and personality distinctions between entrepreneurs and managers. One class period was devoted to the discussion of the research, the contents of the survey, and the requirements for participation in the study. Moreover, each student in the class was required to complete the personality instruments used in the research, and the results and implications of their scores were discussed. Data collection was offered as one of several different term projects that students could choose. Consequently, students who decided to participate had an interest in entrepreneurship and felt that they had a network they could utilize to solicit participants.

There were no a priori lists for inclusion in the study. Students were instructed to identify individuals who owned and actively managed small businesses. The data collection process was carefully monitored and each respondent was verified. The US sample was gathered in two phases. In the first instance, the sample consisted of business owners: 225 surveys were distributed

using a convenience sampling technique. Graduate students were asked to have small business owner-managers complete the surveys and return them at the end of the semester. Of the 225 initial surveys, 211 were usable. The others were eliminated, in most cases because the owner had omitted answers to key questions on the survey or the person who responded only had a small percentage of ownership. The final sample of firms were all individually owned and operated small businesses according to the U.S. Small Business Administration definition. Later, the sample was increased to 456 employing similar data collecting procedures as in the first instance.

All US respondents were owners, partners, or major share holders and principal managers of the businesses. As to the ethnic background, 96% were white and 4% were minorities: African-Americans, Hispanics, and people of Chinese origin. The majority of the respondents, some 75 per cent were from South Carolina, North Carolina, Georgia, Florida, Tennessee, and Virginia. The remaining 25 per cent came from the North East, Midwest and Southwest. The demographic characteristics of both Finnish and US data sets are given in Table 3.

Although the US sample is one of convenience, there are benefits to be gained from this sampling technique (Carland et al., 1997). Firstly, the sample was not anonymous, and the data set was controlled. Secondly, the methodology of approach used minimized non-response bias. Since the data were collected through personal approaches, there was a high level of participation. As a result, the data was collected from individuals who might not have responded to a mail questionnaire. The rate of response was thus greater than that of typical mail survey, particularly for surveys of entrepreneurs that produce notoriously low response rates (Aldrich, 1991; Gasse, 1982). Thirdly, the technique supported the generation of a large sample size. Although the database represented a convenience sample, it was sufficiently large (N=456) as to eliminate most criticism since the central limit theorem holds that larger samples have a level of confidence which approaches that of a random sample (Mason, 1982). Fourthly, the size of the sample improves statistical power (Cohen, 1988).

In addition to variables pertaining to cognitive constructs, the CEI questionnaire included strategic and demographic questions. As to the strategic posture, the questionnaire asks whether the primary purpose for establishing the business was to make profits and achieve business growth or to provide for the economic needs of the families of the respondents. The second strategic question asked whether there was a formal written plan for the development and growth of the business. The issue was whether or not systematic planning had been conducted in the firm as reported by the owner-manager.

6 RESULTS

The scores on the innovation and risk preference instruments were continuous and therefore could be compared between the respondent groups without adjustment. The U.S. response rate was 46 per cent and the Finnish 43 per cent. Hence, in total 890 usable answers were obtained.

TABLE 3 Demographic data

		Finnish Sample	US Sample
Gender	Male	75 %	70 %
	Female	25 %	30 %
Age	< 25 years	1 %	3 %
	25 - 34	12 %	19 %
	35 - 44	29 %	33 %
	45 - 54	41 %	26 %
	> 54 years	16 %	16 %
Education	< 12 years	73 %	33 %
	12 - 15	9 %	22 %
	16	3 %	28 %
	> 16 years	9 %	14 %
Role in Start Up	Started Business	81 %	71 %
	Purchased Bus.	13 %	23 %
	Inherited Bus.	5 %	6 %
N:o of Businesses Started	None	10 %	1 %
	1	70 %	71 %
	2 - 5	17 %	27 %
	> 5	3 %	1 %
Primary Objectives	Profit & Growth	21 %	55 %
	Family Income	77 %	43 %
Plans for the Business	None	11 %	29 %
	Formal Plans	13 %	19 %
	Informal Plans	76 %	51 %
Type of Business	Retail	18 %	46 %
	Service	45 %	38 %
	Wholesale	4 %	4 %
	Construction	15 %	6 %
	Manufacturing	15 %	5 %
	Other	3 %	0 %
Annual Sales	< 100.000 USD	34 %	43 %
	100.000-250.000	16 %	31 %
	250.000-500.000	19 %	10 %
	500.000-1 mil.	14 %	13 %
	> 1.000.000	15 %	0 %
N:o of Employees	< 11	78 %	79 %
	11 - 25	10 %	13 %
	26 - 50	2 %	4 %
	51 - 100	2 %	2 %
	> 100	0 %	1 %
Business Form	Proprietorship	25 %	42 %
	Partnership	37 %	19 %
	Corporation	37 %	37 %
Age of Business	< 14 years	54 %	25 %
	14 - 24	24 %	40 %
	> 24 years	21 %	32 %

As Table 3 indicates, the basic demographics showed strikingly similar distributions, though, at the same time some considerable differences also emerged. Notably, as regards the type of business, the American sample was much more retail intensive (46%) than the Finnish sample (18%) which included a greater proportion of firms from service, construction and manufacturing industries. Proprietorship was also a more general business form in the USA where enterprises were also older and entrepreneurs had much higher education. The most striking difference, which will affect the empirical results, was the fact that an overwhelming majority of Finnish subjects reported 'family income´ as their primary business objective. On the other hand, over half of U.S. informants were profit and growth-oriented in their business goal settings.

6.1 Innovation scores

The first phase of analysis was an investigation of differences between Finns and Americans on Jackson Preference for Innovation scores (see Table 4). T-test results are given in Table 5. These showed a slight American dominance in innovation preferences. American females manifested somewhat higher preferences compared to Finnish females (p=ns). The same applied to differences between U.S. and Finnish males. Overall, female entrepreneurs seemed to be more innovative than males. Both Finnish and U.S. females exhibited higher levels of preference than their male counterparts. Indeed, a significant difference (p=.049) was discovered in the combined Finnish and U.S. sample. On the basis of this study, it appeared that small business might hold an attraction for females with more innovative tendencies. This gives support to previous findings by Carland and Carland (1991, 71) who indicated that females with higher preferences for innovation would be driven to seek self-employment by their personalities.

TABLE 4 Descriptive statistics: Jackson Preference for Innovation scores

	Finnish Sample	American Sample
Mean Score	13.35	13.94
Standard Error of Mean	.21	.23
Standard Deviation	4.28	4.80
Mode	17	18
Median	14	15
Minimum	1	0
Maximum	20	20
Number of Cases	434	456

A further t-test examined differences in mean responses between respondents with different business goals (see Table 5). The two subgroups were profit and growth- oriented entrepreneurs and those whose primary objective was to provide for family income. Finns pursuing profit and growth exhibited slightly higher levels of personal innovation (p=ns) than respective U.S. informants. However, no significant difference was found between those Finns and

Americans, who were not growth-oriented. Meanwhile, in the combined Finnish and U.S. data, respondents pursuing profit and growth had significantly higher (p=.000) preferences than respondents oriented towards substituting for family income. Schumpeter (1934) also found a link between innovativeness and profit. He made a distinction between entrepreneurial profits and earnings of management. For him, profit is not a return to risk, instead it is a residual, a surplus that arises due to an innovative act by the entrepreneur.

TABLE 5 Means, standard deviations and t-tests: Jackson Preference for Innovation scores

	Finns	Americans	
	Mean (N)	Mean (N)	t
Nationality	13.35 (434)	13.94 (456)	-1.95
Gender			
Male	13.24 (324)	13.70 (320)	-1.27
Female	13.67 (110)	14.52 (135)	-1.48
Primary Objectives			
Profit & Growth	14.99 (89)	14.77 (249)	.43
Family Income	12.90 (335)	12.91 (194)	.01
Role in Start Up			
Founder	13.32 (353)	14.27 (323)	-2.76**
Non-Founder	13.41 (80)	13.12 (130)	.45
Plans for the Business			
Detailed Plans	13.65 (386)	14.58 (322)	-2.88**
No Detailed Plans	10.89 (46)	12.40 (134)	-1.99*

Note Significance levels * p<.05 ** p<.01 *** p<.001

Next, the differences between business founders and non-founders were examined. A significant difference (p=.006) was found between Finnish and U.S. entrepreneurs who had set up their own businesses. The Americans were clearly more positively oriented to innovation. In addition, in the USA, the respondents who had either bought or inherited their current businesses scored much lower than the founders. Interestingly, Smith and Miner (1983) have also discovered that founders of high growth firms scored higher on personal innovation than founders of slow-growth firms and non-founders.

Back to the present study, the mean scores showed that American non-founders had weaker preference to innovation compared with the respective Finns. Nevertheless, no significant difference was found here. Rather surprisingly, Finnish non-founders scored slightly higher than Finnish founders. It seems that in the USA a higher level of personal innovation might be an important factor affecting new business creation. In fact, the U.S. respondents in our sample had set up more businesses than the Finns on the average.

Regarding depth of planning in conducting business, a significant difference in favour of the Americans was found. Americans who had formal, written plans

for development and growth of the business manifested a significantly (p=.004) higher level or personal innovation compared to the respective Finns. Moreover, in the combined Finnish and U.S. sample, entrepreneurs with formal, written plans scored significantly higher on personal innovation than those with informal, unwritten plans (p=.000). This seems to reflect the nature of an entrepreneurial venture which is typically characterized by innovative strategic practices (Carland et al., 1984, 358).

Additionally, a strong correlation (Chi-square, p=.000) was found between respondents´ business goals and their depth of planning. Some 85 per cent of people pursuing profit and growth had detailed plans for the business. On the other hand, seven out of the ten of those with no detailed plans pursued family income as their primary objective. In this context, we agree with Sexton and Bowman-Upton (1991, 182), when they state that, "Growth does not occur automatically. It must be planned, nurtured, and directed . . . Growing firms face frequent changes and attempt to change in a manner that is creative and innovative". One natural explanation can be that fast-growing companies often need external capital funding, and established business plans are often required to support and justify the loan application.

6.2 Risk Taking Scores

The second stage of analysis consisted of an investigation of differences between Americans and Finns on Jackson Risk Taking scores (see Table 6). T-test results are given in Table 7. American informants had much greater risk-taking propensity than the Finns who tended to be more conservative and risk-averse. This finding complies with Cummings et al. (1971) who found U.S. managers to have stronger proclivities for risk-taking than their European colleagues.

TABLE 6 Descriptive statistics: Jackson Risk-Taking scores

	Finnish Sample	American Sample
Mean Score	7.33	10.46
Standard Error of Mean	.19	.25
Standard Deviation	3.99	5.36
Mode	5	14
Median	6	11
Minimum	0	0
Maximum	19	20
Number of Cases	434	456

With regard to gender, American males proved to be much more inclined to risk-taking than the more risk-averse Finnish males. A significant difference was found (p=.000). The same difference applied to the female respondents of the two countries. In the combined Finnish and U.S. sample females scored lower than males, but there was no significant difference. In the Finnish sample, the

difference was minimal. This is parallel with the U.S. and India-based findings of Masters and Meier (1988) and Masters et al. (1988) who discovered no differences in risk-taking propensity between female and male entrepreneurs.

TABLE 7 Means, standard deviations and t-tests: Jackson Risk Taking scores

	Finns	Americans	
	Mean (N)	Mean (N)	t
Nationality	7.32 (434)	10.46 (456)	-9.93***
Gender			
Male	7.35 (324)	10.81 (320)	-9.33***
Female	7.24 (110)	9.67 (135)	-3.96***
Primary Objectives			
Profit & Growth	9.89 (89)	11.55 (249)	-2.69**
Family Income	6.67 (335)	9.05 (194)	-5.59***
Role in Start Up			
Founder	7.26 (353)	10.51 (323)	-9.02***
Non-Founder	7.64 (80)	10.36 (130)	-3.98***
Plans for the Business			
Detailed Plans	7.51 (386)	11.22 (322)	-10.62***
No Detailed Plans	5.89 (46)	8.64 (134)	-3.88***

Note Significance levels * p<.05 ** p<.01 *** p<.001

As regards the business goals, the two subgroups of entrepreneurs were profit and growth-oriented entrepreneurs and those whose primary objective was to provide for family income. In both cases, U.S. respondents scored significantly higher than the Finns (p=.007 and p=.000 respectively). In the combined Finnish and U.S. sample, respondents pursuing profit and growth had significantly greater propensity than those oriented towards providing for family income (p=.000). Interestingly, Bird (1989) also found that entrepreneurs whose main goal was income substitution were more likely to become risk-averse when an acceptable income was achieved, whereas those who used profits as a way of keeping score continued to take calculated risks.

As was already mentioned, some 85 per cent of people pursuing profit and growth had detailed plans, while some 70 per cent of those with no detailed plans pursued family income. It appeared that those respondents who were more inclined to risk-taking ('profit and growth´- oriented) employed business plans as one way to manage risks. This result gives support to the findings by Carland et al. (1988a) who discovered that a higher propensity for risk-taking in entrepreneurship was associated with more meticulous planning. It appears that risk-taking among the profit and growth inclined respondents was more calculated. This supported the findings of Moore and Gergen (1985) and Delmar (1994) who have indicated that many entrepreneurs take risks mainly in areas where they are experts and only after carefully analyzing the situation in hand.

The next analysis was conducted between respondents who had started their own businesses. A significant difference in favour of the U.S. founders (p=.000) was discovered. The t-test results also suggested that the American non-founders, i.e. those who had either bought or inherited their businesses, tended to have greater risk-taking propensity than the respective Finns. Again a significant difference was found (p=.000). Rather controversially, Finnish non-founders scored slightly higher than Finnish founders. This clearly affected the combined Finnish and U.S. sample where non-founders scored slightly higher than founders.

With respect to depth of business planning, both Americans with detailed plans and those without them manifested a significantly higher level of risk-taking compared with respective Finns (p=.000). Finally, in the combined Finnish and U.S. sample, the more planning-oriented entrepreneurs scored significantly higher than their more improvising colleagues (p=.003).

7 CONCLUSION AND DISCUSSION

The study compared and contrasted entrepreneurial tendencies and practices as exhibited by Finnish and U.S. entrepreneurs and small business owners. When interpreting the results, a number of caveats should be taken into consideration. The first and main concern rests with the convenience sampling technique used in gathering the US data. Consequently, the results are more applicable to Finland than the US. Secondly, Finnish businesses were comparatively young; on average, U.S. businesses had been in operation seven years longer. Thirdly, success of the ventures was not measured. Fourthly the survey instrument used in Finland was a translation from the original CEI. Finally, the study deals with psychological factors that might indicate intentions and inclinations to engage in a particular type of business behaviour and role. Intentions and inclinations do not automatically transfer into a specified behaviour (Stewart et al., 1999). Individuals exhibiting the psychological profile of an entrepreneur will not necessarily behave entrepreneurially. Moreover, it is possible that being in business has contributed to the magnitude of psychological constructs.

The results of the study indicated that the enterprising tendencies manifested by the Finnish entrepreneurs and small business owners seemed to lag behind those of their US counterparts.

We could employ the empirically-grounded definitions of entrepreneurs and small business owners formulated by Carland et al. (1984, 1988a, 1988b), which were also based on JPI data, to interpret the results of the present study. The findings imply that the Finnish respondents fit better the profile of a small business owners than that of an entrepreneur. This can be inferred from their profile of the entrepreneurial orientations as well as from their preferred types of business goals and planning practices. The Finns manifested significantly lower risk-taking propensities than the Americans who were also much more profit and growth-oriented and planning conscious. The same difference applies in a more limited sense also to the American dominance in innovation preferences.

The primary business goal for an overwhelming majority of Finnish respondents was to pursue family income often with no detailed plans for the business. In their well-cited study, Carland et al. (1988a) came to the conclusion that an entrepreneur, because of his or her focus on profits and growth, would be more likely to pursue new avenues for business and would engage in more extensive planning than would be the small business owner. Moreover, the same authors also posited that an entrepreneur´s focus on venture growth may entail extended risks relative to the small business owner´s goal of meeting family needs as the entrepreneur plans for the growth of the business. Carland et al. (1984, 1988a) have also indicated that entrepreneurs have a predilection for strategic activities associated with innovative combinations of resources for profit and growth. In doing so, the entrepreneur tends to have a higher preference for innovation than does the small business owner (Carland et al., 1988a). These arguments as applied to the findings of the present study might suggest that the cognitive profile and types of business goals and planning practices adopted by a majority of the sampled Finns does not necessarily correspond to the dominant view of entrepreneurial behaviour which is depicted in the American models of entrepreneurship.

Perhaps the less entrepreneurial attitudes and practices of the Finns could be attributed to socioeconomic and cultural aspects. Entrepreneurship tends to occur differently in different countries. In USA, for instance, entrepreneurial traditions may translate into greater proclivity among the population to consider entrepreneurial careers as desirable and attainable (Carland and Näsi, 1996) which, in turn, might account for a selective stream of more qualified, skilled and enterprising individuals entering into small business ownership than is the case in Finland.

This contention gained credibility in the analysis of risk-taking propensity where a big difference between the countries emerged. Fear of failure could play a role in the more risk-averse attitudes of the Finns towards entrepreneurial activity. Attitudes toward business risk are cultural phenomena that exist independent of government policies to encourage business development. According to American entrepreneur and research scholar Jack Rennie (as quoted by McDermott, 1987, 39), the reason why many Europeans do not like business risks stems from the unfavourable risk/reward ratios that entrepreneurs experience. Rennie thinks that every potential entrepreneur instinctively appraises a risk/reward ratio before deciding to set up a business. In Europe, he argues, the ratio is top heavy with risk and offers little in the way of reward.

A recent nationwide study in Finland has indicated that the prospective financial rewards to be gained by embarking on an entrepreneurial career as opposed to those received by choosing a career in a well-paid salaried employment, which is currently available, are too small to encourage many people to take the entrepreneurial option (Holm, 2000). In Finland, if you go into business for yourself and you are successful, for the most part you tend to be heavily taxed. If you fail the stigma often attached means that you are almost unemployable and it will be very difficult to be able to borrow start-up capital again, due to the bankruptcy laws which are rather harsh. In this environment, a high-achieving individual with relatively moderate risk-taking propensity is more

likely to direct his or her energies and ambitions towards a more yielding, safe and prestigious goal than entrepreneurship.

Additional research is required to validate such conclusion, however the findings of the present study suggest that national differences in entrepreneurial attitudes and orientations could turn out to be a fruitful area for study. Nevertheless, in order to really understand differences in business behaviour, factors, such as ideology, norms and rewards for behaviour, individual and national aspirations, situational events, business environments, religious doctrines and education as linked to entrepreneurship should also be examined on a comparative basis (cf. Giamartino et al., 1993; Gibb and Ritchie, 1981).

Besides neglecting cultural issues, researchers have sometimes tended to overlook the situational factors affecting entrepreneurial behaviour (Delmar, 1994, 739). Entrepreneurial behavior has often been explained too exclusively from the personal characteristics of the individuals rather than seeing it as a response to the characteristics of particular situations. In reality, human behaviour is strongly directed by the situations that people find themselves in (Bandura, 1982; Kahneman and Tversky, 1984). For example, risk-taking behaviour not only depends on an individual´s propensity to risk-taking, but it is usually conditioned by the fact that some people frequently find themselves in situations in which they are more prone to risk-taking. The difference from ´the risk-taking ability´ approach is that here the behaviour is also directed by external factors that influence the perceptions of the entrepreneur. The situation frames him or her into a certain kind of behaviour. Thus, risk-taking and innovation should perhaps be studied using a framework including both psychological and socio-psychological dimensions. Situational and cultural factors should not be left aside since our personalities and entrepreneurial behaviour are always products of both inherited and learned aspects.

Let us conclude by shifting the attention to the potential implications that our findings might have for entrepreneurial growth. This is an important issue to consider especially in light of the persistently high levels of unemployment in Finland. In order to remedy the situation, much effort is currently being made to stimulate small business start-ups and growth. In this context, the two relevant entrepreneurial dimensions discussed in the study can combined into a 2 X 2 matrix, based on respondents´ mean scores (see Table 8).

Due to the relatively small samples and the non-dichotomous nature of both dimensions, this framework may well be too simplistic and idealistic. It must also be noted that the characterizations of the four cells of the matrix are meant to be tentative and hypothetical. If we follow the logic of the matrix, the cross-national comparison can be summarized as is shown in Table 9.

The differences in innovation scores between the countries were rather small. Meanwhile, the low Finnish scores on risk-taking might imply that the Finns lose or neglect some growth potential due to their unwillingness to take risks. From the growth perspective, the educational implication is certainly that Finnish people should be more actively trained to commercialize their ideas and encouraged to take calculated risks more eagerly. In both countries, especially in Finland, there seems to be a need and human potential for expansion strategies based on the productivity-related growth logic with increased risk-taking.

TABLE 8 Exploratory matrix combining entrepreneurial dimensions

	Innovation Preference Mean Score < 10	*Innovation Preference* Mean Score > 10
Risk Taking Mean Score <10	Basic income from Routine Operations ´Conservatism´ ´Status Quo´ *NO MAJOR GROWTH AMBITIONS*	Under-Exploited Opportunities and Ideas ´Cautiousness´ ´Daydreaming´ *LATENT GROWTH POTENTIAL, ALTHOUGH OFTEN NEGLECTED*
Risk Taking Mean Score > 10	More Active Use of Established Ideas and Resources ´Productivity-related Growth Logic´ *GROWTH THROUGH BETTER UTILIZATION*	Novelties and Creative Growth Plus Major Improvements ´Entrepreneurial Growth Logic´ ´Active Use of Innovations´ *EXTENSIVE AND INTENSIVE GROWTH POTENTIAL*

TABLE 9 Summary of cross-national comparison

	Innovativeness 0-10	*Innovativeness* 10-20
Risk Taking 0-10		* *Finnish Females* * *Finnish Males* * *US Females*
Risk Taking 10-20		* *US Males*

Finally, if real differences can be shown to exist in levels of risk-taking inclinations and innovation preferences between the two nationalities, the ramifications of such differences for educational systems and entrepreneurial assistance programs are significant. In this context, one key question requires further consideration in Finland: Is it possible to teach entrepreneurial courage? We can train people to be better *able* to calculate risks, but is it insuperably difficult to train them to be more *willing* risk-takers? Since risk-taking proclivity is domain-related, it can be argued that the better people master their

entrepreneurial domain, i.e. their field of business, the better could be their willingness to assume risks. What an educational challenge!

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APPENDIX

Sample part of the questionnaire

Jackson Innovation Scale

If you agree with a statement or think it describes you, circle TRUE. If you disagree with a statement or decide it does not describe you, circle FALSE.

True	False	People often ask me for help in creative activities.
True	False	I seldom bother to think of original ways of doing a task.
True	False	I often try to invent new uses for everyday objects.

Jackson Risk Taking Scale

If you agree with a statement or think it describes you, circle TRUE. If you disagree with a statement or decide it does not describe you, circle FALSE.

True	False	If I invested money in stocks, it would probably only be in safe stocks from large, well known companies.
True	False	If the possible reward was very high, I would not hesitate putting my money into a new business that could fail.
True	False	I consider security an important element in every aspect of my life.

FOURTH ARTICLE: IN SEARCH OF ENTERPRISE: ADAPTORS AND INNOVATORS IN CENTRAL FINLAND

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Abstract

The development of a more enterprising economy is currently regarded as important in Finland. In spite of the proliferation of a more enterprising climate, next to nothing is known about the enterprising tendencies amongst the population at large. The study provides early insights by exploring orientations to innovation among regional population in the Province of Central Finland. Kirton Adaption-Innovation Inventory was used in assessing cognitive styles of creativity and problem-solving among 1,479 respondents. The total sample was further divided into three subgroups, existing and aspiring owner-managers and non-entrepreneurs, to enable a range of comparisons both between rural rand urban areas and cross-nationally.

The results indicate the preponderance of a fairly adaptive problem-solving style in the province. Residents of the urban areas were significantly more innovative in their cognitive style than those living in more peripheral communities. The variations in the scores were attributed to differences in the features of the local cultural environments. Of the three subgroups, aspiring entrepreneurs gained the highest scores in both settings. Besides their more innovative style, they possessed a range of other suitable entrepreneurial characteristics. This points to the existence of untapped entrepreneurial potential in Central Finland which could be harnessed to help develop economic viability in the localities. Finally, in a tentative cross-national comparison the Finns seemed to lag behind their European and US counterparts in innovation orientations.

Keywords: entrepreneurship, cognitive style, problem-solving, decision-making, innovativeness, creativity, urban-rural difference

1 INTRODUCTION

Entrepreneurship is currently seen as crucial to the development of the Finnish economy which underlies the emphasis in public initiatives to promote a more enterprising economy. Policies have been introduced to reduce public spending on welfare and the public sector more generally and to open provision to the discipline of market forces. Government has begun to see SMEs as central tenets of programmes and plans for enhancing economic growth and curing persistently high levels of unemployment. An important underlying factor is the employment market which has changed markedly over the previous decade. The changes have included the introduction of more part-time, casual and contract work, greater outsourcing, and less job security. This allied with sustained high levels of unemployment, a minimum of 10% over the last eight years, has led to a call for new approaches to the development of employment opportunities. Many policy responses have relied on the SME sector to create opportunities necessary to address the employment difficulties. The initiatives have played their part in a rather rapid increase in new SMEs and jobs. The growth is expected to continue and the improvements accomplished have enhanced the potential for more ambitious enterprise projects.

In spite of these trends, there is a major hurdle which is impeding a more widespread proliferation of enterprise. A steep discrepancy is appearing in economic circumstances between different regions of the country. Following the deep recession of the early 1990s, there has occurred a strong relative shift of firms, output and jobs from the smaller towns and rural areas to bigger cities (Kangasharju 1998, Pehkonen and Tervo 1998). Even though SMEs are currently an important source of new jobs created, too few of these have located in rural regions. They tend to concentrate in larger industrial centres, mainly in the southern parts of the country, creating few new jobs in the more peripheral areas while drawing former rural residents to the bigger cities.

The rural-urban economic shift has hit badly the fairly sparsely-populated areas mainly in northern, central and eastern parts of the country, where agriculture has traditionally been important economic activity. A big reduction in agricultural production has been at the core of the economic restructuring. This has created a corresponding decrease in agricultural employment with near catastrophic effect on some rural communities. These regions are experiencing economic hardships in the midst of a general economic upturn. They must find new employment or face continued decline. The most plausible solution would be the development and expansion of small business activities.

To foster small business development, entrepreneurial potential has to be discovered, promoted and encouraged to translate it into entrepreneurial activity. In search of this potential, the study explores enterprising tendencies in Central Finland, a province which is experiencing the effects of the rural-urban shift and where there are marked differences in the densities of the SMEs across different regions: in some smaller communities the number of new firms is only 5 per 1,000 labour force members, while in many of the urban areas it has kept around 10 (Kangasharju, 2000).

The research task is threefold. Firstly and foremostly, the study sets out to explore whether there are local cultural differences in orientations to innovation between urban and rural areas of the province. Kirton Adaption-Innovation Inventory (KAI 1994) is used as a tool in assessing cognitive styles of creativity in problem-solving and decision-making among 1,479 residents. This can be seen as an aggregated version of a cognitive approach, regarding attitudes and orientations as cultural rather than individual variables (e.g. Davidsson 1995, Davidsson and Delmar 1992, Etzioni 1987). To enable a range of comparisons between the regions, the general population will later be divided into three subgroups: small business owner-managers, aspiring owner-managers, and other respondents. Besides adding to our knowledge of the innovative tendencies of the regional populations, the results enable us to speculate on whether the rural-urban economic shift is exerting influence in the matter.

Secondly, the paper probes into entrepreneurial intentions as manifested by aspiring owner-mangers. In the general population there is, of course, a number of prospective founders of SMEs (Krueger 1995). These tend to have planned intentions towards start-up, but may have previously lacked the opportunity to launch a new firm. They might also have suitable entrepreneurial attitudes and competencies for self-employment, such as entrepreneurial family background, past work experience in small business, an innovative cognitive style, and so on. The presence of such individuals is of paramount importance to the future economic prosperity of Central Finland, particularly in the countryside. In the present study, a detailed screening procedure was followed to differentiate prospective entrepreneurs from the members of the general population.

In past research carried out to identify potential business owners, it has been shown that creativity and innovation are among the key variables differentiating between high and low likelihood of starting a business (e.g. Buttner and Gryskiewicz 1993, Siropolis 1986). Setting up a small business can be seen as a creative and innovative response to environment (Carland et al. 1984, 1988, Drucker 1985). Thus, the presence of a pool of aspiring entrepreneurs with capacity for innovative behaviour as indicated by the KAI Inventory could be viewed as an indicator of entrepreneurial potential in Central Finland.

Thirdly, Kirton (1994) and Goldsmith (1989) have provided evidence for the stability of an individual´s KAI score over time. This means that regardless of when the inventory was administered, the scores for one particular group can be compared to those of another group. The final aim of the study is to conduct a tentative, cross-national comparison of KAI scores gained across Europe and in the US. This comparison gives a wider frame of reference for evaluating innovation orientations of Finnish people.

The paper is organized into seven sections. In the following section, the role of local business environments in facilitating entrepreneurship is discussed. Section three outlines features of Kirton Adaption-Innovation theory and inventory. This is followed by a description of sampling and data collection procedures. The results are reported in the fifth section. The study concludes by drawing together factors previously discussed.

2 ENTREPRENEURSHIP IN LOCAL CONTEXTS

Researchers argue that business environments play a major role in affecting the fates of small firms and the level of entrepreneurial activities in various localities (D´Arcy and Giussani 1993, Garofoli 1992). This local economic development hypothesis puts forward the notion that local entrepreneurial environment is related to local cultural features. One central aspect is the entrepreneurial culture or climate of a given area. The basic contention is that cultural differences, understood as differences in prevailing attitudes and beliefs, are important factors for explaining variation in entrepreneurial activity (Davidsson 1995). Prevailing values and beliefs are seen to constitute a norm-based restriction giving entrepreneurial orientation and behaviour a higher or lower degree of social legitimation depending on the environment (Etzioni 1987).

A local entrepreneurial culture defines a socio-economic context where entrepreneurial attitudes and behaviour are encouraged (Johannisson 1993, Mason 1991). It is an environment which fosters and approves of attitudes and values conducive to entrepreneurial activity. These include, e.g., innovativeness, initiative, risk acceptance, independence, disposition to self-realization, boldness and self-confidence (Cannon 1991, Keat and Abercrombie 1991, Mason 1991). The presence of entrepreneurial attitudes and orientations among a population might be an important indicator of the existence of a pool of potential entrepreneurs in a given area (Jackson and Rodkey 1994). A region with a larger population of people with entrepreneurial orientations and intentions may account for a greater level of entrepreneurial activity simply because it contains more people who are likely to set up in business.

Various authors have indicated that the strength of local entrepreneurial cultures varies spatially, although empirical testing of the relationship between culture and entrepreneurial activity is difficult and interpretations of the causes of such variations differ (e.g. Burrows 1991, Davidsson and Delmar, 1992, Etzioni 1987, Mason 1991). The difficulties have their roots in the plethora of socio-economic factors which co-influence variations in entrepreneurial activity across localities. According to Mason (1991), an entrepreneurially conducive environment includes features such as an industrial structure that already has an inclination towards small independent economic units; employees working in problem-solving occupations who have close contact with customers, and are thus likely to already possess some technical and market knowledge; a concentration of technically-progressive small firms; a high awareness of past small business activities; banks and other financial institutions sympathetic to the needs of small businesses; the availability of help and advise; an affluent population; and a social climate which favours individualism. It is apparent that an entrepreneurial praxis is always going to be inherently spatially uneven (Burrows 1991), and consequently the antecedents and effects of an entrepreneurial culture are difficult to assess objectively.

The research task is further complicated by the fact that culture can not be quantified easily. Thus, the impact of a local entrepreneurial culture is very difficult to detect accurately. Moreover, the usual implied causality between

culture and economic structure is also difficult to establish in any rigorous fashion (Curran and Blackburn 1991). We can only turn to views on the subject from surveys of entrepreneurial attitudes and orientations and observable outcomes such as the number of people starting a business with a positive desire rather than for negative reasons such as unemployment. However, there is a dearth of such studies, especially in Finland. In spite of the proliferation of a more enterprising climate over the past decade, very little is known about the enterprising tendencies amongst the population at large.

The emergence of more enterprising culture in society requires that a positive business climate is accompanied by the presence of a pool of individuals with proper entrepreneurial orientations and intentions. The present study tries to provide some early, tentative findings of Finnish enterprise potential by assessing entrepreneurial intentions and innovativeness in Central Finland. Being among the core behavioural and psychological characteristics of entrepreneurship, innovativeness serves as a starting-point for an analysis of enterprising tendencies and orientations (Cannon 1985, Drucker 1985, Schumpeter 1934, Stewart et al. 1999, Timmons 1990). Next, we turn to outlining the theoretical and methodical base employed in this inquiry.

3 COGNITIVE APPROACH IN STUDYING ENTREPRENEURSHIP

The belief that entrepreneurs have distinctive personality characteristics has a long tradition in entrepreneurship studies, and research based on this premise is generally known as the trait approach. Given its limited success, contemporary researchers of entrepreneurial psyche have turned to more sophisticated techniques provided by cognitive psychology (Baron 1998, Carland and Carland 1996, Das and Teng 1997, Palich and Bagby 1995, Stewart et al. 1999). The cognitive approach examines how perceptions (Cooper, Woo and Dunkelberg 1988), cognitive and decision-making styles (Buttner and Gryskiewicz 1993, Kaish and Gilad 1991, Walsh and Anderson 1995), heuristics (Busenitz 1992, Manimala 1992), biases (Busenitz and Barney 1997), and intentions (Bird 1988, Krueger 1993, Krueger and Brazeal 1994) of entrepreneurs affect their behaviour. Shaver and Scott (1991) have made an eloquent case for the validity of this type of research as long as it is rigorous and takes environment into account. The present study adopts a cognitive approach by employing the KAI theory of Michael Kirton.

3.1 Kirton Adaption-Innovation Theory

The view that there is a powerful set of links between innovativeness, creativity and a small enterprise has often been expressed (Drucker 1985, Gartner 1990, Timmons 1990). A number of studies in cognitive psychology have looked into

this theoretically proposed relationship. They suggest a discernible prevalence of innovativeness in the psychological predisposition of entrepreneurs (e.g. Carland and Carland 1992, Stewart 1996, Stewart et al. 1999). Interesting research has been conducted based upon Kirton´s Adaption Innovation Theory (1994) which elucidates cognitive styles of creativity in problem identification, solution and decision-making in organizational environments. According to this theory, entrepreneurship attracts people who prefer an innovative cognitive style.

In the KAI theory, an adaptive cognitive style is marked by a preference for making improvements to existing methods and systems (Kirton and Bailey 1991). Adaptors accept as their initial starting point the assumptions, conventions, theories, practices and procedures of the system in which they find themselves. They recognize, are comfortable with, and work well within the restraints and boundaries of the prevailing paradigm. They prefer well-established structured situations and tend to initiate and support changes that are withing that enveloping paradigm. Adaptors aim to combine creativity and continuity, efficiency and reliability. They tend to be conservative, place great emphasis on precision, discipline and attention to norms and take a problem as initially defined and develop solutions within currently accepted guidelines.

Innovators are more likely to change the context of the situation in generating solutions, to generate novel solutions and to prefer less structured work environments (Kirton, 1994). They are more concerned with effectiveness than efficiency and may overlook the details of management, including administrative tasks. They can be unaware of, or simply ignore, the restraints from traditional boundaries of the prevailing paradigm and in doing so may challenge the established methods, procedures, and customs, and may perhaps bring about a significant alteration in the system itself. They prefer change that is radical rather than evolutionary. Entrepreneurs have been shown to exhibit characteristics of innovators (Buttner and Gryskiewicz 1993, Goldsmith and Kerr 1991, Walsh and Anderson 1995).

In considering the significance of individual cognitive styles and/or their aggregation of a cognitive climate for an organization, Kirton and Ciantis (1989) concluded that cognitive style is a source of influence on organizational variables such as size, function, technology, structure, task, and role determination. Much past research has been done in industrial and commercial settings, in particular in research concerned with the value of the KAI Theory and Inventory in predicting behaviour in specific occupational groups and organizational environments.

3.2 Kirton Adaption-Innovation Inventory

Kirton (1994) developed the Adaption-Innovation Inventory to operationalize his theory. It is a self-report measure designed to reveal cognitive styles of creativity in problem-identification, solution and decision-making in organizational environments. It locates individuals on a continuum, one end of which is labelled adaptive and the other innovative. Well established behavioural characteristics are associated with each style.

Kirton (1989) defines Innovation-Adaptation as a function of three factors: Originality, Efficiency, and Rule/Group Conformity/Non-conformity. Originality refers to an ability and potential to constantly produce new ideas on the job/activity being pursued. An original person is creative and not bound by rules. Efficiency is deemed as the ability to carry out work assigned as soon as possible and effectively. An efficient person is one who is disciplined, methodical, precise, and reliable. Finally, Rule/Group Conformity/Non-conformity pertains to a tendency of the individual to accept or reject boundaries of structured situations or authority. Individuals with high levels of non-conformity are self-reliant and independent. An innovative person will, therefore, be more original, less efficient and more rule/group non-conformed (Kirton 1994).

The KAI inventory is a 32-item scale which is scored by the subject on a scale from one to five producing a continuum of total scores ranging from 32 to 160, with a theoretical mean of 96. The higher an individual scores, the more innovative is his or her problem-solving style. Instead of emphasizing any dichotomous features, individuals are conceptualized as being situated on a continuum ranging from an extreme adaptor to an extreme innovator. Location on the continuum is neither pejorative nor praiseworthy. The internal consistency of the inventory, over numerous studies (Kirton 1987), has averaged .88, and test-retest reliability is .82 to .88.

4 SAMPLING AND DATA COLLECTION

The data was based upon a postal survey in Central Finland. A sample of 3,200 individuals, representing the economically active population aged between 25-49, was developed from the total population of the area using the Official Population Register. The informants were residents of either the regional centre of the province, Jyväskylä, or one of three geographical regions located in the province or in its neighbouring regions. To ensure the representativeness of the four areas, 800 informants in each were randomly selected. The three rural subregions consisted of rather sparsely populated municipalities located quite far from big centres. They included areas where 1) small business activity has consistently been relatively high (Alajärvi and Lapua), 2) entrepreneurial activity has traditionally been low whereas agricultural activity has been relatively high (Iisalmi and Nilsiä) and 3) entrepreneurial activity is currently rather high, but has previously been relatively low (Saarijärvi and Viitasaari). As to the location of the upbringing, 77 percent of subjects had lived most of their life in rural areas or smallish industrial towns, the rest in larger towns or cities.

The original KAI Inventory was translated into Finnish by a certified translator and mailed to the respondents. The total number of usable returns received was 1,479, yielding a high response rate of 46.2 percent. The returns consisted of 194 owner-managers, 263 aspiring owner-managers: and 1,022 other respondents including hired employees, students, unemployed and retired people, and housewives. All owner-managers were owners or major share holders and principal managers of their business.

A screening procedure was followed to differentiate potential entrepreneurs from the general population. Questions pertaining to the following entrepreneurial characteristics and inclinations were included in the questionnaire: a) extent of prior work experience in small business, b) parent(s) in small business c) indication of planned intentions towards start-up, d) level of occupational education, e) level of basic education, f) a score gained on a scale adapted from a Need for Achievement measure by Cassidy and Lynn (1989), and g) a score achieved on a scale adapted from Levenson´s Locus of Control measure (1973). Points were awarded from one to five for each of the criteria. The subject was required to have an average score of 21 points or more to be included as an aspiring owner-manager. The demographics of the sample are detailed in Table 1.

TABLE 1 Basic demographics

Total Sample		N=1,479
Sex	Male Female	74.5% 25.5%
Age	Less than 30 years 30 to 40 41 to 49	17.6% 38.2% 43.7%
Basic Education	Comprehensive school High school	64.0% 28.0%
Formal Education	No occupational education Vocational training Secondary education Tertiary education	12.9% 51.3% 23.5% 12.3%
Place of Residence	Urban area Countryside	22.2% 77.2%
Entrepreneurial Sample		N=194
Business Sector	Service Industry	17.6% 67.4%
Age of Business	1-5 years 6 to 10 years 11 to 15 years 16 or more	38.2% 29.4% 15.6% 16.8%
Number of Employees	10 or less 11 to 25 26 to 50 51 to 100	79.0% 13.0% 4.0% 2.0%
Role in Start-up	Firm founders Non-founders	72.0% 28.0%
Number of Start-ups	One Two or more	78.9% 21.1%

5 RESULTS

The mean KAI score for the total sample was 88.79 (SD=13.4), scores ranging from 48 to 149. This is clearly lower than the theoretical mean of the inventory (96) implying the existence of a fairly adaptive cognitive style of problem-solving in Central Finland. Males, with a mean score of 89.8, scored significantly higher in a t-test than females at 85.9 (see Table 2). Individuals below 30 years of age (mean=90.4) employed more innovative style than those aged between 30-49 (mean=88.4). Education was also strongly associated with the score. The findings confirmed earlier research which has shown that individuals with higher formal educational qualifications tend to exhibit more advanced problem-solving skills than individuals with lower levels of formal education (Mason 1991).

TABLE 2 T-tests for differences in KAI mean scores in demographic variables

	Mean (N)	S.D.	t	p
Gender				
Male	89.8 (1,102)	13.0	4.93	.000
Female	85.9 (377)	13.8		
Age				
Less than 30	90.4 (260)	11.5	2.41	.017
30-49	88.4 (1,212)	13.6		
Basic Education				
High school graduate	92.5 (414)	15.1	6.25	.000
No high school education	87.3 (1,065)	12.3		
Occupational education				
Completed	89.4 (1,289)	13.3	4.62	.000
No such education	84.6 (190)	12.6		
Tertiary education				
Holds a degree	95.0 (182)	14.8	6.11	.000
No higher education	87.9 (1,297)	12.9		
Place of Residence				
Urban area	91.6 (330)	13.8	4.30	.000
Countryside	88.0 (1,115)	13.1		

As regards the subgroups of respondents, aspiring owner-managers, with a mean of 94.1 (SD=14.5), scored higher than the existing owners with a mean of 92.7 (SD=14.2) with non-entrepreneurial respondents gaining the most adaptive mean score at 86.7 (SD=11.7). Table 3 indicates the results gained in a one-way analysis of variance.

TABLE 3 One-way analysis of variance between sub-groups

Source of Variation	Sum of Squares	DF	Mean Squares	F-Ratio
Between Groups	15006.1	2	7503.0	44.3 ***

Sub-groups		Mean (N)	S.D.	Group 1 F-prob.	Group 2 F-prob.	Group 3 F-prob.
Non-entrepreneurs	Group 1	86.7 (1,022)	11.7			
Aspiring entrep.	Group 2	94.1 (263)	14.5	***		
Owner-managers	Group 3	92.7 (194)	14.2	***		
All Groups		88.8 (1,479)	13.4			

Note *** Indicates a significant difference at 0.01 level between groups, ** 0.05 level, * 0.1 level

5.1 Spatial variation in creative styles

The first aim of the study was to examine differences in cognitive styles of creativity and problem-solving between rural and urban areas. As is shown in Table 2, residents of urban areas, whose mean was 91.6 (SD=13.8), were more innovative in their preferred style than those living in rural localities with a mean of 88.0 (SD=13.1). A significant difference in favor of the "townies" emerged in a t-test (p=.000). Interestingly, in a previous study of the effects of environmental and personality attributes on entrepreneurial start-ups in Central Finland, Niittykangas and Tervo (1996) also found that subjects from the countryside were clearly more conservative towards new and aberrant issues than residents of bigger centres.

In the variance analyses of the rural and urban subgroups, the respondents of the urban areas gained more innovative scores in each subcategory (see Tables 4a-4c). Most notably, the aspiring owner-managers based in the urban areas manifested rather innovative cognitive style with a mean of 99.7 (SD=15.6). They scored significantly higher than their rural-based counterparts at 92.6 (SD=13.5). The existing owner-managers from urban areas exhibited only slightly higher orientations towards innovation than their rural counterparts. Finally, a significant difference in favour of the urban areas was discovered among the non-entrepreneurs.

To evaluate the relationship between KAI scores and the place of residence relative to other background factors, partial correlations were computed for the KAI score and other variables. Table 5 shows the correlation coefficients between the score and each variable in turn, holding all other variables fixed.

TABLE 4a One-way analysis of variance: Owner-managers

Source of Variation	Sum of Squares	DF	Mean Squares	F-Ratio
Between Groups	3726.4	2	1863.2	10.5***

Sub-groups		Mean (N)	S.D.	Group 1 F-prob.	Group 2 F-prob.	Group 3 F-prob.
Others	Group 1	88.2 (1,285)	13.2			
Rural Owners	Group 2	92.1 (152)	14.1	***		
Urban Owners	Group 3	94.9 (42)	14.4	**		

Note *** Indicates a significant difference at 0.01 level between groups,** 0.05 level, * 0.1 level

TABLE 4b One-way analysis of variance: Aspiring owner-managers

Source of Variation	Sum of Squares	DF	Mean Squares	F-Ratio
Between Groups	11295.3	2	5647.7	32.9 ***

Sub-groups		Mean (N)	S.D.	Group 1 F-prob.	Group 2 F-prob.	Group 3 F-prob.
Others	Group 1	87.6 (1,216)	12.9			
Rural Wanna-bes	Group 2	92.6 (207)	13.5	***		
Urban Wanna-bes	Group 3	99.7 (56)	15.6	***	***	

Note *** Indicates a significant difference at 0.01 level between groups, ** 0.05 level, * 0.1 level

The partial correlations between the KAI score and the place of residence and that between the KAI score and the educational level were statistically significant, indicating that both the place of residence and the level of education were strongly associated with the score, even when all other variables were held fixed. In other words, the lower mean KAI score of the rural respondents is not due to a lower level of education only, there also appears to be other local cultural differences between the two aggregated business environments that seem to be reflected in differences in the cognitive styles. In the final section of the paper, explanations are sought for these urban-rural differences.

TABLE 4c: One-way analysis of variance: Non-entrepreneurs

Source of Variation	Sum of Squares	DF	Mean Squares	F-Ratio
Between Groups	16507.6	2	8253.8	49.1 ***

Sub-groups		Mean (N)	S.D.	Group 1 F-prob.	Group 2 F-prob.	Group 3 F-prob.
Others	Group 1	93.5 (457)	14.2			
Rural Non-entrep.	Group 2	86.0 (791)	12.4	***		
Urban Non-entrep.	Group 3	89.1 (231)	12.3	***	***	

Note *** Indicates a significant difference at 0.01 level between groups, ** 0.05 level, * 0.1 level

TABLE 5 Partial correlation between the KAI Score and demographic variables

Variable	Partial Correlation
Male	0.14***
Age between 30 and 40	-0.02
Age over 40	-0.06**
Secondary education	0.09***
Tertiary education	0.17***
Lives in an urban area	0.10***

Note The reference group for the subjects is formed by under 30-year-old females with no secondary level education, living in the countryside. *** denotes that the partial correlation is significant at one percent level, ** denotes five percent level, and * denotes 10 percent level of significance.

5.2 Aspiring owner-managers

The second objective of the study was to assess the innovation orientations of the prospective owner-managers. As was already indicated, aspiring owner-managers gained highest scores of the three subgroups both in the urban and rural communities. Those based in the urban areas scored relatively high with a mean of 99.7 (SD=15.6). This is clearly above the theoretical mean of the KAI Inventory indicating a relatively high capacity to innovate.

The concentration of more innovative subjects in the group of aspiring entrepreneurs accords with their prescribed profile. Embarking on a new business venture and guiding it through the early turbulent stages can be challenging and full of surprises. This would be more ideal for innovator-inclined individuals than the routinized management of a more mature business which could appeal for

adaptive business owners. The conclusion gained further support in analysis of the entrepreneurial sample: when the age of business was entered into the equation owner-managers with firms established less than 10 years ago gained higher scores than their colleagues in older firms. The same explanation may also partly account for the finding that the more innovative owner-managers in the sample had started two businesses on average, while the more adaptive ones had usually only set up their existing firm. This is consistent with Buttner and Gryskiewicz (1993), Ronstadt (1986), and Tandon (1987) who found that innovator-inclined entrepreneurs in the U.S. had started more businesses on average than their more adaptive colleagues.

5.3 Cross-national comparison

The third goal of the study was to compare the Finnish results with KAI studies conducted in other countries. The low mean score of the total sample at 88.79 (SD=13.4) suggests the preponderance of a rather adaptor-inclined problem-solving style. Table 6 displays the KAI scores for our sample and general population means found in other countries. Moreover, in Table 7 mean scores for small business owner-managers in Finland, Ireland and the USA are given. The Finnish scores are clearly lower than those of other countries. What might account for these differences?

The low scores might reflect the fairly high share of the rural population in the sample, since urban subjects gained significantly higher scores than those located in rural areas. Low level of education found throughout the sample may also partly explain the low mean score. As is shown in Table 5, when the level of education is kept constant, the urban respondents gain higher KAI scores than their rural counterparts. On the other hand, when the place of residence is kept constant, subjects with lower level of education gain lower scores than their more educated counterparts. However, these explanations do not alter the fact that even the urban respondents gained rather low KAI scores.

TABLE 6 KAI mean scores for general population samples across countries

Country	Number of Observations	KAI Mean Score	Standard Deviation
Finland*	1479	88.79	13.4
France	265	94.61	19.3
Italy	835	94.07	17.7
The Netherlands	422	95.30	17.0
Slovakia	385	95.06	15.6
UK	562	94.99	17.9
USA	214	94.98	15.9

Note *Sample contains general population in Central and Eastern Finland. Source for other results: Kirton (1994).

TABLE 7 KAI mean scores for owner-managers in Finland, Ireland and the USA

Country	N	Mean (SD)	Author (s)
USA	79	113.9 (13.20)	Buttner & Gryskiewicz (1993)
Ireland	51	109.3 (14.50)	Walsh & Anderson (1995)
Finland	194	92.7 (14.20)	Current study

Instead of recourse to explanations pertaining to inborn entrepreneurial characteristics, perhaps the adaptive orientations of the Finns can be attributed to socio-economic and cultural aspects. Entrepreneurship is enmeshed with culture (Peterson 1988). National cultures are important variables affecting attitudes and behavioural patterns. There are big differences in the ways they influence tolerance of new ideas and inquisitiveness (Wallace 1970). A variation in the cultural values can lead to greater innovativeness and inventiveness in different societies (Shane 1992).

In a recent study using the Carland Entrepreneurship Index (CEI, 1996) in the USA and Finland (N=1,000 in both countries), the US small business owners scored significantly higher than the respective Finns on the Innovation Scale of the Jackson Personality Inventory (Hyrsky and Tuunanen 1998). Like KAI, the JPI includes a sub-scale measuring Rule/Group Conformity/Non-conformity, i.e. a tendency of the individual to accept or reject boundaries of structured situations or authority. Measured by these two scales, the Finns exhibited fairly high levels of Rule/Group Conformity. This might imply a degree of dependence proneness among Finnish people. The contention gets further support from other cross-cultural studies (Hofstede 1984) which have shown that uncertainty avoidance is a relatively strong tendency among the Finns compared to other European nationalities.

Another explanation for the low scores can be traced back to the fact that Finns in general seem to express themselves on a fairly low level of intensity. In the national culture there is a long-standing tradition of playing-down the levels of your personal skills, talents and their perceived importance (Rusanen 1993, Saarinen 1988). In this context, Scandinavians often refer to the Janteloven, unwritten laws against making too much of one´s self, lest one incurs the resentment of others. The culture is clearly different today, but the undertones persevere (Peterson, Peterson and Tieken 1988). The cult of individualism is not necessarily equally acceptable in every country of the world (cf. Peterson 1988).

6 CONCLUSION AND DISCUSSION

It is important to point out limitations of the study before any conclusions are drawn. Firstly, the instrument was a Finnish translation from the original KAI concept. Secondly, the subjects studied, although representative of Central Finland, may not necessarily be representative of individuals found throughout

the country. This makes the cross-cultural comparisons tentative. Thirdly, the study investigated local cultural aspects. Culture can not be quantified easily and therefore its antecedents and effects are very difficult to detect accurately. On account of these caveats, the results should be viewed with caution.

The paper explored enterprising tendencies in Central Finland. The first aim was to assess cognitive styles of creativity between rural and urban areas of the province. It was found that residents of urban environments were more innovative in their preferred style than those living in rural areas. The aspiring owner-managers based in the urban areas scored significantly higher than their rural-based counterparts. Only a slight difference was discovered amongst the existing owner-managers. It appears that in the rural localities the owner-managers possess fairly similar capacity to innovate when compared with their more urban colleagues.

Further analyses were conducted in search of explanations for the urban dominance. Partial correlations were computed to evaluate the relationship between the KAI scores and the place of residence. The results point to differences in local cultural features between the environments.

Firstly, the urban ascendancy was related to the demographic factors of age and educational level. A strong correlation was found between higher formal and occupational qualifications and innovative cognitive styles of problem-solving. The higher scores gained by the urban respondents are partly explained by their higher educational level. Moreover, as is shown in Table 5, the age of the subjects was also clearly associated with the KAI score with younger people, on average, possessing more innovative cognitive style. Unfortunately, the younger people have lately been heavily represented among those leaving the rural areas in search of new educational and career opportunities in the economically more viable urban areas of the country.

These findings might reflect the structural change occurring in the Finnish economy. Paradoxically, the emergence of a more enterprising climate in the society as a whole, which is starting to take root in the context of an economic boom, is accompanied by a powerful locational shift in the distribution of employment and economic activity. The change over has affected Finnish labour markets resulting in a rather constant stream of selective out-migration from the rural communities. The migration flows have started to drain a number of rural areas of their pool of younger people with entrepreneurial talent and higher formal educational qualifications. This is reducing those members of the countryside population most likely to possess the entrepreneurial skills and inclinations, such as capacity to innovate, required to form new enterprises. For instance, in 1998 some 260,000 people migrated mainly from the more peripheral areas of the country into larger cities in search of new career and education opportunities. This represents an alarmingly high number since the total population of Finland is 5.18 million people. These developments do not bode well for the future economic developments of these areas.

Another underlying factor can be found by looking into recent history. Compared to other Nordic countries, Finland has been a very agrarian society. In the past agricultural activity was considered central to the culture, as much a way of life as an economic activity. In the 1930´s , as many as 70 percent of the

population still made their living from agriculture. Consequently, the transition from a traditional agrarian society into a modern industrial and consumer society meant a dramatic structural change of economy and society. The change over was one of the most drastic in Europe. The agrarian society relied on a strong sense of self-sufficiency, but at the same time the traditions of the communities tended to generate considerable resistance to forms of innovation. Perhaps these agrarian traditions are still exerting some influence in the countryside.

The second goal of the paper was to examine entrepreneurial potential as displayed by aspiring owner-managers. The study of behavioural intentions has a rich history in psychology (Ajzen and Fishbein 1980) and it has also started to appear in both conceptual (Bird 1988, Krueger and Brazeal 1994) and empirical (Brenner et al. 1991, Krueger 1993) research on small business. Krueger (1993) has argued that entrepreneurial intentions are paramount to understanding the entrepreneurial process since they form the underpinnings of new organizations. Because entrepreneurship occurs over time, entrepreneurial intentions can be viewed as the first step in an evolving, long-term process towards small business activities. It is apparent that the presence of a pool of prospective owner-managers with innovative orientations in Central Finland is of crucial importance to the future economic prosperity of the area.

It was assumed that a high level of innovation in the cognitive style of the prospective business owners could predict their potential for initiating a small business venture. True to this expectation, prospective entrepreneurs gained the most innovative scores of the three subgroups of respondents. Perhaps the aspiring entrepreneurs who, besides their more innovative style, possessed other suitable entrepreneurial characteristics have previously just lacked a proper opportunity to found a firm perhaps due to external factors. This contention hints at the existence in Central Finland of a pool of individuals who are willing and able to establish a business, but are still looking for the proper opportunity. Having said that, there were discernable spatial differences in the innovation orientations of the aspiring entrepreneurs. The more innovator-inclined prospective owner-managers tended to be concentrated in the less peripheral areas of the province.

The third goal of the paper was to conduct a tentative comparison of the KAI scores across nationalities. The innovation orientations of the Finns appeared to lag behind those of other European countries. In this respect, the results paint a fairly bleak picture of the enterprising tendencies found among the respondents. Nevertheless, if we look beyond the surface, light appears in the horizon. People with entrepreneurial characteristics and aspirations in Central Finland were not as scarce as previously thought. In the studied regions there still appears to be untapped entrepreneurial potential.

Entrepreneurial aspirations require opportunities and favourable conditions for their realization. In the present context of an economic upturn and a positive business climate, more resources should be directed at developing the economic health and viability of the more peripheral areas of the country. The regional imbalances need to be addressed. Public and private initiatives should aim at creating more favourable local economic environments in these areas. This would help stimulate the prospective owner-managers to put their ideas into effect. If

Finland is to move towards a more ´enterprising economy´ as a whole, steps need to be taken to help increase the number of new venture start-ups across the rural areas through measures designed to support potential entrepreneurs and to compensate for the barriers to market entry.

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SUMMARY IN FINNISH (TIIVISTELMÄ)

Artikkelimuotoinen väitöskirja on ensimmäinen yrittäjyyskulttuuria laaja-alaisesti tarkasteleva liiketaloustieteellinen tutkimus Suomessa. Se lähestyy yrittäjyyden olemusta tutkimalla sitä sekä yksilötasolla että sosiaalisena ja kulttuurisena ilmiönä. Se luo yleiskatsauksen yrittäjyyskulttuurin nykytilaan tarkastelemalla laajan vastaajajoukon mielikuvia ja käsityksiä yrittäjistä ja yrittäjyydestä sekä yrittäjien ja valtaväestön yrittäjyysominaisuuksia ja -valmiuksia. Tutkimus pyrkii siten valottamaan suomalaisen yrittäjyysilmaston ja -potentiaalin keskeisiä ominaispiirteitä. Näin se tuottaa tietoa yrittäjyyskulttuurin (*enterprise culture*) edellytyksistä Suomessa.

Suomessa 1990-luvun alun taloudellisen kriisin jälkeen asenteet yrittäjyyttä kohtaan ovat julkisessa keskustelussa muuttuneet myönteisemmiksi ja pk-sektorin toimintaedellytysten kehittäminen on saanut lisääntyvää huomiota taloudellisen korkeasuhdanteen vauhdittamana. Laman seurauksena talouselämässä jouduttiin tekemään kipeitäkin rakenteellisia uudistuksia valtiontalouden elvyttämiseksi ja markkinatalouden toimintaedellytysten kehittämiseksi. Taloudellisesta taantumasta toipumisessa on yhtä merkittävää roolia näytellyt suomalainen pk-yrityssektori. *Pienyritystoiminnan edistämiseen ja yrittäjämäisen ajattelun ja toiminnan (ns. sisäinen yrittäjyys) stimulointiin palkkatyössä satsataan entistä enemmän nähtäessä ne ehtoina taloudellisen kasvun, kansantalouden kilpailukyvyn ja työllisyyden edistämiselle.*

Suomen tulevaisuudelle on imperatiivista, miten yrittäjämäiset toimintamallit ja asenteet saadaan laajemmin juurrutettua ja sopeutettua pohjoismaalaisen hyvinvointivaltion yhteyteen. Tämä ilmenee myös julkisessa keskustelussa, jossa markkinavoimien ehdoilla toimiminen ja yrittäjyys ovat saaneet paljon lisähuomiota. Tämä kehitys nivoutuu laajempaan sosioekonomiseen ja kulttuuriseen prosessiin länsimaisissa jälkiteollisissa valtioissa. Yksilöityminen, ihmisten lisääntyvä vapaus ja vastuu omasta elämästään, auktoriteettien arvovallan murtuminen, kilpailu- ja tietoyhteiskunnan mukanaan tuomat tehokkuusvaatimukset, kulttuurin kaupallistuminen ja markkinatalouden toimintamallien implisiittinen käyttöönotto yhteiskunnan eri osa-alueilla ovat tehneet yleisen ilmapiirin Länsi-Euroopassa yrittäjyydelle otolliseksi. Tulevaisuudessa monet tekijät kuten talouden ja informaation vapautuminen ja globalisoituminen, yhteiskunnan teknistyminen ja vauhdittuva Euroopan integraatio tulevat vielä kasvattamaan yrittäjyyden roolia.

Suomalaisen yrittäjyyskulttuurin kehittyminen vakaalla pohjalla edellyttää, että yrittäjyydelle alttiit sosioekonomiset ja rakenteelliset olosuhteet kohtaavat yksilötason toimijoiden kyvyn ja halun toimia yrittäjämäisesti. Tämän taustaolettamuksen mukaisesti tutkimus lähestyy yrittäjyyttä tarkastelemalla sitä sekä yksilön näkökulmasta että kulttuurisena ja sosioekonomisena ilmiönä. Väitöstutkimus pyrkii yleisellä tasolla, mutta silti selväpiirteisin rajauksin kuvaamaan näiden kahden osa-alueen interaktioita.

Tutkimus on poikkitieteellinen työ, jossa yhdistyvät kvantitatiivinen ja kvalitatiivinen tutkimusote. Tutkimusfilosofiset taustaoletukset kiinnittyvät sekä

hermeneuttiseen että positivistiseen tieteenfilosofiaan. Empiirisessä tiedonhankinnassa hyödynnetään kielitieteeseen pohjautuvia eksploratorisia instrumentteja yhdessä vakiintuneiden psykometristen mittareiden kanssa. Näkökulmien laajentamiseksi ja alustavien kulttuurien välisten vertailujen edesauttamiseksi havaintoaineistoa on Suomen lisäksi kerätty Ruotsista, Norjasta, Irlannista Kanadasta, Yhdysvalloista ja Australiasta.

Tutkimustehtävä pitää sisällään kaksi keskeistä osatavoitetta. Ensinnäkin työ tarkastelee laajan vastaajajoukon yrittäjyysmielikuvia ja -asenteita. Artikkeleissa 1 ja 2 lähes tuhannen vastaajan joukko määritteli metaforien, kollokaatioiden ja yrittäjyyden lähikäsitteiden kautta, mitä yrittäjyys ja yrittäjät heille merkitsevät. Kielelliset kuvaukset toimivat avaimena vastaajien arvo- ja asennemaailmaan. Kieli ja sen käsitteet ovat integraalinen osa kulttuuria ja luovat kehyksen yksilöiden ajatusprosesseille ja tiedostamiselle. Kielenkäytön diskurssit samanaikaisesti sekä heijastavat että muokkaavat kulttuurin ominaispiirteitä. Kielelliset ilmaisut tarjoavat syvempiä ja laaja-alaisempia keinoja pyrittäessä selvittämään ihmisten asenteita ja arvostuksia yhteiskunnallisia ja kulttuurisia ilmiöitä kuten yrittäjyyttä kohtaan. Kielen avulla voidaan porautua haastateltavien reaalimaailmaan. *Väitöskirjassa yrittäjyyden kielelliset kuvaukset ja määritelmät antavat viitteitä Suomessa vallitsevasta yrittäjyysilmapiiristä peilaamalla yrittäjien nauttimaa sosiaalista ja kulttuurista arvostusta.*

Artikkelin 1 käsiteanalyysissa suomalaisten vastaajien mukaan yrittäjyys määriteltiin toiminta- ja ajattelutavaksi, joka edellyttää aloitekykyä, myönteistä työasennetta, määrätietoisuutta, menestymishalua, vastuun kantamista, halua ottaa riskejä, luovuutta, kekseliäisyyttä, ja aktiivisuutta. Yrittäjän käsite puolestaan määriteltiin seuraavin termein: [yrittäjä on] itseensä uskoja, tilaisuuteen tarttuja, riskin ottaja, vastuunkantaja, ahertaja, oman onnensa seppä, kehittäjä ja ammattilainen.

Käsiteanalyysiä täydentävässä metaforia (artikkeli 1) ja kollokaatioita (artikkeli 2) hyödyntävissä tutkimuksissa ilmeni, että Suomessa yrittäjyyteen suhtaudutaan kaksijakoisesti ja paradoksaalisesti. Kokonaisuudessaan tulokset kuitenkin vahvistivat käsitystä siitä, että yhteiskunnallinen ilmapiiri olisi muodostumassa yrittäjyydelle myönteiseksi. Valtaosa vastaajien käyttämistä yrittäjä- ja yrittäjyysmääritelmistä, kielikuvista ja kollokaatioista sisälsivät hyvin myönteisiä, jopa idealistisia kuvauksia yrittäjyyden ilmiökentästä. Usein yrittäjän henkilökohtaiset ominaisuudet saivat jopa messiaanisia sävyjä. Tulokset viittaavat siihen, että voiton tavoittelu ja individualistinen itsensä toteuttaminen ovat muodostumassa hyväksyttävämmiksi liike-elämässä. *Havainnot heijastavat julkisuudessa ilmenevää suuntausta, jossa yrittäjyys on noussut yhdeksi nykyajan iskusanoista.*

Toisaalta huomattava joukko metafora- ja kollokaatio-ilmauksista edusti kärjistävää tyypittelyä ja kyynistä vähättelyä, viitaten usein yrittäjän elämän ahdistavaan arkeen. Yrittäjyyden "päivä"- ja "yö"- dimensiot nousivat siten korostetusti esille. Negatiivisia havaintoja selittänee mm. se tosiasia, että perinteisesti Suomessa yrittäjyys ei ole ollut samalla tavalla yhteiskunnallisesti arvostettua ja taloudellisesti houkuttelevaa kuin esim. Yhdysvalloissa. *Tulokset osittain vahvistivat aikaisempia tutkimuslöydöksiä, joiden mukaan yrittäjyys ei vielä näyttäisi laajemmalti omaavan riittävää sosioekonomista vetovoimaa Suomessa.*

Rakenteelliset ja toimintaympäristöön liittyvät tekijät selittänevät osan kielteisimmistä havainnoista. Pienet kotimarkkinat, sijainti idän ja lännen vaikutuspiirien välissä, ankaraksi koettu verotus, tiukka konkurssilainsäädäntö, keskitetyt työmarkkinat, ay-liikkeen vaikutusvalta, valtion aikaisempi keskeinen rooli taloudessa, pohjoismainen tulonjaon ihanne jne. ovat jarruttaneet yrittäjyyden laajempaa suosiota ja kasvupotentiaalia. Roolimalleilla on myös oma vaikutuksensa. Suomessa kuten monissa muissakin Euroopan maissa ovat korkeamman sosiaalisen taustan omaavat, kunnianhimoiset yksilöt perinteisesti tavoitelleet työ- ja elämänuraa julkisessa hallinnossa tai suurten yritysten johtotehtävissä.

Suurteollisuuden keskeinen asema taloudessa on myös väistämättä johtanut ns. teollisen palkkatyön kulttuurin vaikutuksen voimistumiseen kansan syvissä riveissä. Suomessa mennään töihin toisen palvelukseen. Myönteiset yrittäjyyshavainnot ja mielikuvat kuitenkin viestittävät, että tilanne on muuttumassa. Esimerkiksi julkisuudessa esillä olevien korkean teknologian ja informaatiointensiivisten pk-yritysten menestys ja osuus, joka vielä on pieni koko yrityskantaan suhteutettuna, on kasvussa ja niiden rooli yrittäjyysmyönteisen ilmapiirin rakentajina on merkittävä.

Artikkeleissa 1 ja 2 suoritetun yrittäjyysilmaston piirteiden valottamisen rinnalla toisena tavoitteena oli tutkia suomalaisten yrittäjien ja valtaväestön yrittäjyysorientaatiota ja -valmiuksia (artikkelit 3 ja 4). Tutkimukset kartoittivat suomalaisten yrittäjyyspotentiaalia eli tuottivat tietoa "yrittävämmän" taloudellisen toimeliaisuuden ennakkoedellytyksistä. Artikkelissa 3 vertailtiin 900 suomalaisen ja yhdysvaltalaisen pk-yrittäjän innovatiivisuutta, riskinottoalttiutta ja yritystoiminnan motiiveja Carland Entrepreneurship Indeksin avulla. Artikkeli 4 puolestaan tarkasteli suomalaisten innovatiivisuutta ja ideointikykyä ongelmanratkaisu- ja päätöksentekotilanteissa hyödyntäen Kirtonin Adaption-Innovation -mittaria. Yli 2000 vastaajan otos muodostui yrittäjistä, potentiaalisista yrittäjistä ja valtaväestön edustajista. Artikkeli vertasi yrittäjyysorientaatioiden ilmenemistä kaupunkikeskusten ja maaseudun asukkaiden ja eri kansallisuuksien välillä aggregoidulla tasolla, jolloin asenteet voidaan tietyin ehdoin käsittää kulttuurisiksi asenteiksi.

Huolimatta siitä, että yrittäjyyteen suhtaudutaan entistä myönteisemmin suomalainen pk-yrittäjä ei väitöskirjan tulosten perusteella välttämättä täytä julkisuudessa (ja valtaosaa artikkeleissa 1 ja 2) esitettyjen mielikuvien odotuksia ja vaatimuksia. Suomalaisten ja yhdysvaltalaisten pk-yrittäjien kognitiivisia yrittäjyysvalmiuksia vertailtaessa (artikkeli 3) suomalaisten vastaajien riskinottoalttius osoittautui amerikkalaisia vastaajia merkittävästi alhaisemmaksi. Myös innovatiivisuudessa yhdysvaltalaiset saivat korkeampia arvoja. Lisäksi suomalaiset olivat selvästi varovaisempia yritystoiminnan kehittämisen ja laajentamisen suhteen. Yrittäjyysmotivaatioita tarkasteltaessa ilmeni, että suomalaisten yrittäjien toiminnan perimmäisenä tavoitteena oli useimmiten perheen hyvinvoinnin ja toimeentulon turvaaminen ja omien henkilökohtaisten, usein ei-materialististen tavoitteiden, saavuttaminen. Yhdysvaltalaisiin kollegoihinsa verrattuna suomalaisten yrittäjien liiketoiminnan lähtökohtana oli merkitsevästi harvemmin voiton maksimointi tai yritystoiminnan välitön laajentaminen. Yhdysvaltalaisten yrittäjien motivaationa oli merkittävästi useammin yritystoiminnan kasvu ja kannattavuuden lisääminen. Amerikkalaiset olivat myös suunnitelmallisempia toimissaan.

Amerikkalaislähtöiset yrittäjyysmallit ja -määritelmät eivät tulosten perusteella istu suomalaisen yrittäjän reaalimaailmaan. *Tyypillinen suomalainen yrittäjä on edelleenkin enemmänkin jalat maassa ja vakiintuneella tavalla toimiva, paikalliseen toimintaympäristöönsä sitoutunut "elämäntapayrittäjä" kuin korkeasti koulutettu ja dynaaminen riskinottaja.*

Artikkelissa 4 tutkittiin keski- ja itä-suomalaisten maaseutu- ja kaupunkiyhteisöjen välisiä eroja yrittäjyysorientaatioissa ja -valmiuksissa. Syrjäisempien seutujen ja urbaanissa ympäristössä varttuneiden vastaajien välillä ilmeni merkittäviä eroja. Kaupunkikeskuksissa asuvat yrittäjät, potentiaaliset yrittäjät ja muut vastaajat olivat ongelmanratkaisu- ja päätöksentekotaidoissaan merkittävästi innovatiivisempia kuin maaseudun vastaavat ryhmät. *Tämä tulos ilmentää yhtä keskeisestä suomalaisen yrittäjyyskulttuurin kehityksen uhkakuvaa, joka on maan liian jyrkkä kahtiajakautuminen taloudellisen toimeliaisuuden suhteen.* Syrjäseutujen yrittäjyyden toimintamahdollisuudet ovat monilla alueilla asteittain kurjistumassa, kun potentiaaliset yrittäjä-roolimallit, koulutettu työvoima, asiakkaat ja markkinat siirtyvät tasaisena virtana perifeerisemmiltä alueilta kohti kasvukeskuksia. Kun samaan aikaan maatalouselinkeinojen työllistävä vaikutus pienenee Euroopan integraation myötä, pk-yritystoiminnan merkitys tulisi vastaavasti voimakkaasti kasvaa, mikä ei vielä näytä toteutuvan.

Huolimatta myönteisistä asenteista Suomessa on kansainvälisten vertailujen perusteella suhteellisen vähän pk-yrityksiä. Suomalaisessa yhteiskunnassa ja kansantaloudessa on kulttuurisia ja rakenteellisia ominaisuuksia, jotka ovat jarruttaneet yrittäjyyden laajamittaista juurtumista. Vaikka yrittäjyyden asema ja uusien yritysten lukumäärä Suomessa laman jälkeisen noususuhdanteen aikana on kasvussa ja yrittäjyyden arvo tiedostetaan julkisessa keskustelussa, niin suomalaiset eivät riittävän usein tunne olevansa valmiita tai halukkaita ryhtymään yrittäjiksi. Tarjolla on hyväpalkkaisia ja haastavia työpaikkoja, jotka monet kokevat sosiaalisesti arvostetummiksi ja taloudellisesti kannustavimmiksi ja turvallisemmiksi kuin yrittäjäriskin kantamisen.

Yrittäjyyskulttuuri on meillä vielä nuorta ja sillä on kehityspotentiaalia. "Yritteliäämmän" talouselämän ja yhteiskunnan rakentamiseen on syytä suhtautua optimistisesti. *Kehittyäkseen ja kasvaakseen suomalainen yrittäjyys tarvitsee kuitenkin omista kulttuurisista lähtökohdistaan kumpuavan kehitysmallin.* Yrittäjyys on niin kulttuurisidonnainen ilmiö, ettei esikuvia voida kopioida ulkomailta. Esimerkiksi Britanniassa havaittiin 1990-luvulla, että USA:sta adoptoitu yrittäjyyden toimintafilosofia - joka painottaa "liiallisesta" sääntelystä vapaata yrittäjähenkeä ja markkinavoimien ohjaamaa palkkakehitystä - ei toiminut sikäläisessä kontekstissa. Englannissa yrittäjyysyhteiskunnan idealisointi saavutti tuolloin lakipisteensä, minkä jälkeen ilmiön käytännön vaikutuksia ryhdyttiin evaluoimaan kriittisesti ja monipuolisesti.