

Entrepreneurship, Cultural Forces and Creative Distraction

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Presented by

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Agenda

1 – Entrepreneurship, Ambition, Mindset and Socio-economic Growth Models

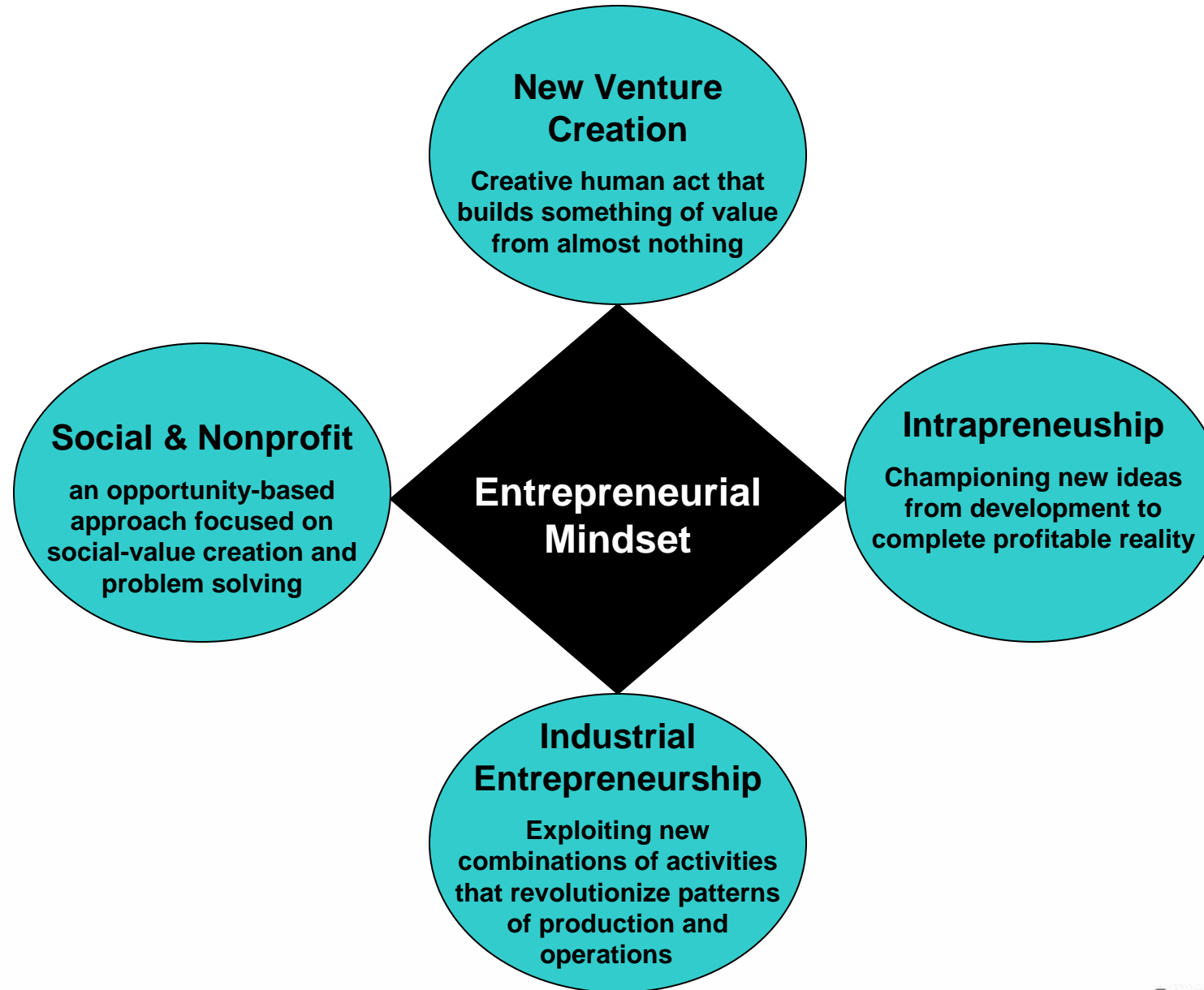
2 – Cultural Forces and Entrepreneurial Anthropology Models

3 – Building, Testing, Interpreting and Applying Multidimensional Research Models

4 – Cultural Forces Shaping Entrepreneurship and Socio-economic Development

5 – Concluding Thoughts, Comments, Inspiration and Ideas

Entrepreneurial ambition and mindset



Key Components of an Entrepreneurial Mindset

Entrepreneurial Leadership:
anticipate, think strategically, initiate change

Entrepreneurial Culture:
future based orientation that empowers people

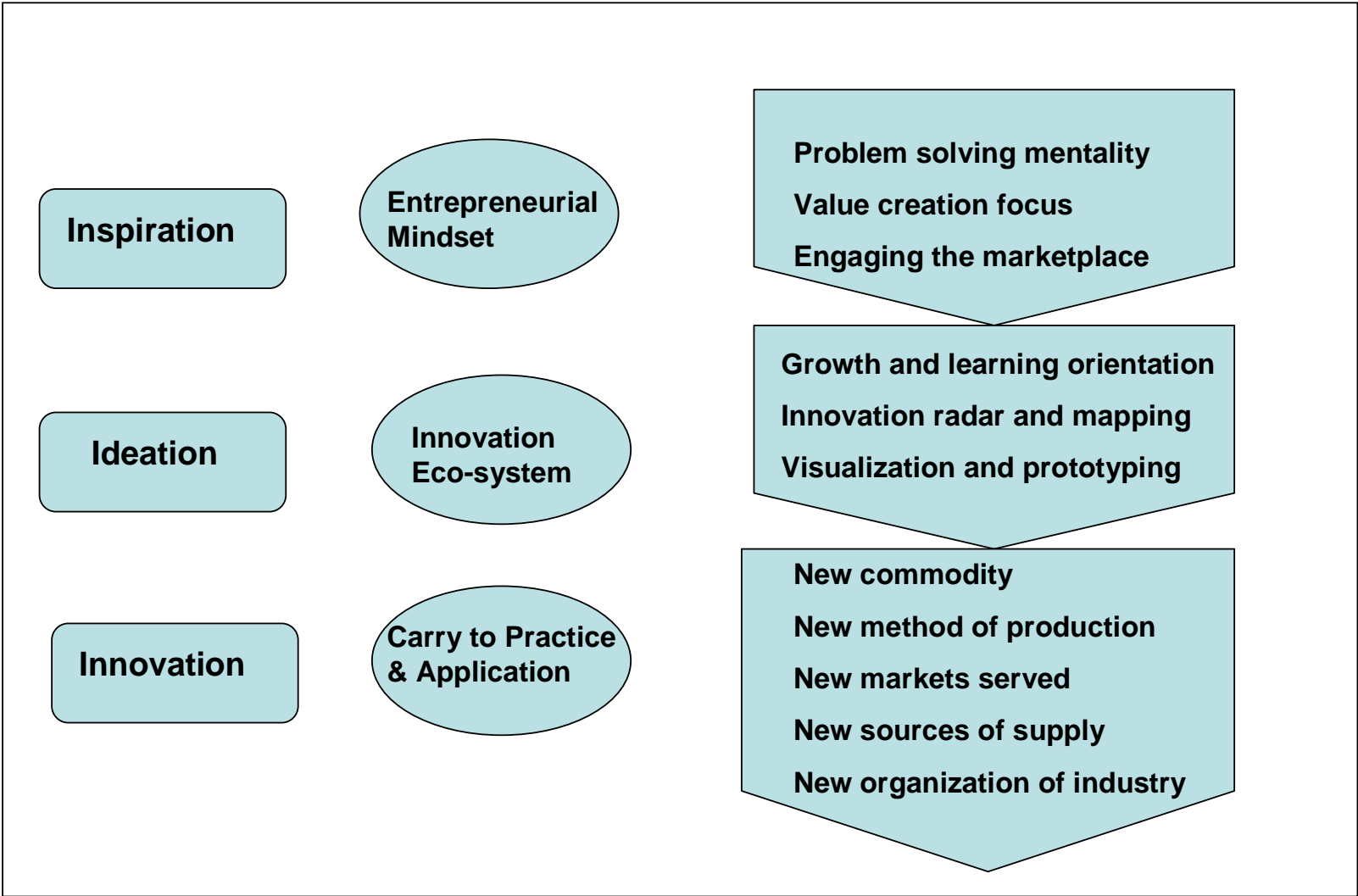
Opportunity Recognition:
capacity to imagine new ideas and methods

Continuum of Entrepreneurial Activity:
people centric strategy focused systems

Balanced Strategic Positioning:
aligns strategic vision into operational terms

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Multidimensional Framework to Foster Firm Innovation





Implementable Attributes of Planned Growth

Planned business growth, specifically growth intentions and expansion plans have been found to be an important indicator of a firm's ability to adapt and prosper in an environment of change and uncertainty.

Entrepreneurial Orientation & Attitude

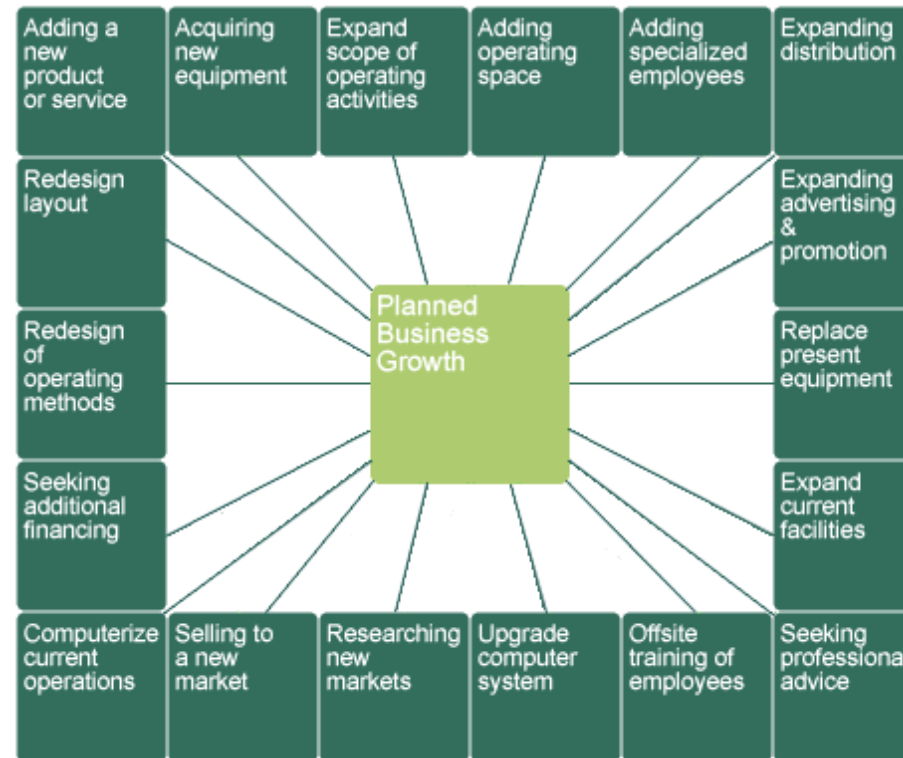
Orientation

Growth orientation in and of itself, represents an important entrepreneurial characteristic

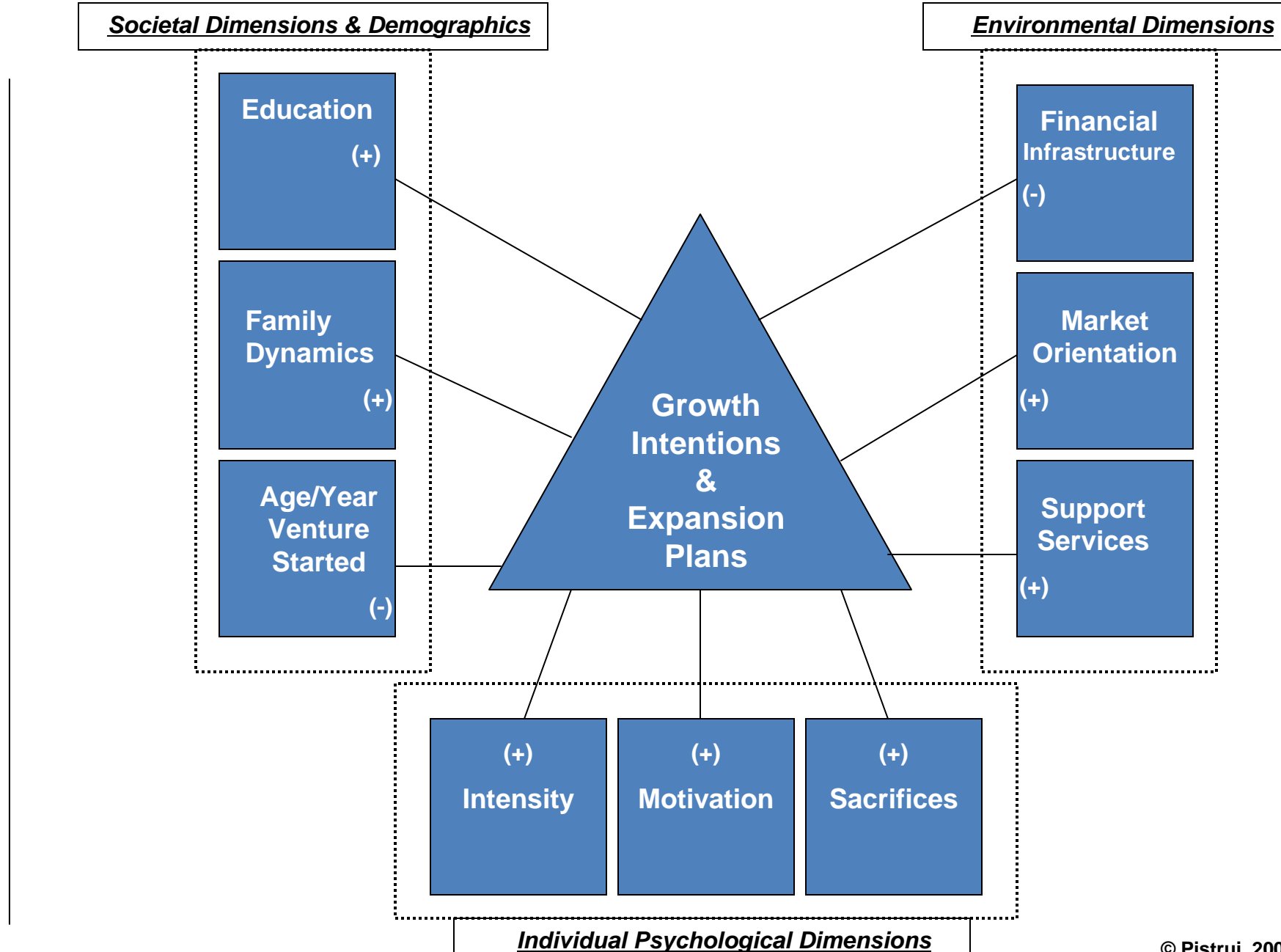
Attitude

Attitude rather than sector or location determine growth and success

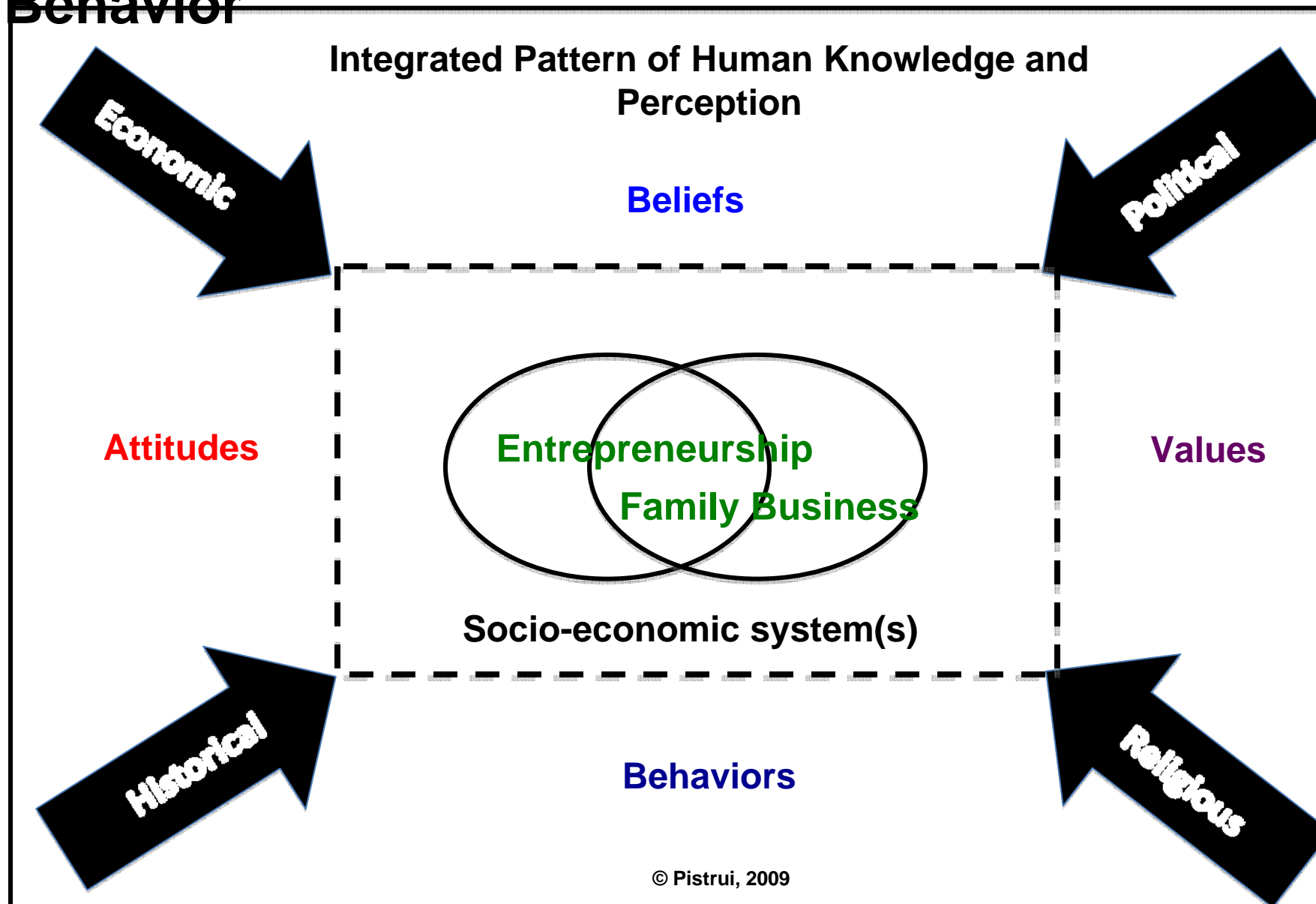
Most entrepreneurs believe that growth is as much a matter of attitude as it is of economic aggregates



MULTIDIMENSIONAL MODEL OF THE PREDICTORS OF EXPANSION PLANS



Cultural Orientations and Socio-economic Behavior



Predictor Variable Properties & Characteristics

The Micro Dimension-Individual Entrepreneurial Orientation: Personality Measures

Measure personality traits and characteristics that shape the attitudes of Romanian entrepreneurs. Considered an organized predisposition to think and behave toward a referent or cognitive objective.

<i>Predictor Variable</i>	<i>Properties</i>	<i>Measures</i>
<i>Entrepreneurial Intensity</i>	<i>Personal priorities, spirit</i>	<i>Achievement motivation, commitment to entrepreneurship effort, drive,</i>
<i>Entrepreneurial Motivation locus of leadership aspirations</i>	<i>Freedom to adopt own ideas, to learn, choose work colleagues</i>	<i>Need for independence, control,</i>
<i>Entrepreneurial Sacrifices time, sacrifice personal resources</i>	<i>Willing to incur conflict, give up family time,</i>	<i>Surrender family & leisure time, surrender personal savings</i>

The Intermediate Societal Dimensions-The Role of the Family and Demographics

Measure societal components and forces that shape entrepreneurship and small business growth during transition. Consider how age, education, and family dynamics shape entrepreneurial orientation in a post-communist country.

<i>Predictor Variable</i>	<i>Properties</i>	<i>Measures</i>
<i>Education</i>	<i>Level & type of education</i>	<i>Number of years & area of study</i>
<i>Family Dynamics</i>	<i>Extended family network system</i>	<i>Full & part time employees, investors</i>
<i>Age/Year Business Established</i>	<i>Generational forces, political economy</i>	<i>Age, what year business was started</i>

The Macro Economic Dimension-Environmental Obstacles and Support Structures

Measure environmental aspects critical to fostering a positive environment for entrepreneurial business growth. Consider how market conditions, financial systems, infrastructure, and support services shape entrepreneurship.

<i>Predictor Variable</i>	<i>Properties</i>	<i>Measures</i>
<i>Financial Infrastructure credit</i>	<i>Financial resources and know-how</i>	<i>Start up capital, business loans,</i>

Data Analysis: A Combination of Descriptive & Relational Techniques

1- Test of sample randomness by different industrial group- *Analysis of variance to look at the variability of sample means. Industrial classification and company size by number of employees.*

2- Series of general descriptive statistics- *General demographic & enterprise profiles to provide insights into the characteristics associated with entrepreneurship and enterprise development.*

3- Exploratory factor analysis via the Principal Components Method- *Investigate and statistically validate the construct validity of the latent variables that comprise the theoretical model.*

4- Pearson correlation coefficients- *Provide insights into the relationship between variables and gain some insights into the relative amounts of influence of the various predictor variables.*

5- Multiple regression analysis: the effects of multidimensional predictors- *Measure the complex interactions between growth intentions & expansion plans and the predictor variables.*

Summary of the Results & Findings

- 1** Cluster sampling technique across eight urban areas provided valid random sample from which empirical findings can be generalized at the population level.
- 2** Entrepreneurs tended to be approximately 40 years old, had 14.5 years of work experience, 14 years of business experience, an average of 15 years of education.
- 3** New micro businesses with an average of 11 employees, 70% in trade, commerce and professional services, 66% were partnerships, owned an average of 63%.
- 4** The levels and types of Expansion Plans were operationalized & measured, entrepreneurs demonstrated strong orientations toward enterprise growth.
- 5** Family & friends helped start & operate new businesses, based on employment, capital, & advice 90% of new enterprises can be considered family businesses.
- 6** While the macro environment did little to support entrepreneurship entrepreneurs appeared determined to pursue enterprise growth & expansion.
- 7** Multidimensional model was successfully operationalized, validated & tested, findings support the theory that growth intentions are shaped by multiple forces.

Implications From the Empirical Investigation

1

Growth intentions and expansion plans are a fundamental component of entrepreneurship and small business development. *They were identified, categorized, measured, and tested as part of a multidimensional model.*

2

Entrepreneurial value orientation plays a special role in supporting entrepreneurial growth intentions and expansion plans. *Intensity and motivation predicted the potential for small business growth, Sacrifices did not.*

3

Cultural dynamics including education, age, and family impact entrepreneurial growth intentions and expansion plans. *Education and age confirmed as predictors of growth while family dynamics was not confirmed.*

4

The macroeconomic environment may not support entrepreneurship yet entrepreneurs may strive for growth anyway. *Given the counter intuitive findings and low quality of measure further work is needed in this area.*

Practical Implications to Foster Entrepreneurship & Small Business Growth in Romania

1

Model success and encourage entrepreneurial leadership.
Policy leaders, educators and entrepreneurs need to work together to organize, mentor, and encourage continued entrepreneurship.

2

Foster more market orientation & encourage free enterprise.
Actively diminish state domination & involvement in all levels of the economy while raising the level of credibility of entrepreneurship.

3

Support entrepreneurship education at all levels of society.
Help small businesses build skills & educate the general public to the merits of free enterprise, community based active learning.

4

Make the creation of a stable financial infrastructure a national priority. *Create a basic functional & creditable financial system & network of services, private banking, & venture capital sources.*

5

Build a simple & supportive environment for entrepreneurship & private enterprise development. *Stimulate the private sector with legislation & minimal regulations, tax incentives, property rights.*

Limitations of the Results and Findings

1

Lack of recent entrepreneurial history- No recent history of entrepreneurship & private enterprise makes benchmarking and comparisons difficult.

2

Very little Romanian literature related to entrepreneurship & private enterprise development- Relied primarily on Western European, US, & UK sources to study brand new phenomenon.

3

Sampling technique not a true random sample- Lack of reliable public data on the private sector, limited data collection options, possible over representation of Bucharest.

4

Limitations of the Entrepreneurial Profile Questionnaire- Length of EPQ required substantial amount of time to complete and administer, lack of trust & apprehension to share some information.

5

Multicollinearity: some overlap between predictor variables- Some complex interrelationships between/among predictor variables, order & entry of predictor variables into regression model.



Thank You!

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