
A CONCEPTUAL MODEL OF THE ENTREPRENEURIAL PERSONALITY

Federico V. Magdalena

Systematic research into the nature of entrepreneurs, those men and women who build economic empires by combining the traditional factors of production, is perhaps nowhere more emphasized and known than in the western hemisphere, notably in America's Harvard University and Massachusetts Institute of Technology. Paradoxically, there is greater need in developing economies for such studies, if not higher demand for the services of entrepreneurs. In recent years this awakening has come to the fore, especially so among transitional societies where small entrepreneurs assume the important role as they do of building not only "empires" but also laying the cornerstone for the much-needed economic development of their country.

Today, countries in Asia have realized that one among many effective solutions to the nagging problem of under-development is entrepreneur research and entrepreneur development program of some sort. As a testimony to this concern several agencies have sprung, the more popular being the Philippines' UP Institute for Small-Scale Industries, India's Small Industry Extension Training Institute, and Malaysia's National Entrepreneurial Research and Development Association, among others.

Down south, in the Philippines, Mindanao State University-Iligan Institute of Technology has felt the need and as a response

it established the Center for Entrepreneurship Studies and Development. CESDEV, as this newly organized unit is also known, exists as do other units of the Institute to look into the plight of culturally disadvantaged Filipinos in Mindanao and Sulu. It conducts baseline research, under grant from certain agencies, to probe into the problems and potentials of small and minority entrepreneurs in the two Lanao provinces. Findings of this study will be utilized in designing a curriculum for entrepreneurship development, and for other policy-oriented schemes. Limited in scope as they may be, the functions of CESDEV are consistent with the mandate entrusted to the Institute and the University as a whole in terms of the Philosophy to extend knowledge for social and economic reasons.

Viewed from an administrative perspective, CESDEV will complement (not duplicate) efforts of the national government or those of its instrumentality toward industrial growth. By virtue of its mandate and strategic location, the Institute can and must take the lead to initiate such entrepreneurial activities as are necessary, if only to help abate the brewing conflict now raging in the Muslim areas. Scholars have told us that this social conflict owes its roots to social and economic inequalities between certain communities here. The establishment of CESDEV rides on the premise that much has yet to be done in the way of encouraging small entrepreneurs and giving them adequate opportunities to fully express their potentials, and that these programs (whenever successful) may reduce the strain of disparity known to have precipitated the familiar Muslim Rebellion during the seventies.

Without sounding too ambitious to accomplish such a task of considerable magnitude, CESDEV has embarked on a modest task of publication and library generation to complement its research and training. Much like the fledgling entrepreneurs it wishes to study and serve, however, it is saddled with problems characteristic of a newly founded organization: lack of trained personnel, cramped office space, scarce funds. Despite this poverty

in resources, it is nonetheless poor in ideas nor bereft of courage to undertake a publication of this kind.

Promoting the growth and insuring the success of small entrepreneurs has come of age, as evidenced from attempts launched by agencies concerned with economic development. Foremost among these attempts are so-called entrepreneur development programs, or EDPs in short. While the aim is without doubt noble, little or no attention has been paid to the social, cultural, psychological and other conditions which shape the personality of enterprising individuals.

The purpose of this paper is to demonstrate the interrelationships between and among cultural environment, personality traits, and entrepreneurship, which are vital considerations for any EDP if this program is to function well with meaning and success.¹ Ideally, these relationships should be fully understood and recognized before any such intervention attempt as the EDP is established, so as to pinpoint the bottlenecks of research and entrepreneurship training. To accomplish this goal, this essay presents a simple model depicting the links among the above-mentioned study variables.

Setting of a Conceptual Scheme

A conceptual scheme (variantly called model) is a theoretic framework outlining the dominant elements of a system and their interrelationships with respect to a criterion variable (in this case, entrepreneurship). The function of a conceptual scheme, write Peter M. Blau and associates (1972), "is to call attention to different kinds of antecedent factors, the exact relationship between which have to be determined by empirical research before a systematic theory can be developed."

For the present purposes, three major dimensions or elements for entrepreneurship research have been defined necessary:

- Cultural and socioeconomic factors (Culture)
- Entrepreneurial qualities and traits (Personality)
- Enterprise types and phases of development (Entrepreneurship)
 - ▶ types of enterprise
 - ▶ enterprise development phases: pre-entry; entry and consolidation; and growth and expansion

Putting these dimensions together, in a conceptual model, suggests four possible types (see Figure 1).

Type I posits that personality traits needed for entrepreneurship are directly related to enterprise types and their phases of development, while cultural factors are indirectly related to them. In this system of relationships, personality is an intervening influence whose effect on entrepreneurship is more overriding than that of cultural factors. Culture, however, is the antecedent variable; hence, the primary source of entrepreneurial traits which, in turn, affect the kinds of individuals who enter into a particular type of enterprise and determine their success in the various phases of enterprise development.

The second type (Type II) is just the opposite of the above. Here, it is culture which takes on the role as a mediating factor. It directly influences entrepreneurship.

Type III views cultural factors and personality traits as competing (not complementary) influences, which are both directly associated with enterprise types and phases of development. Culture and personality are both antecedents of entrepreneurship, and are symmetrically related to each other (denoted by a two-headed arrow). Neither is considered a "cause" or "effect" of the other.

Finally, Type IV is a variant of the third. In this example, however, both cultural factors and personality traits are not mutually related to each other, although they are equally treated as antecedent variables of entrepreneurship. The difference lies in

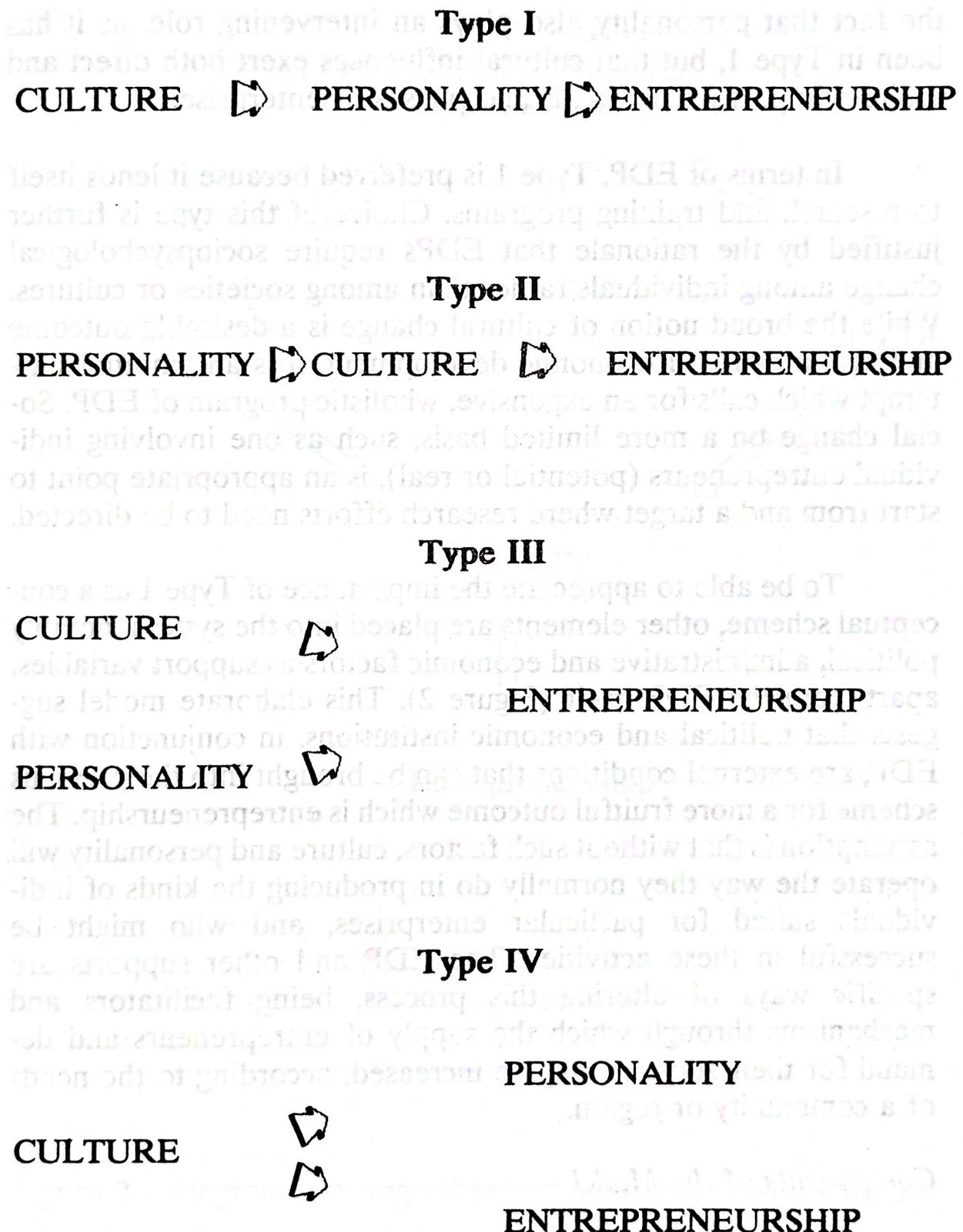


Figure 1 - Diagram showing four types of interrelations among culture, personality and entrepreneurship

the fact that personality also plays an intervening role, as it has been in Type 1, but that cultural influences exert both direct and indirect impact on the kinds and phases of enterprise.

In terms of EDP, Type 1 is preferred because it lends itself to research and training programs. Choice of this type is further justified by the rationale that EDPs require sociopsychological change among individuals rather than among societies or cultures. While the broad notion of cultural change is a desirable outcome and also a cause of economic development, it is an ambitious attempt which calls for an expensive, wholistic program of EDP. Social change on a more limited basis, such as one involving individual entrepreneurs (potential or real), is an appropriate point to start from and a target where research efforts need to be directed.

To be able to appreciate the importance of Type 1 as a conceptual scheme, other elements are placed into the system, notably political, administrative and economic factors as support variables, apart from the EDP itself (Figure 2). This elaborate model suggests that political and economic institutions, in conjunction with EDP, are external conditions that can be brought into the previous scheme for a more fruitful outcome which is entrepreneurship. The assumption is that without such factors, culture and personality will operate the way they normally do in producing the kinds of individuals suited for particular enterprises, and who might be successful in these activities. The EDP and other supports are specific ways of altering this process, being facilitators and mechanisms through which the supply of entrepreneurs and demand for their services may be increased, according to the needs of a community or region.

Components of the Model

Turning now to the components of the proposed conceptual scheme, it is felt necessary to disaggregate the dimensions first, at least for analytic purposes.

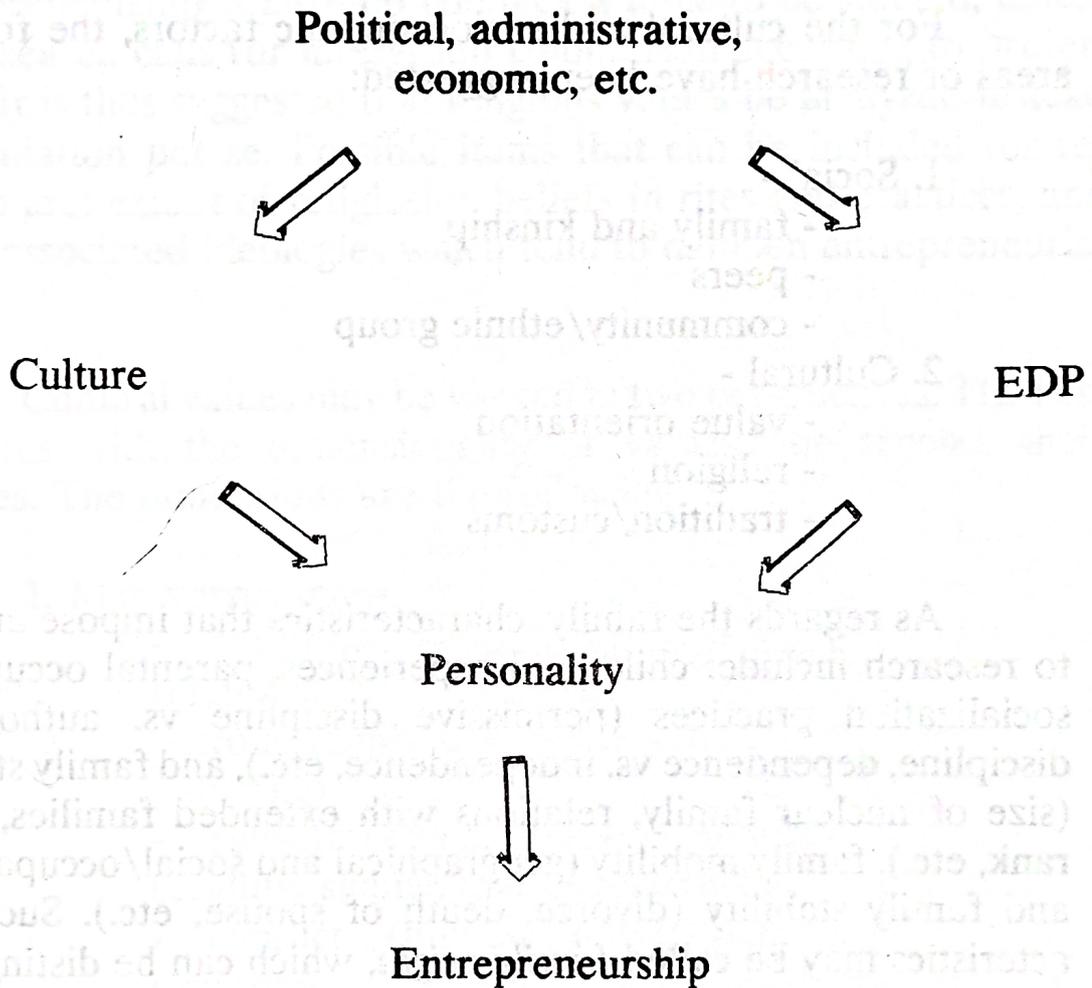


Figure 2 - Diagram showing other variables entering into Type I

For the cultural and socioeconomic factors, the following areas of research have been suggested:

1. Social -
 - family and kinship
 - peers
 - community/ethnic group
2. Cultural -
 - value orientation
 - religion
 - tradition/customs

As regards the family, characteristics that impose attention to research include: childhood experiences, parental occupations, socialization practices (permissive discipline vs. authoritarian discipline, dependence vs. independence, etc.), and family structure (size of nuclear family, relations with extended families, sibling rank, etc.), family mobility (geographical and social/occupational), and family stability (divorce, death of spouse, etc.). Such characteristics may be called *family origin*, which can be distinguished from *family status* at the time of research. Items which go with the latter are: family resources (financial or human), marital status, and ages of children.

Characteristics of peer groups which could affect entrepreneurship are the following: who these peers were, their previous occupations, their career orientation/aspiration, present composition of peer group, and other social networks.

The effects of community or ethnic group are difficult to establish by group analysis, except by study of differences in the self-perceptions and socialization processes of individual entrepreneurs over time. Such effects may be important topics for studies dealing with between group differences, a more macrolevel type of analysis.

On the cultural side, religious affiliation as a factor of entrepreneurship is also too complex a topic to be studied, unless the research calls for intergroup comparison according to preference. It is thus suggested that religious values be analyzed instead of affiliation per se. Possible items that can be included for research are: extent of religiosity, beliefs in rites and practices, and other associated ideologies which tend to dampen entrepreneurial spirit.

Cultural values may be viewed in two perspectives. The first concerns with the dimensionality of values; the second, their sources. The dimensions are the following:

1. Man versus man-
 - harmony (smooth interpersonal relations, strong family ties, reciprocity, sharing)
 - self-effacement (fear, humility, servility, shame, and dependence)
 - conflict (limited good, *alamih* syndrome or crab-pull-crab relationship, win-lose game)
2. Man versus nature -
 - fatalism (lack of curiosity)
 - spiritualism
3. Man versus time -
 - present/future orientation
 - immediate/deferred gratification
4. Man versus work -
 - work ethic/duty ethic
 - survival/subsistence
 - feudalism/landlordism

The sources of values, which are acquired through socialization by various agents in society, are: religion, tradition, and ethnicity. These factors, or variables, are so broad and encompassing that they can hardly be reduced to the level of individuals. It might be best to treat them simply as background influences.

Shifting the focus to the dimension of personality, some nineteen entrepreneurial qualities and traits have been identified from a variety of studies. At least fifty such traits were isolated from the literature, but only nineteen of them appeared as common items.² Since it is operationally difficult to handle all these traits individually, as variables, grouping them into "clusters" seems needed for heuristic reasons. An alternative approach, of course, would be to collect first the data and then submit them for factor analysis so as to yield fewer and more manageable clusters of empirically related traits. As this empirically based grouping is not available, a working profile of entrepreneurial qualities has been adopted.

1. Self-confidence

- confidence
- independence, individuality
- optimism
- leadership, dynamism

2. People-oriented

- gets along well with others
- flexible
- responsive to suggestions/criticisms

3. Task/result-oriented

- N a c h (a c r o n y m f o r
need/achievement)
- profit-oriented
- persistence, perseverance
- hard work, drive, energy

4. Originality

- innovative/creative
- resourceful
- initiative
- versatile, knowledgeable

5. Future-oriented

- foresight
- perceptive

6. Risk-taker

- risk-taking ability
- likes challenges

It will be realized that there is some overlap between personality traits and cultural values (or value orientations). For example, harmony (a constellation of values) is almost synonymous with people orientation (a constellation of traits). In the same vein, the cultural dimension *man-time* is equivalent to future-oriented trait.

The differences between these two concepts lie in their level of abstraction, and their conceptual use for research. Theoretically, values are conceptions of the desirable which distinguish members of a society from another society. They are social definitions of the "good" and the "bad," norms which are incorporated in the belief systems, and catalogued for use of individuals under particular situations. In short, values are "external" to the individuals. On the other hand, traits are psychosocial property which have been internalized by individuals as a result of personal experiences, interactions with members of their society, and other socialization processes.

The relationship between values and personality traits, as proposed in the current scheme, is a one-way traffic: values determine, guide and even shape the content of personality traits. An illustration may help. The desire or need to get along well with others (a trait) finds expression in, and is modified by, and existing

milieu where societal values dictate the kinds of people who are acceptable objects for social interaction. Values tell individuals when and how they should meet such people.

Finally, the last dimension to be discussed is enterprise types and phases of entrepreneurship development. Entrepreneurial occupations are broad in scope and range; hence, are differentiated according to skills required to the role and function they fulfill. Nine general classes of enterprise have thus been proposed:

- | | |
|-----------------------|--------------------------------|
| 1. Manufacturing | 6. Households |
| 2. Services | 7. Crafts |
| 3. Trade and commerce | 8. Hospitality &
recreation |
| 4. Transportation | 9. Mining & excavation |
| 5. Construction | |

This classification is perhaps comparable with previously developed "models" of occupations, notably the Holland hexagonal model (Holland, 1973). According to this model, there are six general types: realistic, intellectual, artistic, social, enterprising, and conventional, in that order of their arrangement. Realistic occupations are closest to intellectual or conventional occupations, but are opposite to social occupations. Enterprising jobs are closer to social and conventional jobs than they are to realistic, intellectual, and artistic jobs, and so on.

The major import of the Holland model for the present scheme is that it postulates a functional relationship between types of personality and types of occupation. The lack of "fit" between personality and occupation is often considered a source of job dissatisfaction, turnover or frequent "job hopping," and occasional failure. For example, persons who hold realistic personality ("masculine, physically strong, unsociable, aggressive....prefers concrete to abstract, etc.") will do better in realistic occupations (e.g., crafts, agriculture, mechanical) than in any occupations. They

will do worst if they select occupations which are regarded as social (teaching, social work, etc.).

One final word. As enterprises are not static, certain stages of development have been identified for the purposes of research and/or training. These are: pre-entry into entrepreneurship (awareness and readiness); the entry stage and consolidation; and success and expansion. The contention here is that these phases of enterprise growth do require certain types of personality and skills on the part of entrepreneurs. Just as the type of enterprise demands specific personality requirements, so also the stage of enterprise calls for particular characteristics among individuals in order to survive and become successful.

Relationship Among the Dimensions

Having specified the tentative elements/items for research within each of the three dimensions, we are now ready to present general statements on their interrelationships, according to the scheme noted earlier. These statements will be formulated in the nature of propositions and hypotheses.

The cultural dimension perhaps merits prolonged analysis since "culture" is an all inclusive term; it leaves nothing more concrete than the statement that man is a creation of his own culture, or that he is a creator of his culture. Tautological as it may seem, aspects of the socio-cultural environment may be brought to bear on the analysis of entrepreneurship. In this way culture becomes a meaningful category for research. Briefly, two facets of the cultural environment may be considered: social factors, and cultural values. The social (or socioeconomic) facet is viewed largely as a contextual milieu where socialization takes place, while the cultural values both influence and are gradually changed by socialization process.

Social Factors and Personality. The family and peer group are the principal agents, although by no means the only ones, who provide would-be entrepreneurs the opportunity to learn skills,

attitudes and knowhow useful to the conduct of entrepreneurial activities. McClelland's (1961) classic theory on the relationship between achievement motivation and entrepreneurial behavior recognizes that such motive is inculcated very early in life through a permissive, middle-class family environment. In the same vein, economist Everett E. Hagen(1962) offered a popular theory of social change which describes how men of disparaged status are driven on to become the society's leading innovators and entrepreneurs. This reaction tendency, or "status withdrawal," finds outlet within the family. To use Hagen's words (p.210):

In the first generation of withdrawal of status respect, the son perceived in his father a clear belief in the goodness of the traditional social position, and he perceived his father's pain and anxiety. His son will probably internalize the same social identity since he, too, has no alternative, but together with the expectation of pain he will see an aspect in his father's personality which was absent from his grandfather's the suggestion that the road to safety lies in repressing one's values.

Drawing from the literature and reports by other scholars, certain conditions triggered by the family are regarded as conducive to the development of entrepreneurial qualities and traits. Childhood experiences are possible routes through which potential entrepreneurs acquire the attitudes and predispositions to entry. Money-making activities during childhood (e.g., selling newspapers, shining other's shoes, etc.), the death of one's parent, stowing away from home, disenchantment with early life due to family poverty, rebellion against parental figures, and similar occurrences are the kinds of experience which lay the groundwork for the formation of entrepreneurial personality among individuals.

Karl Benz, co-founder of the Mercedes-Benz automobile concern, saw his father die when he was one year old. His partner,

Emil Jellinek Mercedes, born in Vienna of Moravian father and a Hungarian mother, ran away from home when he was seventeen. Jon Johnson, a black entrepreneur behind the Johnson Publishing Company, experienced the death of his father when he was six years old (Zalesnick and Kets de Vries, 1975). Disruptions during childhood like these, psychological displacement and other anxiety-provoking experiences might be the fuel that will energize innovativeness and creativity among prospective entrepreneurs. These observations may now be put into a proposition, below:

Proposition 1: Childhood experiences are related to such traits as originality, self-confidence, and risk taking.

Parental occupations also seem to be a predisposing variable to entrepreneurial entry, under the assumption that children of enterprising families tend to acquire traits which are congenial to the enactment of entrepreneurial role. It has been observed that patterns of "status sharing" are rather common in some areas, particularly in more developed societies where the father's occupation is a good predictor of the son's career orientation. This is true even in contemporary United States, where "big" businessmen (around 1925-1950) tended to stay within their father's occupational classification more than 60 percent of the time.³ Gene Ward's (1977) concept of confidence modality is a way of summarizing this trend, in which persons located in a business environment (family and peers) are hypothesized to develop characteristics that lead them to become entrepreneurial much faster than those without such background. The proposition may be stated as follows:

Proposition 2: Parental occupations (e.g., entrepreneurial tradition) are related to the sons' attitudes to take risk occupation business, self-confidence, and task orientation.

The reason why individuals with family tradition in business tend to wind up in similar occupations may be attributed to the kinds of socialization practices at home. This is true for all families, entrepreneurial or not, which teach their children to

become self-reliant, independent, and ambitious. Disciplinarian families which tend to impose rather than encourage initiative among their children, however, do not produce the types of motivational ingredient needed for enterprising personality. MacClelland's thesis on the sources of high achievement motivation has argued that this quality only flourishes in a family environment where warmth and constant prodding of the son to be concerned with accomplishments are emphasized by the parents, especially the mother. The proposition, then, becomes

Proposition 3: Socialization practices which stress independence and permissiveness will be conducive to the growth of task orientation among individuals. Conversely, practices that emphasize dependence and disciplinarian atmosphere in the family will inhibit such kinds of orientation.

The social structure of the family, defined by the degree of physical relationships among members, is another concept which is worthy of analysis. Family size and sibling rank of children (particularly the one most prone to enter entrepreneurial career) are factors which affect the acquisition of entrepreneurial traits by way of allocation of resources, complexity of social interaction, and a definition of duties and responsibilities among members. Take family size as a case point. All things equal, large families may inhibit the rise of entrepreneurial personality among children because much resources are required to be allocated to satisfy the basic needs for clothing, food, education, and so on. This affects the decision of the family who among the children, for example, should go to school first.

In poor families, often the eldest son is chosen to "explore the world," with expectation that his success will pave the way to the success of others in the family. This phenomenon account for occupational and educational success among first-borns (or only children) in certain cultures (Lewis, 1968).

As regards family interaction, large families may discourage intimate social relationships (low solidarity) to the point where parents fail in their obligations due to constraint of time, job, and the like. In this manner, family size turns up as a negative correlate of entrepreneurial traits, while sibling rank a positive factor. Thus

Proposition 4: Large families inhibit the acquisition of favorable entrepreneurial traits (low originality, lack of future orientation, etc.). If they do encourage, only certain members of the family, such as the eldest son or daughter, develop these qualities.

The extent to which the family has been mobile, occupationally or geographically, may also promote desirable traits for entrepreneurship. Upwardly mobile families may well be the vehicle for the emergence of entrepreneurs since occupational success in the family serves as an inspiration among children, creating in them a sense of "role model." Parents in these affected families also expect their children to be even more successful; such expectation is communicated to children directly or indirectly.

Another type of mobility related to entrepreneurship is geographic. Both types, however, may produce marginal families or persons who are neither accepted nor rejected by their class (or place) of destination. In turn, marginality gives them leverage to do things they are not normally accustomed to do. They innovate through entrepreneurship without fear of ostracism or reprisal by other members of society. In Indonesia, it has been reported, the entrepreneurs there are marginal people. Within Java itself, the most successful entrepreneurs and businessmen are not Javanese but migrants from the so-called Outer Islands (Siregar, 1969). The proposition reflecting these observations is

Proposition 5: Upwardly or geographically mobile families tend to produce children who are innovators and risk takers which, in turn, lead them to behave in an entrepreneurial way.

The last characteristic of the family relevant to entrepreneurial traits is stability. While "unstable" families (those which are buffeted by stress due to divorce, separation or death) are potential sources of entrepreneurial personality, it is believed that a certain level of stress may be the threshold of the rise of enterprising men. Beyond that level, the effect may turn out to be disastrous, for instead of producing entrepreneurs the family may be creating a pool of deviants whom society rejects. The Filipino family in Hawaii during the early stage of migration, prior to World War II, was characterized by extreme instability; hence, not conducive to the growth of entrepreneurial personality within this population. It is only when the foundations of the family are strengthened that men will dare to venture into risky jobs characteristic of entrepreneurship. The proposition that articulates this insight is

Proposition 6: Family stability is a source of important entrepreneurial traits, namely: self-confidence, originality, people orientation, and risk taking.

Certain situational factors within the family are also significant in prediction of characteristics which are uniquely entrepreneurial. It is not immediately known what precise effects these factors contribute to such characteristics, but a recent study on women entrepreneurs by Ruth Finney (1977) suggests that age of children, marital status, and husband's support are factors that influence and guide their decision to enter business. As the study is an exploratory one, no particular hypothesis has been tested other than creating a typology of characteristics viewed as routes women go through in becoming entrepreneurs. It is thus proposed that the following statement be studied by testing specific hypotheses:

Proposition 7: Situational factors in the family influence (positively or negatively) the decision of the husband/wife to enter into business careers.

Peer-group support has also been recognized as a factor of entrepreneurial entry and success. More research, however, is desired to investigate further the relationship between characteristics of peer groups and entrepreneurship. To date, studies on the effect of this variable are rather scanty and limited, except for those lines other than entrepreneurship research. One study, by Magdalena (1977), dealt with the analysis of peer-group membership and entrepreneurial entry among Filipinos in Hawaii, and provided evidence in support of the peer-group thesis. Much like the family, having friends who are already in business was found important within this population. It was also discovered that occupational prestige of friends, apart from being entrepreneurial themselves, was also related to entry. These characteristics were even more important in prediction of such traits as high risk taking, high aspiration, and optimism on the part of Filipino entrepreneurs, in contradistinction with nonentrepreneurs who scored low on all these traits and had fewer enterprising friends. Thus, the proposition below has been suggested

Proposition 8: Membership in enterprising peer group favors the acquisition of entrepreneurial traits, such as risk taking, self-confidence, and future orientation, among others.

For clarity and purposes of prediction, it is offered that peer group's characteristics be broken down into past and present, so as to see how this variable might be related to entrepreneurial qualities.

A fruitful area for research may also cover the career aspirations or actual occupations (rated by some index) of prospective entrepreneurs and correlate these measures with the traits under study. It is hypothesized that higher career aspirations of friends will be positively related to the vocational choice of potential entrepreneurs as well as to the psychosocial traits needed for entry. The proposition that captures this statement is as follows

Proposition 9: High career aspirations of friends are favorably related to such entrepreneurial qualities as future orientation, people orientation, and self-confidence.

A corollary may be stated that peers exert some degree of social pressure on the potential entrepreneurs by way of expectations and the application of sanctions to induce conformity. These expectations may be positively related to certain entrepreneurial qualities. Thus

Proposition 10: Peer-group expectations are favorably related to entrepreneurial traits, such as future orientation, people orientation, and self-confidence.

Cultural Values and Personality. As stated above, values are regarded here as the conception of the desirable, of judgment of what "ought" or "ought not" to be, of what is "right" or "wrong," and so on, which may influence the thoughts and actions of individuals. The basic proposition imbedded in this definition is that values make a difference in the analysis of behavior and motivation. It should be remembered that values and traits are not synonymous, however. The first are characteristics deriving from society; the second, those expressed by individuals. But somewhere along the line, these two sets of characteristics meet and reinforce one another due to the mediating effect played by socialization where individuals are exposed to certain "significant" others (family, peers, teachers, heroes, etc.).

In a sense, values justify human action. One may, for example, want something of material or psychical importance, but feel that he "should not" get it because others might be offended or hurt. Or, a person may do something he dislikes because he feels compelled by a value (e.g., concern for the welfare of his family) that over-rides his personal desires. In both instances, values and wants (traits) instigate behavior much as they affect each other. It may be said that values sharpen or decrease

particular wants, while wants demand legitimization through favorable values in order to be expressed.

Thus, values and traits operate at two different levels of abstraction. Both, however, are internalized by the person. This conceptual distinction must be kept in mind so as to avoid interpreting values as personality traits, or vice-versa. It is argued further that cultural values could be measured on the individual level by asking people their perceptions of how strongly are they governed by or how weakly do they hold on to particular sets of values or norms.

Another important theoretical distinction may be brought out here in an attempt to measure values. As anthropologists have taught us, two kinds of values are to be recognized: ideal and real. There are values which do not exist in the real world, or may be perceived to be lying out there but nobody knows exactly what they mean to people. Violations of such social norms, therefore, do not pose as a threat to a person. As his belief in those norms is an "idealized" one, his behavior may or may not conform to the bounds of values.

Yet, there are also values which appear "real" to the perceiving person. As sociologist W. I. Thomas put it, "when people perceive things as real, they are real in their consequences." Moral codes are strictly observed if members of society/community believe that their violation would constitute punishments, denials, or other sanctions applied by society. These are the types of values necessary for analyzing situations favorable or unfavorable to entrepreneurial activities. Even so, there are intermediate variables that the researcher has to guard against in trying to figure out which values are related to what, depending upon the context in which interaction takes place. It is suggested that stratification variables (local vs. immigrant, high status vs. low status, male vs. female, etc.) can enhance or even deter the expression of certain values in relationship to economic behavior.

Thus, a "situational" analysis (called by others as contingency or interactive model) may be an appropriate step toward disentangling the precise effects of values on entrepreneurship. While there may be universal values promotive of entrepreneurial qualities, there are also specific or unique values that are only valid within a particular group or society. The display of such values will also vary according to circumstances and situations that call for their use.

The propositions to follow are only general statements of how values may be associated with traits; the details have to be spelled out within a specific culture where these intuitive insights should be empirically tested.

For the purposes of analysis, four dimensions of cultural values may be investigated: relationships between man and man, man and nature, man and time, and man and work. These are broad enough to apply to most cultures, but the components may differ according to variations in level of development.

Within man-man dimension, three types of values have been identified as promotive or inhibitive of entrepreneurial qualities: harmony, self-effacement, and conflict. The first, which is generally promotive of personality traits, is concerned with the beliefs in smooth interpersonal relations (*bersahabat* in Malaysia and Indonesia, and *pakikisama* in the Philippines), strong family ties, and mutual reciprocity or sharing (*ohana* among Hawaiians). This set of values is hypothesized as follows:

Proposition 11. Harmony is positively related to self-confidence, originality, people orientation, and task/result orientation.

Since an emphasis on group relations militates against individual achievement (more specifically, achievement motivations), an alternative proposition may be stated as follows:

Proposition 11a: Harmony is negatively related to task/result orientation (N ach).

On the other hand, the value of self-effacement (low regard of one's self in favor of others) may inhibit rather than promote the above-named traits. Specific value-items found in this concept are: selflessness, servility, shame, fear, and dependence on powerful others. This relationship is especially pronounced among the Javanese in Indonesia who would prefer to work for the King and the nobility for servile reasons rather than to work independently for self-aggrandizement and individual achievement. As a matter of a proposition, it may be said that

Proposition 12: Self-effacement deters the development of entrepreneurial qualities, such as self-confidence, originality, and risk taking.

The third category of value under the rubric "man-man" relations is conflict, defined as the clash of interests resulting from competitive situations. Thus, envy, jealousy and hate (called *dengki* in Malay) or so-called "crab-pull-crab" (*alamihi* in Hawaiian) syndrome are some examples of conflict. These value items suggest differences in emotions among participants in a culture, which could affect their behavior in areas where they compete for limited good. Some would attempt (or would like) to weaken their competitors who are succeeding in their lines of activity through gossip, ostracism, and other malicious means of destroying their reputation. Under these circumstances, one would expect factionalism and conflict, which are detrimental to the development of entrepreneurial qualities and traits.

Another instance of conflict is manifested in terms of the absence or breakdown of cooperation among large collectivities. What exist, perhaps, are small parties or subgroups of individuals who strive to outsmart the other--a case of "win-lose" dyads of zero-sum games. This means that the success of one group would cost the failure of the other, rather than a mutual consensus of

gotong-royong (village cooperation in Indonesia) where everybody wins or loses.

Still another type of conflict is one which emanates from class or relationship with means of production (land, labor, capital, etc.) called "structured conflict." Feudalistic societies where landlordism is deeply ingrained are construed as a system productive of conflict values which deter individual motivations to go ahead in life. Marxian or not, this is an ideology which has its counterpart in the prevailing value system and the probability that certain forms of human resource (e.g., entrepreneurs) will be available on a wide supply. Several alternate and complementary propositions may be derived from these insights.

Proposition 13: Envy, jealousy, hate, and win-lose characteristics will deter the development of such traits as self-confidence, originality, people orientations, future orientation, and risk taking tendency

On the other hand, the constraints imposed by win-lose values may engender cooperation among members of competing groups or parties at conflict. This state increases in-group solidarity; thus, tending to promote people orientation.

Proposition 13a: Win-lose values will heighten group solidarity which, in turn, leads to strong people orientation.

A two-way relational proposition is similarly expressed in the analysis of conflict values and traits. One would assume a positive direction of the relationship for landlords, and a negative relationship for tenant farmers. The propositions are as follows:

Proposition 14: Conflict values deriving from or shaped by feudalistic (landlordism) arrangements will debilitate self-confidence, originality, task orientation, future orientation, and risk taking on the part of members of the labor class.

Proposition 14a: Conflict values deriving from feudalistic arrangements will stimulate self-confidence, originality, task orientation, future orientation, and risk taking on the part of the landlord or owning class.

Here, it will be noted that changing relations (promotive or inhibitive) are both observed, depending upon the situations studied. It is even possible that the hypothesized directions will be completely reversed in a particular setting as a result of unique cultural practices.

As regards the man-nature dimension, three classes of values are also proposed: fatalism, religiosity/spirituality, and natural lifestyle. Fatalism, or people's beliefs in the uncontrollable forces of the environment and subsequent passivity to whatever happens to them, is viewed as a negative factor in the acquisition and development of such traits as self-confidence, innovativeness, task orientation, future orientation, and even risk taking. It is not immediately evident, however, what effect (if any) it produces on people orientation. The proposition is thus:

Proposition 15: Fatalism is not conducive to self-confidence, originality, task orientation, future orientation and risk taking.

A plausible explanation is that people tend to become dependent on and subordinate to "nature," believing that what happens to them is a matter of lot or luck (*nasib* or *ikhtiar* in Malay) rather than individual accomplishment. Often, the latter is also viewed as aligned with nature. Fatalistic beliefs, therefore, tend to stifle curiosity.

Religiosity or spirituality, on the other hand, is a double-edged sword. It slices the configuration of personality traits both ways, that is, it is both a positive and a negative factor. Strong devotion to one's religion may produce adverse, instead of positive, effects on entrepreneurial awareness and readiness since it may

suppress individual initiative and self-confidence. It also minimizes task or result orientation as devotion emphasizes "other worldliness" more than anything else. This suggests that one's performance should be measured in terms of salvation of the soul, not possession of goods and enjoyment of luxury. A possible proposition which reflects on these insights may be

Proposition 16: Religiosity or spirituality inhibits self-confidence and task orientation.

This notion may not always be true as the opposite may happen. An alternate proposition, therefore, considers strong religiosity as a contributory factor to entrepreneurial behavior, under the assumption that it stresses harmonious relationship between individuals (Popenoe, 1969). Where personalized relations in the marketplace are emphasized, religious values may be regarded as a potentially good source of such orientation. In view of this statement, the following proposition is in order:

Proposition 17: Religiosity promotes people-oriented traits. Religious values are thus conducive to entrepreneurial activities.

Equally important in any discussion of religious ideology is the concept of work ethic or duty ethic. Max Weber's theory contends that the rise of capitalistic economy in the West is founded on such kind of ethic which, in turn, derives from and is shaped by Protestant doctrines. The principle is that there may be elements in a cultural system which are religion-based, making participants conscious of their occupational role as a way of fulfilling their obligations to society. In some social groups "hardwork" and "honesty" to people may be inspired by their religious beliefs. Insofar as this is true, it may be hypothesized that work ethic or duty ethic are related to entrepreneurial awareness of success.

Thus, the proposition may be stated this way:

Proposition 18: Work or duty ethic will be positively related to the growth of self-confidence, originality and task/result orientation.

The types of lifestyles people live by may also be promotive or inhibitive of entrepreneurial qualities. Two distinct lifestyles, primarily affected by the locale of socialization, surface in any discussion: rural lifestyle, and urban lifestyle. The first is concerned with conformity to, rather than subjugation of, the natural environment. Thus, members of communities isolated from the inroads of modernization are more likely to identify or collaborate with nature than to attempt to control nature. They are likely to be "low" on a scale called internal-external locus of control (Julian Rotter 1971), in that they believe that their lives are dependent on the forces of the environment, and are controlled by the powerful others. In addition, compounding man's dependence on nature, is that rural activities are largely rhythmical, often coinciding with seasonal changes. Agricultural or aquacultural entrepreneurs, for example, even though they may have "high" locus of control, are quite influenced by environmental problems such as drought, typhoon, flood, and the like.

Another pattern of rural lifestyle is offered by the way people make use of their leisure. "Taking-it-easy" attitude is one kind of response evoked by particular environments, taking the form of "soul-food" (among native Hawaiians) and "simple, happy living" (among rural dwellers in India). There is no mistaking that these concepts are in tune with aspirations for modest level of living, yet it may be said that such aspirations do not depart from what is realistically attainable. In short, the gap between expectations and attainment is so narrow that there is practically no room for dissatisfaction. Dissatisfaction, we are told, is the basis for social change of any kind, including the desire for entrepreneurial innovation and risk (in Hagen's theory). Feelings of personal discomfort come about when any of these two conditions are met: when expectations are high but actual attainment is low, or when expectations are rising fast while attainment remains constant.

Cognizant of these observations, two alternate propositions are formulated:

Proposition 19: Rural lifestyle promotes self-confidence and people orientation.

Proposition 20: Rural lifestyle inhibits originality, task orientation, future orientation, and risk taking.

The second type of lifestyle is urban, that which is abreast to the rapid social change brought about by the processes of diffusion, invention, and other forms of cultural enrichment. By definition, therefore, an urban lifestyle is amenable to entrepreneurial development as it is in urban places where the scope for commercial arrangements is wide and the volume of economic opportunities great. All things equal, this lifestyle is directly associated with entrepreneurial awareness and readiness. The proposition may be stated as follows

Proposition 21: Urban lifestyle promotes self-confidence, originality, future orientation, and risk taking.

Urbanism, which is characteristic of cities and other large agglomerations of people, also tends to erode traditional values and instil a new *weltanschauung* (world view) into the minds of people. Loyalty to one's kin and attachment to nature are weakened by the forces of modern life which calls for new patterns of adaptation and social interaction.

Shifting now the attention to man-work relationship, three items of cultural importance have been identified: survival, subsistence/basic needs, and surplus value orientations. These classes of values are conceptualized in varying degrees so as to emphasize levels of societal development as a factor of entrepreneurial growth. Survival and subsistence values, although nearly synonymous, are used in slightly different ones. The first is a characteristic of a society in which the preoccupation is on eking out a

bare living, on satisfying the immediate needs of food, shelter, clothing, nutrition, and so on. The second is a step forward in the struggle for survival. Here, a society has reached the minimum threshold level in terms of food, shelter, clothing, etc. but is unable to get off further due to poor technology, lack of capital, and related considerations. The presumed relationships between survival values and personality are captured in the following proposition

Proposition 22: Survival values are negatively associated with self-confidence and future orientation but are positively related task orientation.

Much the same pattern of relationships are expected to show up for subsistence values, except that no positive association is proposed. The proposition may be stated as follows

Proposition 23: Subsistence values are negatively associated with self-confidence, future orientation, and risk taking.

At the opposite side of the ledger, another set of values is considered contributory rather than prohibitive of the emergence of entrepreneurial qualities. Surplus value, or that societal characteristic in which members are oriented toward producing and marketing surplus goods, is hypothesized to be positively related to such traits. Under this condition, all the expected correlations are assumed to be direct and proportional according to the strength of values placed on surplus. The appropriate proposition here is thus

Proposition 24: Surplus values are positively related to self-confidence, future orientation, and risk taking.

It would seem necessary to look at the triumviral set of values in a stage-like hierarchy, that is, one being higher or lower than the other, in quite the same way that needs can be rank ordered on the basis of personality development (Maslow, 1970)

Granting that this premise is acceptable, man-work values do follow a sort of gradience which corresponds to level of economic development of a society. At different levels various configurations of values are found and, consequently, multiple tactics required for research and development of entrepreneurs.

The fourth dimension of cultural values is temporal, man-time relationship. Two continua of value orientations relating to conception of time are considered critical: present versus future orientation, and immediate versus deferred gratification. The dominant line of thought that runs through these concepts is the valuation of and search for goods and services interfaced with the idea of when these are most needed. On the one hand, present-future orientation is a mode of behavior which places the individual between two opposing choices: the concern with what happens now, and what happens tomorrow. On the other hand, immediate-deferred gratification is a more explicit aspect of time during which rewards and satisfactions will be obtained.

Postponement of gratification (e.g., getting married) in favor of a long-run goal (e.g., getting a college education) is an example of such competing choices. For the purposes of research, it has been assumed that future orientation and deferred gratification are needed correlates of favorable entrepreneurial qualities. The proposition may be stated in this form:

Proposition 25: Future-oriented values will promote self-confidence, result orientation, future-oriented personality traits, and risk taking.

Exactly the same trend of relationship is offered in terms of the effect of delayed gratification on these personality traits. Thus

Proposition 26: Deferred-gratification values enhance the acquisition of self-confidence, result orientation, future orientation, and risk taking.

Some caveats ought to be entered here. The concept of time may well be a reflection (or consequence) rather than a determinant of certain personality traits not taken up above. Locus of control is one such variable that may produce a strong present or future orientation. In villages where people believe they are subjugated to or controlled by the natural environment are apt to develop a "now" or even "past" orientation since they receive no feedbacks of events that extend beyond that which happens at present. The kinds of values they dearly hold may themselves be another variable that will result in weak or low future orientation. Fatalism, rural lifestyle, and survival values may be productive or present or past orientation. The task of research, therefore, is to ascertain which combination of values will be most efficient in predicting levels of entrepreneurial attitudes.

Another point to be stressed here, which applies to all cultural values just discussed, is the need to generate two classes of conceptual schemes: one to be used for research, the other for training and development of entrepreneurs. The second may consist simply of a checklist or matrix of values and traits as a tool for self-assessment on the part of trainers and participants alike. With it, individuals will be able to analyze their own situations with an eye to strengthen their weak characteristics in relationship to entrepreneurial personality.

Personality Traits and Entrepreneurial Types by Stages

The next area for research and evaluation is the analysis of how personality traits influence the types of enterprise and stages of entrepreneurial development. It will be recalled that all the traits discussed are essential characteristics common to most entrepreneurs. Hence, they will be entered as variables in the research exercise. The assumption behind their use, however, is different. It is strongly believed that varying levels of personality traits are required by different types of enterprise under different phases of development. The research framework is a three-way analysis: traits by types of enterprise and by stages of development.

Because of this complexity of the design, only one general proposition can be made to subsume all the possible combination of traits, types, and stages at the same time.

Proposition 27: Various levels (high, medium, low) or entrepreneurial traits are necessary for different types or enterprise (nine types) under different stages of entrepreneur development (three stages).

The rationale for this proposition is not difficult to grasp. Service firms or industries, for example, would require a higher level of people-oriented traits than would industries dealing with objects instead of people. This principle is well illustrated by a computer printout on the aptitudes and interests of various types of professionals and managers (surrogate for entrepreneurs) in the United States, which was provided by the Kamehameha Schools, in Honolulu. Another line of evidence which corroborates with the ideas that occupational types and personality types are functionally related to each other is furnished by John L. Holland and others who are extensively engaged in research on vocational counselling.

Specific levels of personality traits are therefore hypothesized to exist for different entrepreneurial types at various stages of their development, as has been shown in Table 1. The profiles (high, medium, and low) indicated in this table are the theoretical distribution of the various entrepreneurial traits according to enterprise types. An attempt was also made to hypothesize the level of traits needed for such enterprise during pre-start up stage, entry stage, and expansion so as to encourage and maintain successful entrepreneurship.

Summary and Conclusion

In this paper, a simple but pedagogic conceptual scheme has been discussed for researchers and practitioners of entrepreneurship development. The major components of the scheme are three (culture, personality, and entrepreneurship),

decomposed into more specific elements which are amenable to operationalization and measurement on the individual level. These variables, as these elements are more technically called, are roughed down close to testing and verification by the formulation of hypotheses which specify the nature of relationships between and among them.

Bereft of time and resources to empirically verify these hypotheses, or propositions, this paper will do a good service to a formalized theory construction in the future. Pedagogical as it may be, however, the set of propositions outlined here can become a mere laundry list of hunches which defy patrimony by "over-explaining" entrepreneurship, if the researcher does not use it with prudence.

The author takes the view that more is yet to be done in tracking down the elusive entrepreneurs, whom Kilby (1971) equates to that large, legendary animal called "Heffalump." But an accounting of probable factors as we did here, indeed one among the many attempts that have surfaced in the literature thus far, will bring to the fore again how an interface of cultural with psychological circumstances can shape entrepreneurship. When fully confirmed, there will be reason to argue that the conceptual model is a successful prelude to theorizing, and that this paper shall have served the purpose of alerting trainers on what characteristics to look for among entrepreneurs or potential enterprise builders.

NOTES

1. This article is a slight revision of "Cultural, Socialization and Socioeconomic Influences in Entrepreneurial Readiness: Conceptual Scheme and Working Proposition," which appeared in the conference report, *Entrepreneurial Discovery and Development: Progress of Action Research*, published by the East-West Center Technology and Development Institute (now known as Resource System Institute) in 1977. Many of the ideas presented here were hatched during that conference, which the author painstakingly wove into a unified framework for research. He is grateful to Richard Morse, Research Associate at EWCTDI, for his most valuable suggestions in writing the draft, but who is absolved from responsibility for any error that may be found in this manuscript.

2. These entrepreneurial traits were taken from a variety of sources (Hornaday and Bunker, 1970; Rao, 1976; Pickle, 1964) by a group of participants during the 1977 Research Methodology Workshop held at the East-West Center.

3. Cited by McClelland, referencing Warner and Abegglen (1963).

Sources of Instruments for Measurement of Cultural Values and Personality Traits: Suggested References

As guides to research in obtaining tested instruments that can be used to measure relationships specified in the above propositions, and to map out the intensity of those relationships, the following five sources are presented for quick reference:

1. Kahl, Joseph A. (1968), *The Measurement of Modernism: A Study of Values in Brazil and Mexico*. Austin: The University of Texas Press; also, Kahl, J. A. (1965), "Some Measurements of

Achievement Orientations," *American Sociological Review* 70 (May):669-681.

At least four scales on value orientations (trust in people, Kinship integration or attachment to family ties, occupational primacy, and mastery of the environment) were developed following the works advanced by F. Kluckhohn, F. Strodtbeck and T. Parsons. These scales correspond to the dimensions set out earlier, namely: man-man relationship, covering trust in people and kinship integration; man-work relationship, covering occupational primacy or importance placed on occupational success; and man-nature relationship covering mastery of the environment or activism. These scales may be used as supplementary measurements, although by no means complete to encompass the full range of cultural values.

2. Miller, Delbert Charles (1970) *Handbook of Research Design and Social Measurement*, 2nd ed., New York: McKay.

This is an excellent compilation of psychological tests for measuring values and personality traits. Reliabilities and validities of such tests are also reported, and the specific sources cited.

3. Jacob, Philip E. et. al. (1971) *Values and the Active Community: A Cross-National Study of the Influence of Local Leadership*. New York: The Free Press.

Several scales were developed here based on samples from India, Poland, the United States, and Yugoslavia. Among the important ones include: values relating to conflict avoidance, harmony, and attitudes to innovation and change.

4. Robinson, J. P. and P. R. Shaver (1973) *Measures of Social Psychological Attitudes*, rev. ed., Ann Arbor, Mich.: Survey

Research Center, University of Michigan; also Robinson, J. P., R. Athanasiou, and K. B. Head (1968), *Measures of Occupational Characteristics* Ann Arbor, Mich.: Survey Research Center, University of Michigan.

These volumes are recent updates of tests and measurements usable to entrepreneurship with respect to values and personality traits. Some of the important and already validated scales are: Rokeach's value survey, Kluckhohn and Strodtbeck's elaborate value orientation scales, Bales and Couch's value profile, and Gordon's interpersonal values, among others. Most of these scales touch upon the particular values discussed previously. Scales measuring religiousity and its various components are also provided, as well as social-psychological scales dealing with locus of control, self esteem and other measurements of individual traits. As in Miller's book, the original sources of these scales are mentioned and reliabilities and validities reported.

5. Pareek, U. and T. V. Rao (1975), *Handbook of Psychological and Social Instruments*. Baroda: Samasthi Publications.

This book presents over 400 instruments developed in India for various groups of people. Personality, organizational behavior and other social and psychological instruments have been included. The actual instruments have been reproduced in this book, which are useful for scientists in transitional countries.

REFERENCES

Blau, Peter M. *et. al.*, "Occupational Choice: A Conceptual Framework," pp. 266-281 in Clifton D. Bryant (ed.), *The Social Dimensions of Work*. Englewood Cliffs, New Jersey: Prentice-Hall, 1972.

Hagen, Everett E., *On the Theory of Social Change: How Economic Growth Begins*. Homewood: The Dorsey Press, 1962.

Holland, John L., *Making Vocational Choices: A Theory of Careers*. Englewood Cliffs, New Jersey: Prentice-Hall, 1973.

Hornaday, John A. and John Aboud, "Characteristics of Successful Entrepreneurs," *Personal Psychology* 24 (Summer 1971):141-152.

Lewis, David M., "The Perception of Entrepreneurial Prestige by Rural Japanese Boys," *Rural Sociology* 33 (March 1968): 71-79.

Magdalena, Federico V., *The Filipino Entrepreneurs of Hawaii: An Inquiry Into Their Roots and Success*, Ph. D. dissertation, University of Hawaii, 1977.

Maslow, Abraham, *Motivation and Personality*, 2nd ed., New York: Harper & Row, 1970.

McClelland, David C., *The Achieving Society*. Princeton: D. Van Nostrand, 1961.

Pickle, Hal B., *Personality and Success: An Evaluation of Personal Characteristics of Successful Small Business Managers*. Washington, D. C.: U.S. Small Business Administration. 1964.

Popenoe, Oliver, "A Study of Malay Entrepreneurs," *Quarterly Journal, Institiut Teknoloji Mara 1* (September 1969): 15-29.

Rotter, Julien B., "External Control and Internal Control Psychology Today 5 (June 1971): 37-42, 58-59.

Siregar, Arifin, "Indonesian Entrepreneurs," *Asian Survey* 9 (May 1969): 343-358.

Ward, Gene, "Socialization, Confidence and Tension Modalities in Entrepreneurial Readiness," paper presented at the Research Methodology Workshop on Identification, Selection, and Development of Entrepreneurs, June 13 - July 1, 1977, East-West Center Technology and Development Institute, Hawaii.

Zalesnik, Abraham and Manfred E. R. Kets de Vries, *Power and the Corporate Mind*. Boston: Houghton Mifflin Co., 1975.