

## Implicit Entrepreneurship Theory and Success Factors in China, the United Kingdom, and Estonia

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**Abstract:** This study introduces the concept of implicit entrepreneurship theory to examine how perceptions of entrepreneurial attributes may either resemble or vary across three culturally different countries in various stages of market structure including the United Kingdom (market), Estonia (former command, now market), and China (with mixed market and command structures). The following research questions were addressed: which characteristics of entrepreneurs are either shared or not shared among current versus potential entrepreneurs; which entrepreneurial characteristics and factors are more or less desirable of successful entrepreneurs in one country versus another; and whether cultural, social or institutional differences make certain entrepreneurial characteristics more salient in one country versus another. Focus groups and survey results revealed the following common features among entrepreneurs: Awareness of new opportunities, persistence to develop and implement new ideas, active communication and networking skills, and readiness to face new challenges. These results are important for customizing the process of entrepreneurship education to the perceived training needs in these three countries. Indeed, while entrepreneurship education could change perceptions of participants about success factors, it should also consider society's cultural expectations of a successful entrepreneur.

**Key words:** international entrepreneurship; culture; success factors

**JEL codes:** D, E, M, O

### 1. Introduction

The last few decades have shown a heightened interest in the role that entrepreneurship plays as a facilitator for change in both advanced and emerging market economies (Bosma, Jones, Autio, & Levie, 2007). This role is not new: As early as the 1920's Schumpeter (1928) had already observed how entrepreneurs change the essence of existing production systems in market economies through creative destruction.

Peter Drucker (1985) describes entrepreneurs as individuals who exploit the opportunities that change generates. He stresses that innovation and risk-taking are entrepreneurial rather than managerial qualities. An entrepreneur acts as an innovator that initiates change both inside the organization and the in society at large.

Imperative to the success of entrepreneurs are the characteristics and traits linked to entrepreneurial behavior. While research has already identified them (Rauch & Frese, 2007), the question remains as to how these

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characteristics and traits differ across cultures and across levels of economic development and whether entrepreneurial behavior varies in emerging markets versus established market economies.

This study examines how perceptions of entrepreneurial attributes differ across three very different countries: United Kingdom, Estonia, and China. China represents the largest emerging economy, where features of market economy and a command economy co-exist. The United Kingdom exemplifies a market economy with a long tradition of entrepreneurship. Estonia illustrates a small open economy that successfully transformed from a command economy to a market economy more rapidly than many other East European economies. Indeed, as of 2012, the share of people involved in early-stage entrepreneurial activities in Estonia was 14%, the highest in Europe (Xavier, Kelley, Kew, Herrington & Vorderwulbecke, 2013).

This study reveals results of the first and second stage of the broader international research program “Entrepreneurship Work in Organizations Requiring Leadership Development” (E-WORLD). At the first stage, focus groups explored the characteristics of successful entrepreneurs in each of the countries. In the process of conducting focus groups in the three countries, E-WORLD applied various procedures to develop a methodology for the large-scale cross-border survey that was developed at the second stage of the research project.

## **2. Theoretical Framework and Research Questions**

This study bases its theoretical framework to guide the advancement of the entrepreneurship framework on both the value-belief theory of culture (Hofstede, 1980; Triandis, 1995) and implicit entrepreneurial theory based on implicit leadership theory (Lord & Maher, 1991).

### **2.1 The Cultural Context of Entrepreneurship**

In a European study on culture and entrepreneurial climate, Huisman (1985) observed that entrepreneurial activity varies across cultures and cultural values guided the behavior of entrepreneurs. Examples of personality dimensions determined by culture include innovativeness, locus of control, risk-taking and energy level (Mueller & Thomas, 2000).

Culture has been defined as a set of shared values and beliefs as well as expected behaviors (Hofstede, 1980; Hayton, George & Zahra, 2002) posit that cultural values serve as a filter for the degree to which a society considers certain entrepreneurial behaviors as desirable. For example, Wang (2012) studied the potential influence of Chinese culture on entrepreneurship and concluded that the imitative entrepreneurial behaviors prevalent in China and other East Asian countries relate to their collectivistic cultures, where conformity prevails.

The Global Entrepreneurship Monitor (Xavier et al., 2013) analyzes societal beliefs related to early-stage entrepreneurship such as whether starting a business is considered a good career choice and if entrepreneurship is associated with high status and positive media attention. Thus, there is also a need to study, in addition to general societal beliefs, the specific features that a particular culture assigns to successful entrepreneurs because such beliefs influence the nature of entrepreneurial initiatives and also determine whether other stakeholders in that society either support or reject those entrepreneurs.

According to Hayton et al. (2002) findings indicate that cultures that are high in individualism and masculinity, and low in uncertainty avoidance and power distance tend to be more auspicious for entrepreneurs. Hofstede (1980), and House, Hanges, Javidan, Dorfman and Gupta (2004), concur that cultural characteristics exert a significant effect on the characteristics of the organizations in that society. Entrepreneurs can represent

basic values of a national culture but, as Elernum, Alas, Rozell, Scroggins and Alsua (2014) suggest, entrepreneurs can also act as norm-breakers by shaping and demonstrating new socially desirable behaviors depending on the institutional context, economic and social changes in a society.

Hofstede, Hofstede and Minkov's research (2010) is a useful tool to interpret differences between China, United Kingdom and Estonia when analyzing the focus group and survey results in the present study. For example, as one of the Baltic countries, Estonia has very low power distance compared to other countries in Eastern Europe. Estonia's ranking in this index (global rank 59-61) is considerably lower than China's (12-14) but still higher than the United Kingdom (65-67). Likewise Estonia has a higher individualism index (global rank 23-26) than China (global rank 58-63) but lower than the United Kingdom, which ranks 3rd globally, after the United States and Australia. The United Kingdom and China have both the same high rank on masculinity index (global rank 11-13) compared to Estonia (global rank 66). Estonia presents a higher uncertainty avoidance index than the United Kingdom and China. The global rank for China is 70-71 and for the United Kingdom 68-69 while Estonia's global rank is 47-49. The global rank of long-term orientation index is 4 for China, 7-9 for Estonia, and a much lower 40-41 for the UK. Indulgence versus restraint index yields a high indulgence ranking for the United Kingdom (global rank 14). Chinese indulgence ranking is much lower at 75 and Estonian global ranking 85-87 is extremely low. Hofstede et al. (2010) interpret indulgence versus restraint as a societal dimension predicting happiness, freedom to do as will, and leisure. Indulgence represents the idea that one can act as one pleases, spend money, and lavish in leisure and fun-related activities with friends or alone (Hofstede et al., 2010).

Western influences have significantly dictated theoretical development over the last century (Sidani, 2008). The aim of the E-WORLD project is to broaden the existing cross-cultural research on entrepreneurship and therefore this study examines the cultural and institutional context of entrepreneurship by comparing the United Kingdom as an advanced European market economy, Estonia as a small new European Union member state, and China as a large emerging Asian economy.

## **2.2 Implicit Entrepreneurship Theory: Implicit Leadership Theory and the Entrepreneurship Framework**

Implicit leadership theory suggests that individuals have implicit beliefs, convictions, and assumptions concerning attributes and behaviors that differentiate leaders from subordinates and effective leaders from non-effective ones. We take this same concept and apply it to entrepreneurship. In essence, we propose that individuals have implicit beliefs about successful entrepreneurs as well. That is, successful entrepreneurs possess certain entrepreneurial qualities, characteristics and behaviors and, hence, society accepts individuals with those qualities as successful entrepreneurs. These qualities, also described as implicit entrepreneurship qualities guide entrepreneurial actions and can either support or inhibit entrepreneurial initiatives.

In the entrepreneurial context one should consider two factors. On one hand, there are differences between the implicit beliefs of already established entrepreneurs-practitioners versus potential entrepreneurs, such as business students. This is important to differentiate because certain features that young people consider an entrepreneurial career attribute of successful current entrepreneurs can influence the future trends of entrepreneurship. On the other hand, cross-cultural differences exist across nations because nations have developed different entrepreneurial prototypes based upon their specific cultural elements. It is important for entrepreneurs in a given culture to match the prototype of the successful entrepreneur for that culture. The degree to which an individual matches the cultural entrepreneurial prototype may affect the feedback received from

others and the motivation to engage in entrepreneurial behavior. It may also affect the willingness of others to follow or fund them in the new business activity. Consequently, the major questions emerge:

(1) Which characteristics of entrepreneurs are either shared or not shared among current versus potential entrepreneurs in these three countries?

(2) Which entrepreneurial characteristics and factors are more or less desirable of successful entrepreneurs in one country versus another?

(3) Do cultural, social or institutional differences make certain entrepreneurial characteristics and their combinations more salient in one country versus another?

### **3. Research Methodology**

Research methodology combines qualitative and quantitative methods. First, focus groups in Estonia, the United Kingdom and China examined perceptions and attributions of entrepreneurs in each country. These countries are excellent convenience samples because they vary significantly in terms of cultural factors such as individualism/collectivism, power distance, risk aversion and indulgence. At the start of the focus groups, participants were informed that they were participating in a cross-cultural research project. Participants were told that the purpose of the focus group was to understand the characteristics of successful entrepreneurs in different cultures. Focus groups consisted of entrepreneurs, employees of entrepreneurial ventures, entrepreneurship support organizations, and students from entrepreneurship studies programs.

The focus group data, guided by a review of the literature, underwent a taxonomic analysis (Krueger, 1998) to identify the attributions made of entrepreneurs in each country. Krueger defines taxonomy as a set of categories organized on the basis of relationships. A taxonomy shows the relationships between things that together comprise a cultural domain. This focus group analysis helped identify similarities and differences in entrepreneurial prototypes across countries. Therefore the results helped compile the survey questionnaire that formed the qualitative part of this study.

### **4. Focus Group Processes and Results by Countries**

#### **4.1 Characteristics of Successful Entrepreneurs in the United Kingdom**

Four focus groups were held in the United Kingdom. Group one participants (5) were successful entrepreneurs running micro or small businesses in Northamptonshire, UK; group two participants (7) were employees of micro or small businesses based in Northamptonshire; group three participants (8) were staff from Business Link Northamptonshire, a new business startup support service; and finally group four included entrepreneurs from the West Midlands, UK. Each group was asked to ponder and identify the personal characteristics of successful entrepreneurs. In each case, participants were asked to think of an entrepreneur they knew personally and, without revealing their identity, try to describe this person as fully as possible. Participants consistently identified a number of personal characteristics of successful entrepreneurs. For example, all participants thought that *drive* was a characteristic of a successful entrepreneur. Table 1 presents the results of the taxonomic analysis and the implicit prototype of the British entrepreneur as described in the focus groups.

Table 1 British Entrepreneurial Prototype

British Prototype	Rebellious			
	Intelligent			
	Decisive			
	Risk taker			
	Knowledgeable of their business			
	Extraverted			
	Interpersonal	sometimes ruthless and angry		
		supported by friends and family		
		charming		
		approachable		
		charismatic		
		articulate		
		Skills	negotiation	
			networking	
			communication	
		Customers	loyal to customers	
	balance amiability with straightforwardness			
	Planner	willingness to learn		
		open to new ideas		
		Strategic	seeks out opportunities	
			investigate new opportunities	
			sets clear goals	
	Motivated	Characteristics	determined	
			enjoy challenges and overcoming obstacles	
			hard working	
			ability to persevere	
			driven	
Source of motivation		ambitious		
		desire to change things		
		desire for a comfortable lifestyle		
		passion for success		
		A "can do it" attitude	prove themselves to society	
			memory of struggling parents	
			strong belief in own abilities, confident	

Communication with customers and with collaborators emerged as a key trait among entrepreneurs in the UK. Additionally, respondents stated that *emotional intelligence* was important in order to relate to the buyer in such a way that one is perceived amiable enough to be trusted and relied upon and called back for repeat business. *Negotiation skills* were considered to be the basis of good customer relations. *Communication* with hired co-workers was important as well. The small size of businesses created by these entrepreneurs' calls for the necessity to work with people the leader wants to socialize with. Respondents asserted that capacity to *detect a good social fit* sooner rather than later, as well as a *good attitude* towards work is important. Another trait identified by British entrepreneurs was a tendency to *resist taking "no" for an answer* while finding excitement and developing a significant amount of nervous energy in the achievement of personal and professional goals. This characteristic is enhanced by the decision to separate oneself from "negative people". "Can-doers" do not see

themselves as genetically determined in their own behavior, rather they attribute their common quality to relevant past experiences that have pushed them to develop a capacity to overcome difficulties. These could include a problematic childhood/adolescence and perceptions of success when others would have expectations of failure. Interestingly, it was noted that the successful UK entrepreneur was characteristically rebellious, and sometimes ruthless and angry. Focus group participants noted that these characteristics sometimes fed the passion, ambition, and self-confidence that also emerged as traits of a successful entrepreneur. Traits of these British entrepreneurs may be reflections of the relatively high rank of the UK on the masculinity index. Within the focus groups, British entrepreneurs of Irish origin represent even higher masculinity, as the rank of Ireland is 9th-10th, slightly higher than the 11th-13th rank of the United Kingdom. At the same time United Kingdom and Ireland have also high rating of indulgence, which echoes rebellious attitudes that do not restrain entrepreneurial passion and ambitions.

The entrepreneurs interviewed noted that by working long hours they succeeded in finding gaps in the market to start their own businesses. The underlying driver is that these entrepreneurs eventually wanted to remove their dependence from an employer and become masters of their own fortunes. Some entrepreneurs had experienced very negative reactions from their employers when they decided to work on their own. Several UK respondents noted that successful entrepreneurs often came from poor backgrounds, were ignored by their parents, or were the less favored sibling. They assumed that this led to a *strong sense of drive*. Additionally, it was noted that a common characteristic of UK entrepreneurs was that they suffered from poor academic performance in school.

#### **4.2 Characteristics of Successful Entrepreneurs in Estonia**

In Estonia focus group discussions followed a two-stage procedure. First, participants spent 20 minutes completing individual work sheets. They compiled a list of at least 5 personality traits that they thought characterize successful entrepreneurs in Estonia. Participants also included behaviors and other possible success factors of entrepreneurs currently operating in Estonia.

In the second part, participants formed groups of 4-5 people and compared what they thought were the characteristics of successful entrepreneurs in Estonia in the 1990s versus those in the present day. Unlike the UK, this differentiation is particularly important in the case of Estonia because of the abrupt and sometimes drastic political, social, and economic changes that the country experienced during the 1990's as it evolved from a command to a market economy. After 30 minutes the groups presented their conclusions. Facilitators asked questions to clarify the findings.

Table 2 presents the results of the taxonomic analysis of the Estonian focus group data and the resulting Estonian implicit entrepreneurial prototype. The Estonian sample consisted of 12 doctoral students from the Estonian Business School (EBS), 32 EBS bachelor students majoring in entrepreneurship and 16 master students from the Estonian Academy of Music and Theatre majoring in arts administration. Separate focus group sessions were conducted with these categories of participants.

The following characteristics of successful entrepreneurs in Estonia in the present day were especially noted in the focus groups:

*Courage to take risks.* Risks were seen both as financial risks and as risks linked to being the first one to start an entrepreneurial venture in a new field.

*Openness to new information.* When explaining this characteristic, several respondents noted the open nature of Estonian economy and the need to use international business information. They also noted that advanced communication skills are necessary to be successful including effective interpersonal relations, and the ability to utilize the internet for communication purposes.

*Flexibility.* Arguments to support this feature were based on the rapid changes in the Estonian economy and on the need to move quickly in order to take advantage of new opportunities if the business landscape changed.

*Creativity.* Focus group discussions gave the impression that creativity was often stressed as a value at an abstract level, without any particular reference to a specific new product or technology.

*Determination.* The ideal entrepreneur appeared as a self-confident person with a “firm hand” that follows his/her course of action and is determined to implement his/her decision even if there are external obstacles or opposition among employees.

*Balance between work and family.* Focus group members noted that current Estonian entrepreneurs are more concerned with work life issues and the balance between work and family as compared to earlier Estonian entrepreneurs.

**Table 2 Estonian Entrepreneurial Prototype**

Estonian Prototype	Sometimes greedy	
	Risk taker	
	Honest	
	Autocratic	
	Interpersonal	communicative
		cooperative and team-oriented
		concern for others, empathetic
		charismatic
		able to motivate others
	change oriented	innovative and creative
		flexible
		open to new ideas and information
	Highly motivated	results oriented
		workaholic
		determined
		ambitious: strong will-power
		strong drive to execute plans and ideas
Emotionally strong	independent: strong trust in own knowledge and ability	
	positive view of self, self-confident	
	overall positive affect, positive view of situations	

Bachelor students majoring in entrepreneurship, 54% of which already had some practical entrepreneurial experience, stressed *self-confidence* and *communicative skills* more often than other focus group members. Entrepreneurship students noted potentially conflicting personality characteristics such as *egoism* and *empathy*, whereas the students of arts administration mentioned *trust* and *greediness*. Successful entrepreneurs in Estonia were not seen as ideal personalities that always present socially acceptable behaviors. *Courage to take risks* can, however, be a feature that confronts average uncertainty avoidance in Estonian society (47th-49th global rank). Discussion of the Estonian implicit entrepreneurial prototype revealed tensions between the determination and even ruthless way to use business opportunities in a rapidly changing business environment and the desire to follow more feminine cultural values by balancing work and family that reflect Estonia’s relatively low 66th rank of masculinity index.

Participants with entrepreneurial experience described *active involvement* in networking, *acquiring founding capital*, *selecting the right team*, and *following agreements* were clearly successful entrepreneurial traits. Other

respondents highlighted *innovative behavior* and the *search for new knowledge* more often as successful characteristics.

#### 4.2.1 Successful Entrepreneurs in the 1990's vs. the Present Day

Participants compared the most important success factors of entrepreneurs operating in Estonia in the 1990s with success factors that are more important in the present day. In the 1990s the courage to take risks was linked to the sometimes inevitable, *short-term thinking* as windows of business opportunities opened and closed rapidly in the changing legal environment and macroeconomic situation of 1990's Estonia. Nevertheless, respondents considered a *shoot first and then ask questions later* disposition as unsuitable for the present stage of a developed market economy. Long-term vision and ability to link innovation and business sustainability surfaced as essential risk management skills.

Hofstede et al. (2010) rate long-term orientation in Estonia (7th-9th ranking) to be the second highest in Eastern Europe after Ukraine and similar to Belgium in Central Europe. Focus group results however indicate that interpretations of entrepreneurial success factors that can link to the long-term orientation depend on changes in the institutional environment and on the nature of business opportunities created by new start-up ventures in information and communication technology.

Respondents agreed that *basic foreign language skills* served as a tool for finding initial foreign partners in the 90s, but they see *networking* among present successful entrepreneurs and *using the internet* to facilitate global business connections as a more useful tool in the present day. Teamwork is an essential success factor for present and future success for Estonian entrepreneurs, but successful entrepreneurs in 90s were perceived as more individualistic. Focus group discussions suggest that in the process of transition to a more advanced market economy Estonian entrepreneurs are able to find new business opportunities and they appear to be better team players than at the earlier stages of post-Soviet Estonia.

#### 4.3 Characteristics of Successful Entrepreneurs in China

In China 25 MBA students with entrepreneurial emphasis from the Henan University of Finance and Economics were involved in the focus group stage. First they completed individual assessments and then discussed links between characteristics. Individual assessments included the description of a successful entrepreneur with a Chinese cultural background, giving examples about qualities and traits that contribute to a successful entrepreneur and detailing other content relevant to this study. This helped relate characteristics of entrepreneurs a taxonomic analysis in order to create the Chinese entrepreneurial profile (Table 3).

In China, respondents identified the successful entrepreneur as *someone with passion and vision, willingness to learn, networking based on guanxi, reciprocal obligations* towards friends that have helped the entrepreneur, *keeping promises, determination and focus on the collective gains*, and strong sense of *social obligations* and national cultural pride. *Readiness to fight and not being afraid of hardships* also appeared to be essential features of successful entrepreneurs in China. These assessments are consistent with China's low rank on Hofstede's individualism dimension (global rank 59-61) and high rank on masculinity (global rank 11-13).

The taxonomic analysis exemplifies the image of a passionate, hardworking, exploratory, and visionary entrepreneur that has high willingness to learn. There is a link between communication skills and networking. Determination involves willingness, the ability to start from nothing and persistence to overcome difficulties and failure.

Table 3 Chinese Entrepreneurial Prototype

Chinese Prototype	Passionate and hardworking			
	Exploratory and adventurous/visionary			
	Willingness to learn			
	Knowledgeable and competent			
	Exercises good judgment	can judge and make decisions from the perspective of a competitor		
		rational		
		decisive		
	Communication and networking	networked	well-connected/Guanxi	
			well-informed	
		good communication skills		
	Determined and resolute	willingness and ability to start from nothing		
		persistent	strong willed	
			never defeated	
			courageous when challenged by difficulties	
			do not yield when confronted with failure	
	Strong moral character	forgiving		
		grateful		
		high morals	Integrity	respectable personality
				keeps promises
			upright	
honest				
Focus is on the collective/others	collectivistic	nation	seeks a positive change for and benefit of country	
			strong sense of social obligation	
	customers		seeks maximum benefit of the customer	
			creates value for the customer	
	personal gain	do not focus on personal success		
		do not seek personal gain		
Identifies with country culture	values culture	fits well into the national culture		
		values country history and culture		
		embodies and represents the national culture		
	nationalism	strong national conscience and spirit		
		patriotic		

The Chinese entrepreneurial prototype clearly represents a focus on collectivistic values where entrepreneurs work for the benefit of the country and customers instead of seeking personal gains. Chinese respondents in general stress a strong moral character of successful entrepreneurs although some respondents noted that there are different types of entrepreneurs: those who have started from scratch, entrepreneurs that combine business and politics to co-operate with government-owned businesses, and also entrepreneurs who have become rich overnight and tend to lack awareness of the danger of risky behavior. Among behavioral patterns, respondents agreed that *networking and acquiring capital, selecting the right team and following agreements* were the ways of entrepreneurial success.

The diverse focus groups contributed to determine the diverse interpretations of success factors in each country. For example, in the United Kingdom the focus group process allowed open discussion about psychological mechanisms behind the “can-do” attitude. In China the research was operational for creating a holistic entrepreneurial prototype. In Estonia, the comparison of different time frames for entrepreneurial success

helped reveal beliefs, convictions, and assumptions concerning the changing nature of entrepreneurship in a transition economy. This information, along with results from the global E-WORLD contributed to compile the survey questionnaire that was applied as the standardized data collection tool at the second stage of this study.

### 5. Survey Research Tool and Survey Results

The survey tool included 115 characteristics and behaviors of successful entrepreneurs based on prototypes of successful entrepreneurs from the focus groups. The questionnaire development process was analogous to the technique conducted by Project GLOBE researchers (House et al., 2004) in the development of the GLOBE leadership questionnaire. Several characteristics of entrepreneurs that were highlighted in the focus groups were similar to the leadership characteristics in the GLOBE questionnaire.

First, E-WORLD researchers examined the taxonomic results to identify the major entrepreneurial characteristics, traits, and behaviors from those findings. Investigators examined individual country taxonomies and listed those factors that appeared most important for forming the entrepreneurial prototype. All researchers needed to concur that the item was sufficiently important to be included given its frequency and its importance in the taxonomy. The questionnaire followed the translation-back translation procedure. First translated host country E-WORLD collaborators translated the questionnaire from English into the host country’s language and then associates of the principal investigators who were fluent in the particular language back translated into English.

Survey instructions described each of the characteristics and behaviors. Respondents were asked to rate each characteristic, trait, and behavior (questionnaire item) on a 7 point Likert type scale indicating the degree to which they felt the characteristic, trait, or behavior either impeded or facilitated entrepreneurs in their country. Items ranged from 1 (this behavior or characteristic greatly inhibits a person from being a successful entrepreneur) to 7 (this behavior or characteristic contributes greatly to a person being a successful entrepreneur). Demographic data about age, gender, country of birth and residence, education, work and entrepreneurship experience was also collected.

Table 4 presents results from survey samples in Estonia, United Kingdom and China. British respondents are slightly older and have longer work experience than respondents from China and Estonia. Perhaps the most important difference among samples is the lower share of respondents with entrepreneurship experience in China (25.3%) than in Estonia (48.3%) and in the United Kingdom (51.5%).

**Table 4 Comparison of Survey Samples in Estonia, United Kingdom and China**

Respondent sample (average by country)	Estonia N = 585	United Kingdom N = 132	China N = 421
Age	35.9	39.4	38
Years of full-time work experience	14.5	19.9	15.5
Years of formal education	14.3	14.1	14.9
Per cent of respondents that have owned a business	48.3	51.5	25.3

Because of these differences in entrepreneurial experience, researchers deemed important to examine any differences in the ratings between entrepreneurs and non-entrepreneurs. In China both entrepreneurs and non-entrepreneurs rated *administratively skilled* as the most important characteristic (mean 6.5051 for entrepreneurs and 6.4418 for non-entrepreneurs). The second most important was *opportunity awareness* in the case of entrepreneurs (mean 6.3838) and *team builder* in respondents without entrepreneurship experience (mean

6.2877). In the United Kingdom *being positive* received the highest rating by entrepreneurs (mean 6.7353) whereas *being driven* was the most important for non-entrepreneurs (6.4688). The second most important characteristic for entrepreneurs was *being enthusiastic* (mean 6.6471), whereas non-entrepreneurs valued *opportunity awareness* second (mean 6.3594).

Being an *effective negotiator* was the most contributing feature in Estonia for both entrepreneurs (mean 6.6540) and non-entrepreneurs (mean 6.7438). *Innovative* received the second highest rating from Estonian entrepreneurs (6.5344) while *being intelligent* was second highest from respondents without entrepreneurial experience.

**Table 5 Main Differences among Average Assessments of Chinese, British and Estonian Entrepreneurs and Respondents without Entrepreneurship Experience on Characteristics and Behaviors of Successful Entrepreneurs**

Characteristics and behaviors with statistically reliable differences of mean values for compared countries (Sig < 0.005)	China		United Kingdom		Estonia	
	Entrepreneurs	Other respondents	Entrepreneurs	Other respondents	Entrepreneurs	Other respondents
Administratively skilled	6,5051	6,4418	5,1324	5,2813	6,3460	6,5196
Not profit oriented	4,9899	4,8356	3,5294	3,4688	3,1947	3,9075
Indirect	4,6364	4,3082	2,9559	3,0156	3,0152	3,2206
Stubborn	3,1515	2,8116	4,4265	4,3125	4,7681	4,4104
Subdued	2,8586	2,5882	2,2206	2,3594	1,6540	1,4662
Group oriented	5,9293	5,4418	4,7500	4,1563	5,1065	5,0178
Indifferent to personal goals	5,3333	4,9007	3,9853	3,8281	3,2835	3,7011
Compassionate	5,0202	4,8014	4,5441	4,2656	3,9544	4,2857
Tolerance for ambiguity	4,9495	5,3129	5,5735	5,3438	5,9696	6,0996
Excellence oriented	4,6061	5,0959	6,3235	5,9531	5,2928	5,4057
Likes security/stability	4,1616	3,9966	2,7500	3,1563	4,1483	3,7143
Spontaneous	4,1010	3,9555	4,7059	4,6406	3,1825	3,6286
Cautious	3,8990	3,6031	2,6618	2,9844	3,4867	2,9964
Team builder	6,3232	6,2877	5,7059	5,3438	6,3840	6,5018
Just	6,0000	5,5856	5,2206	4,4688	5,1673	5,6477
Coordinator	5,8586	5,7500	5,1471	4,8906	6,1217	6,0854
Loyal	5,8384	5,5719	4,9559	4,5469	5,4008	5,4250
Resistance to stress	5,7980	5,6062	5,8971	5,2813	6,5285	6,5409
Well connected	5,7475	5,6678	5,1176	4,8594	6,0152	5,8750
Willful	5,3333	4,8562	5,8088	5,9063	4,5589	3,8754
Independent	5,0707	4,4521	5,8382	5,5000	5,6882	5,6975
Intelligent	5,7667	5,7295	6,1324	5,5938	6,3574	6,6619
Political links	5,5960	5,3166	4,6029	4,5313	5,5894	5,5765
Realist	5,3434	4,8493	4,9559	5,0159	5,9198	6,1393
Business experience	5,3030	5,1199	5,3235	5,2656	6,1749	6,1922
Family links	4,9293	4,4110	4,7353	4,6406	5,7148	5,6335
Wary of people who will copy their idea	3,6667	3,5034	4,4118	4,6250	4,5649	4,1429
Ruthless	2,6061	2,3562	3,4559	3,9531	3,2624	2,7438
Arrogant	2,1212	2,2911	3,0294	3,4844	2,4411	2,3452

Table 5 indicates statistically significant (Sig < 0.05) differences among the average ratings of characteristics and behaviors of successful entrepreneurs in China, the United Kingdom and Estonia. Any differences between mean values of countries that are higher than one point on 7-point scale are marked bold and comparisons between countries are shown separately for entrepreneurs and for respondents without entrepreneurship

experience. Among differences that are higher than one scale point for both entrepreneurs and non-entrepreneurs, Table 5 shows that China and Estonia give a higher weight to administrative skills than the United Kingdom. *Being indirect* and *not profit oriented* is as a more positive feature by both categories of Chinese respondents compared to respondents in the United Kingdom and Estonia. British entrepreneurs also give a higher rating to *contribution of excellence*.

Estonian entrepreneurs and non-entrepreneurs coincide, more so than Chinese and British respondents, that *subdued* persons do not make successful entrepreneurs. In China *being stubborn* appears to be an inhibiting characteristic, especially by respondents without entrepreneurship experience.

Chinese entrepreneurs strongly support *group orientation*. The mean value for this orientation by non-entrepreneurs is also higher in China than in the United Kingdom and Estonia. Estonian respondents rate group orientation higher than British respondents. Both Chinese and Estonian entrepreneurs give high ratings to team builder features, but the ratings given to *team builder* by Estonian respondents without entrepreneurship experience is even higher than those in China. *Entrepreneur as coordinator* and *resistance to stress* are important features for both Estonian entrepreneurs and non-entrepreneurs.

Chinese entrepreneurs consider successful entrepreneurs to be more likely to be *indifferent to personal goals* and more *compassionate* than entrepreneurs in the other two countries. At the same time, Estonians with no entrepreneurial experience consider successful entrepreneurs to be more *indifferent to personal goals*, *compassionate*, *just* and *intelligent* but also less *willful*, *cautious* and *ruthless* than Estonian entrepreneurs do. Non-entrepreneurs also rate *business experience* higher than entrepreneurs do. British non-entrepreneurs stress more than respondents without entrepreneurship experience in the other two countries that an entrepreneur should be *willful*.

A principal component analysis and factor analyses with a varimax rotation was completed for the 115 items of the survey for each of the three countries. In order to develop subscales for measuring attitudes, items were selected with factor loading in a particular factor above [0.30] and loading in other factors below [0.30]. Results yielded a different number of factors in these 3 countries: 5 factors for Estonia, 3 for the UK and 2 for China. Factors accounted for 31.63% of the initial variability in Estonia, 36.4% in the UK and 48.27% in China.

The first factor in the Chinese sample can be labeled *ideal leader* because it includes 70 positive personality characteristics, skills and behavioral patterns included in the survey questionnaire. Items with factor loadings, above [0.80] are problem solving skills, being flexible, innovative, courageous coordinator with perseverance and listening skills, brave in the face of difficulties and having good judgment with opportunity awareness. The second factor includes *negative behavioral patterns* with non-delegator and micromanager having the highest factor loadings, above [0.60]. This factor also includes being wary of people who will copy ideas of entrepreneurs, ruthless, class conscious, dissatisfied with former employment and liking security/stability, being lucky, cautious, autocratic and arrogant.

The three factors in the United Kingdom are less clear. The first factor integrates *social* and *communicative skills* with *administrative skills*. Factor loadings above [0.60] include group orientation, being patient, orderly, administratively skilled, procedural and dependable, defining clear measurable goals, and being organized and loyal; but they also include listening skills, giving value to social networks and interfirm relationships, being just, being a team builder, and sincere. The second factor in the United Kingdom sample can be labeled *business developer with a strong drive*. This factor has high factor loadings above [0.60] for such characteristics as being driven, perseverance, focused, aware of opportunities, problem solving, resourceful, competitive, dynamic and

convincing. The third factor includes *negative behavioral patterns*. Components with factor loadings above [0.60] include non-delegator, micromanager, and loner. Other components of this factor include domineering, indirect, autocratic, dishonest, cynical and avoiding negative.

Consistent with previous findings (Ellernum et al., 2014), a factor analysis in the Estonian sample revealed an even less clear factor structure with five factors. The first factor represents *seeing and using opportunities*. Above [0.50] factor loadings include judging and making decisions from the perspective of an opponent, adapting to new environments quickly, opportunity awareness, good judgment, open minded, personal strength, resistance to stress, problem solving and investigation skills, being resourceful and constantly learning. The second factor, *opportunity-driven decision maker* includes items with factor loadings above [0.50] such as self-sacrificial but willful, avoiding negatives and being patient and having political links, being wary of people who will copy the entrepreneur's ideas, but brave in the face of difficulties, and never yielding in the face of failure. Loadings above [0.30] include several networking-related items as well connected, entrepreneurial links and family links, values social network and interfirm relationships. A third factor can be labeled *brave networker*. Loadings above [0.50] include motivator, effective negotiator, enthusiastic, trustworthy. Items with factor loadings over [0.40] have items such as being ambitious, anticipatory, intelligent, diplomatic, administratively skilled, and improvement oriented. The fourth factor has the highest factor load above [0.70] for being just and factor loads over [0.40] for being sincere, compassionate dependable and loyal mediator. We label this factor as *fair mediator*. The fifth factor *intelligent negotiator* includes such behavioral patterns such as spontaneous risk taker, with factor loadings above [0.50] including being unique, communicative, having a different view of the market and strong initiative with factor loadings above [0.40]. Items such as self-confidence, masculine characteristics, being dissatisfied with former employment, autocratic, domineering, loner and indirect also belong in this factor with factor loadings above [0.30].

When comparing factor structures of Chinese, British and Estonian survey samples suggests that Chinese perceptions of the successful manager do not distinguish among different ways of being successful, whereas in the United Kingdom a success pattern based on balancing mainly managerial and communicative skills is different from the success pattern that relies mostly on opportunity-driven personal drives. The Estonian sample revealed many different success paths, but also contradictions among entrepreneurial prototypes in this small open economy as they showed contradictions in the effectiveness of risk taking and networking.

## 6. Discussion and Conclusions

This study introduces the concept of *Implicit Entrepreneurship Theory* to examine how perceptions of entrepreneurial attributes may either resemble or vary across three culturally different countries in various stages of market structure: United Kingdom (market), Estonia (former command, now market), and China (with mixed market and command structures). Some questions that this study addresses include, (a) which characteristics of entrepreneurs are either shared or not shared among current versus potential entrepreneurs in these three countries; (b) which entrepreneurial characteristics and factors are more or less desirable of successful entrepreneurs in one country versus another, and (c) whether cultural, social or institutional differences make certain entrepreneurial characteristics and their combinations more salient in one country versus another.

Both focus groups and survey results revealed some common desirable features among entrepreneurs, for example: awareness of new business opportunities, determination and persistence to develop and implement new

business ideas, active communication and networking, and administrative skills and readiness to face new challenges and risks. When comparing the survey factor analysis results to the taxonomic analysis from focus groups (Tables 1-3), results indicate the existence of similar entrepreneurial prototypes as focus group results. High institutional collectivism in China (House et al., 2004) mirrors into values attributed to successful entrepreneurs in both focus groups and in the survey. In China and Estonia, the survey indicates higher importance of administrative skills, and in the Estonian case negotiation skills also played a key role during group discussions. These results are important for customizing the process of entrepreneurship education to the perceived training needs in these three countries. Indeed, while entrepreneurship education could change perceptions of participants about success factors, it should also consider society's cultural expectations of a successful entrepreneur.

Respondents in Estonia and the United Kingdom did not view entrepreneurs as ideal personalities who always embody socially acceptable role models and avoid conflicts. On the other hand, Chinese respondents were more likely to present entrepreneurs as exemplary followers of socially desirable norms. Implicit beliefs concerning attributes of successful entrepreneurs in the United Kingdom and China tend to be more focused on the entrepreneur as a hero who is hard working and averse to failure. This is in line with the high masculinity index of these two countries. For focus group participants in Estonia, these entrepreneurial characteristics are more related to entrepreneurship in the 1990's. The Estonian image of an entrepreneur in the present day, according to focus groups and later reflected in the survey, stresses more feminine values, including balance between work and family life. At the same time survey results provided evidence that Estonian entrepreneurs themselves, however, consider being a ruthless, autocratic and micromanager less inhibiting to entrepreneurial success than Estonian respondents that have so far not owned their business. UK respondents also reported some controversial human traits concerning successful entrepreneurs.

The ability to see contradictions in the societal role of entrepreneurs in Estonia and in the United Kingdom may be an evidence of lower power distance in these countries compared to China. Unlike Chinese entrepreneurs, Estonian entrepreneurs view entrepreneurship as a more mundane activity and, to some extent, not a role for especially compassionate people. Focus groups in the US discussed entrepreneurial risks in the context of the social status of the entrepreneur, in-team communication, and relations with former owners. Factor analysis of survey results in combination with focus groups reflections clearly indicate that networking and risk taking have different nature and focus depending on the maturity of the market economy.

Survey results, more clearly than focus groups, demonstrated some contradictions between assessments given by entrepreneurs and by respondents without entrepreneurial experience. Having different shares of entrepreneurs and respondents without entrepreneurial experience in country samples is a limitation of the present study but it comparing these subsamples has helped to overcome this limitation.

Further research, including using survey results as inputs for additional focus groups discussions, could deepen our understanding, to which extent these differences reflect real-life entrepreneurship experience or attribution bias reflecting identification with entrepreneur's social role as their desired future by potential entrepreneurs.

This research can also help institutions of higher education prepare and train future entrepreneurs about culture and the different perceptions of entrepreneurial success in countries with different cultural values and at different stages of entrepreneurial development. Future research will need to investigate how the various entrepreneurial characteristics and traits affect the success of the entrepreneur as measured by defined results criteria.

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