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PERCEPTUAL BARRIERS PREVENTING SMALL BUSINESS OWNERS FROM USING PUBLIC SUPPORT SERVICES: EVIDENCE FROM CANADA

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ABSTRACT

Numerous public assistance programs have been put into place to support SMEs. However, SME owner-managers don't appear to make maximum use of these services. Results from a survey of 70 SME owner-managers indicate that many owner-managers don't seem to understand the relevance of the services and don't know enough about the agencies working in their region. However, most of those who had used the agencies felt the services were appropriate to their needs. The problem thus appears to lie more with the perceptions of owner-managers than with the nature or quality of the services themselves.

INTRODUCTION

Public authorities throughout the world, recognizing both the importance and fragility of small businesses, have over the years created agencies and set up numerous venture development support and assistance measures. However, entrepreneurs and small business owner-managers do not seem to make maximum use of the services available. The purpose of this research is to identify the factors likely to influence the decision of small business owner-managers to consult public support agencies.

CONCEPTUAL FRAMEWORK

The literature survey highlighted several factors that best seem to explain the propensity of owner-managers to consult support agencies. The first of these is the owner-manager's attitude towards outside assistance. Many small business owner-managers hesitate to seek outside help in case they are perceived as incompetent. The second factor is the owner-manager's perception of public support agencies, which will affect the decision to use their services or not. If the owner-manager perceives the agencies as being unable to help or if the services offered by support agencies are not perceived as being useful, the SME owner will not consult the public agencies. Thirdly, the use of support agencies is conditioned by the owner-manager's knowledge of the agencies themselves and the services they offer. Clearly, an owner-manager who is unaware of an agency or service will not use it. Lastly, the role the owner's gender plays in interaction with public agencies may be important to explain the rate of use of their services. The following research hypotheses were thus tested in the field:

H₁: The natural resistance of small business owner-managers to the idea of requesting outside help will prevent them from using the services of public support agencies;

H₂: Negative perceptions of public support agencies and their services will prevent owner-managers from using the agencies' services;

H₃: Lack of knowledge of the services available from public support agencies will prevent owner-managers from using those services;

H₄: Women entrepreneurs will make more use of the services available from public support agencies than male entrepreneurs.

RESEARCH METHODOLOGY

To verify if these factors indeed explained the SME owner propensity to use public support services, a sample was selected from the population of small business owner-managers in the Gaspé region of the province of Quebec (Canada). It contained both owner-managers who had used support services (34) and some who had not (36). Data was collected through personal and telephone interviews. To test the research hypotheses, a variance analysis was carried out with a Φ (Phi) test for the nominal variables and a Mann-Whitney U test for the scales or index variables.

RESULTS

H₁ rejected - The data showed that most of the owner-managers had used outside help in the past. When asked how comfortable they were in requesting outside help, 38.6% of respondents said they were very comfortable and 30% said they were fairly comfortable. Very few said they were uncomfortable and results show no significant difference between the two groups. This indicates that the SME owner-managers surveyed show no natural resistance at the thought of asking for outside help.

H₂: confirmed. Overall, the respondents thought business support agencies were useful, and only a third thought they were not very or not at all useful. On the other hand, there was a statistically significant difference between the means of the two groups concerning the perception of utility. On a scale of 1 to 5 (1=very useful and 5=not at all useful), the mean was 2.3 for the respondents who had used agency services in the past and 3.1 for those that had not. Furthermore, more than half the respondents thought the services offered by public support agencies were not very or not at all suited to their needs. The results were somewhat more mitigated among the group that had previously used agency services; only 30% of this group felt the services were not very or not at all suited to their needs. Interestingly, the negative perception of service suitability was much more marked among respondents who had never used a support agency, more than 80.6% of whom felt the services offered were not very or not at all suited to their needs. As the differences between the two groups were statistically significant, negative perceptions of agencies and their services seem to represent a barrier.

H₃ confirmed - Nearly 60% of the respondents who had never used a support agency knew very little or nothing at all about the agencies. In the sample as a whole, nearly half the respondents had very little knowledge about their region's support agencies. This is a surprisingly high percentage, given the fact that the area where the survey took place is small, and in principle everyone knows everyone else, at least in the small business community. Given the statistically significant difference between the two groups, lack of knowledge of the services available seems to prevent SME owner-managers from using such services.

H₄ rejected - Our results show that contrary to our hypothesis, male entrepreneurs make more use of public support services than their female counterparts. This result runs counter to the bulk of the literature. In our sample, male entrepreneurs are also more aware of the programs available, which could explain why they use them more than women. Furthermore, they ask more for advice from family members and consultants. It is worth noting that there is no statistical difference between the perceptions held by male and female entrepreneurs with regard to public agencies, so it is not because women view agencies less favorably that they consult them less than men.

CONCLUSION

There do appear to be certain barriers that prevent SME owner-managers from making maximum use of the public support services available in their region. The main barrier appears to be lack of knowledge about the agencies providing the services. On the one hand, many owner-managers do not seem to understand the utility or relevance of the services, while on the other they do not seem to know enough about the agencies working in the region. This study was not intended to judge the utility of the available services, and we are therefore unable to comment on the accuracy of these perceptions. Interestingly, however, most of the owner-managers who had used the agencies felt the services they had received were appropriate to their needs. At first glance, then, the problem appears to lie more with the perceptions of certain owner-managers than with the nature or quality of the services themselves.

We have also noted that women heading SMEs are more reticent than men to consult public support agencies, perhaps because they do not have financial needs, but perhaps also because they are afraid that the support will not meet their specific needs. If such is the case, public authorities must do more than simply advertise the available aid—they must first develop a support network that addresses the specific needs of women, or at least in Canada, extend existing services (such as the Women's Enterprise Initiative) to other parts of the country. Moreover, we must build on the experience of others, such as the United States (Langowitz, Sharpe, Godwyn, 2006) or the European Commission's ProWomEn network.

Steps are required to ensure that more small firms are eventually able to take advantages of government services. This will certainly improve their chances of survival, and may even stimulate their development. This is not to suggest that small business support services are sufficient, alone, to bring about a recovery in an economically disadvantaged region. On the contrary, we share the view of Lichtenstein and Lyons, who said that "entrepreneurs do not start businesses because services are available; services are demanded and used as the result of the existence of entrepreneurs. Although services are necessary, they are not sufficient to transform a region's economy into a dynamic force" (2001, p. p. 5). The challenge facing the public authorities is a sizeable one, but one that must be addressed.

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DESIGNING AN EXPERIENTIAL ENTREPRENEURSHIP CAMP

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ABSTRACT

Special purpose camps are a popular way to engage high school students and help them explore areas of interest such as writing, music or sports. One characteristic of successful camps is a focus on higher level learning skills. By using Bloom's taxonomy, a camp can be designed where participants progress beyond knowledge and comprehension, through application, analysis, synthesis and evaluation. In this paper we propose a design for an experiential entrepreneur camp, and the method used for designing the camp. Educators can use the entrepreneur camp design directly or utilize the design approach to develop their own camp curriculum.

INTRODUCTION

Camps are an increasingly important part of our universities outreach programs. Among the most popular camps associated with business education are entrepreneur camps. This paper starts with a brief discussion of camps in general and entrepreneurship camps in particular. This will be followed by a description of Bloom's Taxonomy of Educational Objectives, which is used as a guide for the next section – an approach to designing a camp. The process that we used to design our camp is presented next. The paper concludes with a suggestion that this approach can be used for designing other camps and perhaps even college courses and other curricula.

ENTREPRENEUR CAMPS

According to the National Camp Association over 6 million children will attend one of over 10,000 camps in the US this year (NCA, 2007). Jeffrey Solomon, executive director of the National Camp Association says "More kids are attending camp than ever in America because there are more choices." Although there are still plenty of outdoors and wilderness camps, there is likely to be a specialized camp that caters to a participant's interests. Among these choices are music, art, community service, academics, technology and sports camps, each of which has seemingly endless varieties. Whether you are a high school saxophone player wishing to learn the intricacies of be-bop at a jazz camp or an 8th grade striker that wants to bend it like Beckham at a soccer camp, there is a camp for you.

Along with the overall trend toward camp diversification is a rise in the popularity of business camps. Finance and investing camps and computer, electronics and technology camps are gaining in numbers, entrepreneur and enterprise camps still dominate the landscape. Often sponsored by companies and foundations, entrepreneur and enterprise initiatives take many forms including the traditional summer camp. They can take place after school, during breaks, on weekends or the summer. Some are as short as one or two days while others require year-long commitments to one afternoon a week after school. They can take place at a local school or community center, or be housed at a university far from home. They also target different audiences, some geared towards 3rd to 5th graders, others allowing only high school juniors and seniors. Some

camps are for inner city youth, others are designed for girls and a few have both students and entrepreneurship teachers as participants.

Entrepreneur camps, despite their many forms, have some common features. Basic business and marketing concepts are essential. Some form of market analysis, product/service development and business plan formulation are always included. Business communications, ethics, sales/negotiation skills and leadership ideas are frequently part of the agenda. Finally, most programs feature creativity using exercises and/or projects. Typically a business idea is carried through the entrepreneurial process, either as a final project or as a focus throughout the camp. Of course there is a wide variety in how the project looks. There is a big difference between 3rd graders running a cupcake stand and high school seniors presenting their ideas competing for a scholarship.

DESIGN APPROACH USING BLOOM'S TAXONOMY

Entrepreneur camps have a particular problem that other theme camps rarely have. They must take participants through a range of information and skills in order to reach the core content. Participants in advanced music or dance camps usually can already play an instrument or dance. In fact, for many camps it is necessary to prove a level of competency by audition or documenting qualifications, or even compete for a place in the camp. Camps that have more general themes or are designed to be fairly basic do not have the expectation that participants will reach a high level of performance. However students rarely have an adequate business background to fully grasp the intricacies of entrepreneurship, therefore time must be spent 'catching-up' on basic material. Even with such efforts, the challenge of bringing the learning to a high enough level to be enacted in a practical project remains.

There are several ways to deal with this challenge. One way is to require a requisite amount of basic business knowledge before attending the camp. Another approach is to simplify things and omit potentially important issues. A third approach is to carefully design the camp with this challenge in mind. Such an approach will be explained shortly, but first we need to review the learning concepts that will form the basis of our design approach.

In 1956, a group headed by Benjamin S. Bloom, after working on a project since 1949, finally published what is now known as 'Bloom's Taxonomy'. It was originally intended to help instructors measure learning by providing guidelines as to what can be expected from instruction. The taxonomy has six levels - Knowledge, Comprehension, Application, Analysis, Synthesis and Evaluation. Although originally meant to help develop rubrics and measure learning, the typology has subsequently been used in course and curriculum development.

Levels of Thinking (Adaptation of Bloom's Taxonomy)		
Low level	Remember or Understand	Behaviors that emphasize recall or memory or indicate a literal understanding
Middle level	Apply or Analyze	Behaviors that require students to use what they have learned in a new way or that break down knowledge into its component parts

High level	Evaluate or Create	Behaviors that combine elements of learning into a new whole or that assess the value of particular ideas or solutions
(adapted from Christopher, Thomas & Tallent-Runnels, 2004)		

Our design approach to developing an entrepreneur camp uses a modification of Bloom’s Taxonomy. We reduced the taxonomy to three levels (Table 1). Bringing student to the ‘High level’ is our goal, and our approach is to bring them through the ‘Low’ and ‘Middle’ level along the way. Figure 1 illustrates the design approach by showing the design phases and specifying the associated levels of the modified taxonomy. The first three phases are to identify, group and order the content. After the content is known, the fourth and fifth phases involve activities to develop learning and skill development.

Insert Figure 1 about here

DESIGN OF ENTREPRENEUR CAMP

To accomplish the first phase, ‘identifying key content’, we reviewed existing entrepreneur camps, entrepreneur course curricula and books on entrepreneurship. It was important to consider the characteristics of the participants. In our case, the participants will be high school students from a large east coast city. We looked for common content and determined if it was appropriate for our participants. The second phase was to ‘group content’. To accomplish this we needed to know the basic structure of the camp. Our camp will be a one week camp from about 8:30 to 4:30, Monday through Friday. We chose to cover content on the first four days therefore we needed to divide the materials into 8 equal groups (see Table 2). The next phase was to ‘order content’. Initially we considered adopting the ways material was ordered in other camps, course and texts. We decided instead to put more fun and interesting topics in the afternoons in order to keep the interest and energy up.

TABLE 2	
General Outline of Camp Curriculum	
Days 1-4 Content Modules (Monday – Thursday)	
2 modules per day	
3-5 content groups per module	
Addresses first 2 levels of Bloom’s Taxonomy (Remember, Understand)	
1-2 exercises per module	
Addresses middle 2 levels of Bloom’s Taxonomy (Apply, Analyze)	
Day 5 Modules (Friday)	
Comprehensive Exercise and Presentations	
Addresses last 2 levels of Bloom’s Taxonomy (Evaluate, Create)	

The fourth phase was to adopt, adapt or develop exercises and activities that would allow students to reach the middle level of learning on our modified taxonomy. Two things that needed to be considered were what content could be combined into the exercise and how many exercises

did we wish to use. We decided to use two exercises in each half day module, covering between one and three topic areas each. When considering specific exercises we needed to revisit the content groupings and make some minor modifications. Fortunately our design team had two teachers who have used experiential approaches for many years and knew of or could develop appropriate exercises. Table 3 shows an example module.

TABLE 3

Example Module Experiential Entrepreneur Camp Curriculum
Selling Your Idea (Wednesday Afternoon Module)
Promotion and Advertising
Commercial Appeal - campers analyze top TV ads
Negotiation/ Selling Skills
Customer Service
How can I help you? - a role play exercise

The fifth phase of the design process is to design a project that involves the high level thinking of creating and evaluating. For this we devoted part of Thursday afternoon and all of Friday to developing a product or service idea. The skills learned in the exercises in the previous modules will be used in creating their new business idea. They will finish the camp by presenting their ideas to their fellow campers and a group of judges. The judges will choose the best idea and provide feedback to every group.

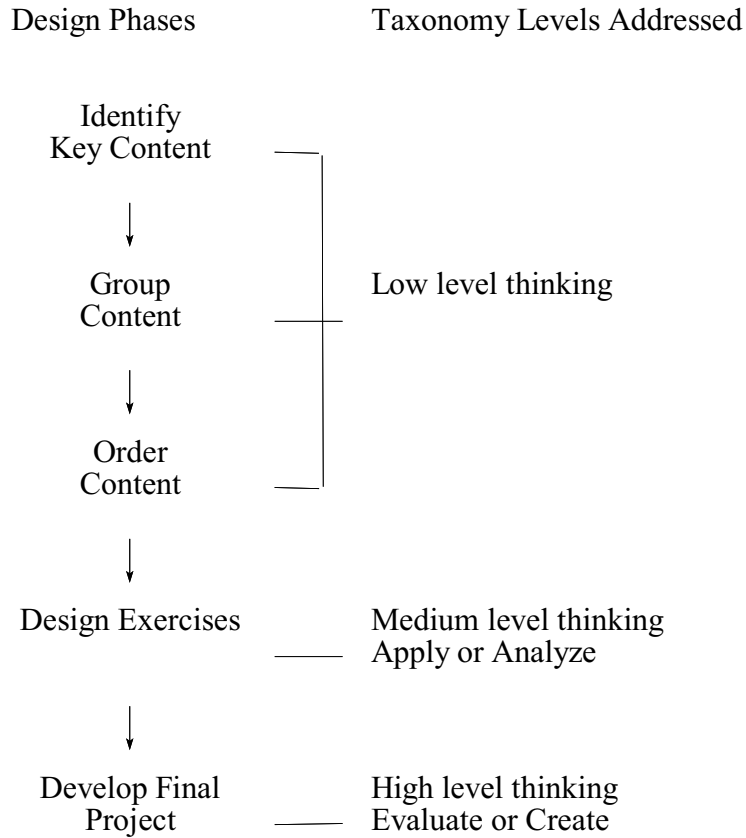
CONCLUSIONS

Designing an entrepreneur camp presents the challenge of reaching high level learning and thinking in a minimal time with participant who often lack basic background knowledge. In this paper we utilize the principles of Bloom's Taxonomy and present a design approach that can bring campers along the levels of thinking and learning throughout the camp. We illustrate the application of our approach using the design process that we went through in developing our entrepreneur camp.

The design approach can be adapted and used for other types of camps, or even course or curriculum design. By using such an approach we are forced to re-examine our assumptions regarding our camps, courses and curriculum. Too often we think in fragmented pieces of content material, and then wonder why our students do not achieve higher levels of learning or exhibit higher level thinking. By using the proposed approach and considering Bloom's Taxonomy (or any other similar analytical frame), we look at the educational situation in its entirety instead of just in pieces, and are better able to consider ways to encourage higher learning and thinking.

FIGURE 1

Camp Curriculum Design Approach Using Learning Levels



SPIRITUAL AND RELIGIOUS ENTREPRENEURS: STUDYING CHRISTIAN ENTREPRENEURS AS OPPORTUNITY EXPLOITERS AND SOCIAL ENTREPRENEURS

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ABSTRACT

Spirituality and religion at work is a field of study with a short history. There is little consensus on a definition of spiritual entrepreneurship. We posit that spiritual and religious entrepreneurs are primarily either exploiters of marketing opportunities – they undertake focus strategies concentrating on religious market segments or social entrepreneurs. We suggest that in its quest for legitimacy and relevance (Dean, Fornaciari, and McGee, 2003), the field of spiritual and religious entrepreneurship can benefit from the use of established methods and models from the field of social entrepreneurship research.

Entrepreneurship has been variously described as “opportunity identification and exploitation” (Shane & Venkataraman, 2000); “corporate renewal and change” (Guth & Ginsberg, 1990); and the creation of firms (Alvarez, 2003; Vesper, 1982) (see Ireland, Reutzel and Webb, 2005). It encompasses organizational creation and renewal and innovation whether in an existing business, a public service institution, or a new venture (Drucker, 1998; Schumpeter, 1934; Sharma & Chrisman, 1999; Ireland, Reutzel and Webb, 2005). The definitions vary greatly.

Where do spiritual and religious entrepreneurs fit within the field of entrepreneurship? An examination of the research and anecdotal evidence types spiritual entrepreneurs as opportunity seekers, as pursuers of spiritual missions and goals, and as profit seekers who wish to help and support the non-profit activities of others organizations. This research attempts to characterize spiritual and religious entrepreneurship to better explain the growing interest in this concept and to suggest that the use of established methods and models utilized in social entrepreneurship research can benefit the theoretical and empirical development of this concept/construct.

A MODEL FOR PREVENTION AND DETECTION OF CRIMINAL ACTIVITY IMPACTING SMALL BUSINESS

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ABSTRACT

According to the Federal Bureau of Investigation, the annual cost of business crime activity to the U.S. economy is \$652 billion. Additional costs of litigation and security measures suggest the many forms of business crime significantly impact business profitability and success. While FBI data does not separate small businesses from large corporations, it appears that small business ventures will be susceptible to criminal activity. In fact, the United States Chamber of Commerce reported that business ventures of less than \$5 million in sales will be 35 times more likely victims of business crime than larger firms. In addition, 30 percent of small business failures resulted from internal crime and employee dishonesty (U.S. Chamber of Commerce, 1995).

This paper examines the extent of criminal activity affecting small business and nonprofit organizations and provides a three-stage model managers can use to prevent, detect, and remedy criminal activity.

CUSTOMER SERVICE DURING PEAK (IN SEASON) AND NON-PEAK (OFF SEASON) TIMES: A MULTI-COUNTRY EXAMINATION OF ENTREPRENEURIAL TOURIST FOCUSED CORE PERSONNEL

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ABSTRACT

This study examines the customer service of front line core service personnel in entrepreneurial businesses service businesses that serve the tourist markets in four countries. We assess the influence that seasonality might have on the utility of a selection inventory for predicting levels of customer service. Subjects included 309 core employees servicing the tourist industries in San Francisco, United States; 257 in Vienna, Austria; 250 in Zurich, Switzerland; and 255 in London, United Kingdom. Average ages at the beginning of the study were 24.8 years (SD = 4.44) in the United States, 24.8 years (SD = 4.23) in Austria, 26.4 years (SD = 3.92) in Switzerland, and 24.7 years (SD = 4.47) in the United Kingdom. Population sampling was utilized with the restaurants for all core employees. Males were between 52 percent (Austria) to 59 percent (United Kingdom) of the samples so they were relatively evenly divided between men and women. Subjects were surveyed and assessed along dimensions of customer service orientation by trained assessors while serving customers. Response rates exceeded 90 percent as the business owners saw the study as an opportunity to understand how to earn greater revenues from their businesses. The mean service orientation ratings ranged from 3.53 in Austria to 3.62 in Switzerland during off-season or the non-peak tourist time and from 3.92 in Austria to 3.99 in the United Kingdom during the peak tourist season. Results support the use of a biodata inventory as a cost-effective means for small businesses to develop and retain competitive advantage relative to their larger rivals.

Keywords: Customer Service, Entrepreneurial Marketing, and Europe.

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IMPORTANCE OF COMPENSATION & BENEFITS IN INFLUENCING TURNOVER, LATENESS, AND ABSENTEEISM AMONG CORE EMPLOYEES IN THE HOSPITALITY INDUSTRY

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ABSTRACT

Compensation continues to be a major attribute in the attraction and retention of employees. Compensation can be organized as variable pay, performance-based pay, job-based pay, or skill-based pay. Regardless of which pay an organization uses, employees expect their organization to pay them fairly. Research shows that compensation or pay is a very effective motivator in regards to employees. In the current paper we examine the influence that pay and benefits have on turnover, absenteeism, and lateness of family members in entrepreneurial businesses. Using data from 318 core employees of entrepreneurial businesses in the hospitality industry it is found that satisfaction with pay and benefits are powerful predictors of turnover and lateness but not of absenteeism. The most significant predictor of absenteeism was the feeling of being treated equitably with respect to benefits and secondarily the number of children in the family. Feeling equitably with respect to income was also a powerful predictor of turnover. Turnover was followed for 4 years while absenteeism and lateness were followed for 6 months. While there are many studies which have examined employee turnover, absenteeism, and lateness in organizations, few studies have examined these issues among non-controlling family members within entrepreneurial organizations. Suggestions for future research are also provided.

TEACHING INNOVATION AND CREATIVITY IN A DISTANCE ENVIRONMENT

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ABSTRACT

The purpose of this presentation is to share the experiences and insights I have gained while teaching “Innovation and Creativity” over the past three years and the challenges I faced when teaching the course in a distance undergraduate program.

“Innovation and Creativity” is a required course for Entrepreneurship majors; however, 20-40% of the students who register each semester are drawn from other programs. Topics explored in the course include: developing personal creativity, perception and paradigm, problem solving, the process of innovation, new product development, and how to create an organizational culture that supports innovation.

Many of these concepts cannot be effectively learned and integrated through lectures or reading only and are best understood when grown within the student through direct experience. Therefore, I have developed an approach to teaching “Innovation and Creativity” that includes many hands-on activities, opportunities for personal skill development and reflection, and projects that require direct experience and application of course concepts. The challenge was how to continue delivering this direct experience model of instruction so important for mastery of the course content when the course moved to an asynchronous learning environment based in WebCT.

WHY DO ENTREPRENEURIAL LEADERS WORK?: HISTORICAL, ETHICAL, AND PSYCHOLOGICAL REASONS FOR SELF-EMPLOYMENT IN CHINA AND THE USA

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ABSTRACT

This paper examines the reasons that entrepreneurs seek self-employment in China and the USA. Using a sample of 101 self-employed entrepreneurs in China and 73 in the U.S.A. it is found that the Chinese are more likely to work because they see it as central to their everyday life and self concept while the Americans are more likely to be seeking intrinsic satisfaction from their self-employment. Additionally working in the family business is seen more as an entitlement among the Chinese entrepreneurs than among the American. Interestingly there were no differences in the sense of work being an obligation to ones family or society – a great change from previous generations. Across the samples the factor that most strongly influenced actual income was the level of intrinsic satisfaction found in the work.

MICRO-ENTREPRENEURS: FROM RAGS TO RICHES?

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ABSTRACT

The concept of micro-credit or micro-loan, pioneered by the Grameen Bank in Bangladesh, typically involves credit of approximately \$100 to economically disadvantaged entrepreneurs-- typically women in developing countries. The micro-loan movement has created a global network of tens of millions of women entrepreneurs. Although micro-credit has been in existence approximately three decades, there has been little theoretical work on micro-entrepreneurs. This paper reviews the literature and poses a couple of questions regarding the micro-entrepreneurship literature. First, a brief history of the context of the microfinance movement is discussed and questions are then presented. Finally, possible directions for future research are outlined.

INTRODUCTION

Souad Sattari from Tunisia bought a simple sewing machine with her first loan from ENDA Inter Arabe. With Souad's initiative and determination, she now owns a workshop with 22 machines and employs 8 permanent and 5 seasonal employees producing women's clothing. She is now able to fulfill her dream and build a home for her family (The Rockdale Foundation, 2007).

Delora Begum's home office in Bangladesh is a metal and straw hut with a mud floor and no toilet and water. Nevertheless, she is viewed as the "phone lady", a successful entrepreneur in her community (Jordan, 1999).

Souad and Delora are micro-entrepreneurs-- entrepreneurs who are often ignored by traditional financial institutions due to: (a) their small business size, (b) their poverty situation, (c) their usual lack of collateral, and, (d) their non-existent credit history. These women were able to obtain small loans or micro-loans from micro-credit institutions.

The concept of micro-credit or micro-loan, pioneered by Grameen Bank in Bangladesh, typically involves credit of approximately \$100 to economically disadvantaged entrepreneurs-- typically women in developing countries. The micro-loan movement has created a global network of tens of millions of women entrepreneurs. While micro-credit has been in existence approximately thirty years, there is a lack of theoretical work on micro-entrepreneurs. First, the majority of the literature on micro-entrepreneurs appears in the popular press. Second, studies on microfinance focus on the organizational level of analysis as opposed to the individual level. Finally, most existing models and theories about women owned and operated businesses are based on experiences of women in developed countries, such as the United States. This paper reviews the present literature and poses a couple of questions regarding the micro-entrepreneurship literature. First, a brief history of the context of the microfinance movement is discussed and questions are then presented based on the micro-entrepreneurship literature. Finally, possible directions for future research are outlined.

THE HISTORICAL CONTEXT OF MICRO-ENTREPRENEURSHIP

Professor Muhammad Yunus, the founder of the Grameen Bank and a social entrepreneur, was recently awarded the 2006 Nobel Peace Prize for 2006 his efforts to provide credit and banking services to the rural poor and, in turn, creating economic and social development. Yunus's vision to provide accessible credit to the world's poor started when he met Sufia Begum, a 21 year old

woman who needed to support herself and thus borrowed about 25 cents from money lenders who charged interest rates of approximately 10 percent per day (Mainsah, Heuer, Kalra & Zhang, 2004). The money was used to make bamboo stools that were sold back to the moneylenders at a price below market value for a profit of 2 cents (Yunus, 2003).

In 1976, Yunus found 42 people in a similar situation and took a risk by lending them small amounts of money (approximately 62 cents per borrower) at reasonable rates. Contrary to expectations, all the borrowers repaid the loans. As a result, Yunus decided to replicate this process across Bangladesh. Despite, these modest efforts, the micro-credit industry started and has continued to flourish by providing small loans to entrepreneurs in rural poor neighborhoods.

How does the Grameen Bank work? The Grameen Bank does not require micro-entrepreneurs to put any collateral against its micro-loans. Each borrower must belong to a group of five members and the group is not required to give any guarantee for a loan to its members. While the individual borrower is responsible for repayment of the loan, the group monitors that everyone behaves responsibly and the loan is repaid (Grameen Bank, 2007a). According to the bank, the loan recovery rate is 98.91 percent.

As of May 2006, the Grameen Bank has 6.83 million borrowers. The majority (97 percent) of borrowers are women (Grameen Bank, 2007b). With 2283 branches, Grameen Bank provides services in 73,609 villages, which includes more than 88 percent of the total villages in Bangladesh. The Grameen Bank has expanded globally and serves numerous regions, such as, South Asia, Latin America/Caribbean, and the Middle East (Wikipedia, 2007).

Although Grameen Bank's interest rates are kept relatively low in order to support its main focus on reducing poverty, other profit microfinance institutions (MFI) have increased rates considerably in order to increase margins, provide capital for growth in order to satisfy for-profit investors (Mainsah et al., 2004). MFI are often described as hybrid organizations which strive to combine commercial and social goals (Borys & Jemison, 1989; Steier, 1998). These institutions provide loans and money lending services, such as personal guarantees, based on regular banking principles while incorporating not-for-profit social goals. Some theorist have viewed microfinance as possessing a high cost structure in order to be economically viable, others have argued against MFI because of the high interest rates they charge to the poor. Below, several questions are posed regarding the issues confronting micro-entrepreneurs.

1) Are micro-entrepreneurs being helped or hurt by micro-finance institutions?

The literature generally describes the purpose of micro-finance is to help micro-entrepreneurs grow their business so that they can create benefits for their households, such as increased income, better housing, nutrition, and schooling and other resources. For example, Mrs. Begum, the "phone lady" was able to commence a successful phone service by obtaining approximately \$375 from a loan program offered by Grameen Bank. Grameen phone ladies earn an average of about US\$800, twice Bangladesh's per capital annual income (Herbst, 2003). Begum's new business venture has also helped hundreds of individuals from the isolated countryside community by increasing the villagers' incomes and quality of lives.

In Eversole's (2003) study of Bolivian micro-entrepreneurs, the respondents described micro-finance organizations as an available source of credit which required fewer guarantees compared to banks. Micro-entrepreneurs typically used the word "help" and were grateful that they were able to receive a source of capital. Similarly, many respondents in Kah, Olds, and Kah's (2005) study of micro-entrepreneurs in Senegal also felt their lives significantly changed.

Other entrepreneurs described their experiences are negative ones. Micro-entrepreneurs who received small loans were unable to pay their loan time. Since payment schedules were inflexible, micro-entrepreneurs with slow turnover and limited cash for emergencies were under a large amount of pressure to pay back their loans.

2) Are micro-entrepreneurs receiving a micro-credit or micro-debt?

The literature generally describes micro-entrepreneurs as receiving micro-credit. Since micro-entrepreneurs typically have less access to traditional lines of credit because they have no assets and no credit history, they will obtain loans from micro-credit institutions. According to the Grameen Bank, credit is viewed as a cost effective manner to fight poverty and enables the socioeconomic development of the poor (Grameen Bank, 2007b). Several independent studies that were conducted by the World Bank, the International Food Research Policy Institute, and the Bangladesh Institute of Development Studies have supported its positive impact.

Numerous popular press sources cite success stories of micro-entrepreneurs who need bigger loans to expand their businesses. Entrepreneurs who received loans for US \$50 are now requesting thousands of dollars in order to employ workers, contribute to infrastructure, and expand their businesses. For example, an Indian micro-entrepreneur expanded her 50 chicken business to more than 500 chickens. As a result, she was interested in increasing her loan from \$50 to \$2,000. Similarly, micro-entrepreneurs in Kazakhstan have increased their credit limits from \$40 to \$10,000 due to the demand (Chooki, 2005).

Micro-entrepreneurs in developed countries have also increased their credit limit to grow their businesses. "Judy" from the United States first obtained a \$600 loan from Women's Self-Employment Project, an organization which helps women to start businesses in the poorest communities in the United States, to expand her door to door shoe business. After obtaining larger loans and building her credit history over the course of 2.5 years, she now owns her own shoe store (Miami Times, 1995).

Some theorists have argued that micro-entrepreneurs are placed in a perpetual "debt trap" (Sharma, 2002). Eversole (2003) describes how most organizations offered "step" loans with initial amounts of approximately US \$100. The loans are increased between \$500 and \$1000 and guaranteed by six businesspeople who commit to repay other group members' loans. However, by increasing the loan amounts, micro-entrepreneurs were at a higher risk at defaulting.

CONCLUSION

By examining the historical context of micro-entrepreneurship, one is able to get a better understanding of the rationale underlying the creation of micro-credit organizations and the processes which micro-entrepreneurs need to follow when they receive a loan from the Grameen Bank. While much of the literature stresses the benefits of micro-entrepreneurship and discusses the success stories of micro-entrepreneurs, some theorists have described micro-credit as a debt trap and several micro-entrepreneurs have had negative experiences with micro finance institutions. Given that research on micro-entrepreneurs remains in its infancy, there are many opportunities for research in this area. First, researchers should examine the factors that contribute to the success and failures of micro-entrepreneurs by conducting in-depth interviews.

Second, future research should obtain a better understanding of the motivations of micro-entrepreneurs. Third, since MFI have expanded globally, researchers should examine how the cultural context interacts with the experiences of micro-entrepreneurs around the world. For example, micro-credit programs in China have been less successful. Theorists have attributed the lack of micro-credit institutions to the legal and financial system (Dean, 2004). Research should examine other cultural factors which impact the success of micro-entrepreneurs. Finally, most research has been conducted in developing countries. Especially due to the challenges of conducting cross-cultural research, studies should examine micro-entrepreneurs in developed countries, such as the United States and Canada.

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JAQUES' LEVEL OF WORK AND FELT FAIR PAY: THE EFFECT OF PAY AND BENEFITS ON TURNOVER, LATENESS, AND ABSENTEEISM FOR NON-CORE EMPLOYEES IN THE TOURIST INDUSTRY

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ABSTRACT

The significance of pay for employees in entrepreneurial organizations has provided a well-rounded view of how employees perceive the value of present day benefit packages and pay rates. Many times employers have reevaluated their compensation plans, stock options, pensions, and retirement benefits. But are these changes adapted in a way that makes a difference in work performance – or even getting employees to show up to work? Previous research shows that employees consider several factors when addressing the substantial worth or inadequacy of their pay in addition to benefits provided. Using a sample of 289 non-business owners in entrepreneurial organizations operating in the tourism industry we examine the influence that pay and benefits has on actual employee turnover (1 and 2 year periods of time), absenteeism (6 months worth) and employee lateness (6 months). It is found that there is no relationship between pay or benefits and absenteeism while satisfaction with benefits was significantly related to employee lateness. Satisfaction with pay and feelings of being equitably treated were related to turnover after one year and only satisfaction with pay was related to turnover after two years. These results are different from those found for core employees (family members) in the same types of organizations indicating the need for future researchers in entrepreneurship and family business to differentially examine compensation and benefits between entrepreneurs, non-core employees, and core employees. It is also expected that differences shall be found between managerial and non-managerial employees, across organizational levels, and between owner and non-owner family members in family businesses – as suggested by Jaques over 4 decades ago. Additional suggestions for future research are also suggested.

LAWYERS: MICRO-FIRM ENTREPRENEURS AND THEIR USE OF TECHNOLOGY

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ABSTRACT

This manuscript provides a look at trial lawyers as micro-firm entrepreneurs, and at their decisions to adopt technology as an integral tool for their firms. Within the U.S., a significant number of trial attorneys are in micro-firms; organizations in which many of the functions of larger firms are handled by very few individuals. Day-to-day management decisions made in these micro-firms, as well as in entrepreneurial micro-firms in other industries can lead to an immediate feast-or-famine outcome.

To illustrate technology use by trial attorneys, data from a recent survey provides a glimpse at the factors that influence technology adoption by micro-firm attorneys. First, we discuss attorneys and the practice of law as a service-sector industry. Second, a brief review of literature illustrates entrepreneurial decision-making. Third, a discussion of practice-related literature illuminates the trend toward increased presentation technology adoption by attorneys, and the need to convey information during trials

Subsequently, a review of findings from the 2004 Louisiana State Bar Association Legal Technology Survey looks at the variety of technology tools in use by trial attorneys, and provides insight to their technology adoption and prioritization, followed by the conclusion.

There is relatively little academic literature published about the business of law firms and attorneys. Speculation why that is the case can lead to an epiphany that this particular service-industry functions at its core upon the instinct, knowledge, motivation and creativity of its practitioners. These micro-firms have unique technology needs, and with few limitations enjoy a high degree of voluntariness in their decisions to adopt it. Off-the-shelf micro-computer technology is now regularly employed from the production of documents for introduction in the litigation processes, contracts, wills, negotiations and more, relegating the typewriter to a few specialized tasks. They use various levels of communications technology for keeping in touch with courts, clients and other attorneys. The use of technology for legal research as well as for personal tasks or even enjoyment demonstrates familiarity and comfort with it. In recent years, some courts have implemented paperless systems, making certain technology adoption scenarios less voluntary, as attorneys in those courts must file documents electronically. The adoption of presentation technology presents even more challenges for attorneys, as complex issues and scenarios impact its effectiveness and usefulness. Thus, the use of technology by attorneys varies widely.

ASSESSING MANAGERIAL DECISIONS USING THE DUAL SYSTEMS THEORY OF REASONING: FUTURE CHALLENGES FOR MANAGEMENT RESEARCHERS

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ABSTRACT

We focus on likely challenges that will be encountered by field researchers investigating managerial decision-making using theoretical frameworks based on the dual systems of reasoning. This decision-making theoretical framework is currently the subject of theory building research in the management literature (e.g. Dane & Pratt, 2007). Future field studies investigating how dual systems of reasoning affect consequential decisions made by entrepreneurs and managers in actual business settings are necessary for further development of this theory. Major issues that challenge the field researcher include choosing the decision or decisions to investigate, deciding on how to operationalize the criterion variable, consideration of alternate normative outcomes resulting from multiple legitimate goals of the decision-maker, the choice between measurements of the decision process or decision outcomes and choosing among possible operationalizations of predictor variables already shown to be significant factors in determining the extent logic-based reasoning is used in decision-making. We offer suggestions for dealing with many of these challenges and other issues in conducting field research investigating dual process theories.

TRIGGERS OF DECISIONS TO LAUNCH A NEW VENTURE

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ABSTRACT

This paper describes the findings of an ongoing study designed to determine the triggers that led pre business and in business entrepreneurs to begin the entrepreneurship process and their relative importance. The findings suggest that the triggers are personal, opportunity/idea, job related, financial, and family/interpersonal. Demographically the two groups studied were different. There were significant differences and some similarities in triggers between the groups and in the degree to which the triggers impacted their decision to embark on entrepreneurship.

CORPORATE ENTREPRENEURSHIP OUTCOMES: A STUDY IN FAILING TO LEARN FROM FAILURE

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ABSTRACT

Firms that are able to react and respond to today's dynamic environment with appropriate creative solutions are better able to gain and sustain a competitive advantage. The general term used to describe such activities that create new business through process and product innovation is corporate entrepreneurship. Such internal entrepreneurial activities, however, should be accompanied with a willingness to adjust the firm's strategy. In this paper we examine 93 new product development teams and assess whether they are aligned with the corporate strategy and whether they are ultimately successful. When aligned projects are successful they are perceived as confirming the strategy, however projects that fail frequently do not result in modifications to the strategy. The failure to modify strategy when projects fail indicates that firms are not learning as much as they can from their mistakes.

INTRODUCTION

In today's dynamic environment, static firms are not likely to endure. They must adapt to their environments' varying conditions, react to their competitors' actions and respond to their customers' changing requirements. Based on their particular situations, some firms favor sustained regeneration, which "support and encourage a continuous stream of new product introductions in current markets as well as entries with existing products into new markets" (Dess, Ireland, Zahra, Floyd, Janney and Lane, 2003: 354), while others engage in strategic renewal, in which "the firm is seeking to change how it competes" (Dess, et al. 2003: 355).

In the academic literature, these activities are generally aggregated under the terms intrapreneurship or, more recently, corporate entrepreneurship. The underlying premise of deliberate entrepreneurship is that organization members - typically top managers - can accurately deduce what changes to strategy are required by external events such as the entrant of a new competitor or the creation of a new technology. Importantly, it also presumes they can accurately assess the ramifications of the outcomes of internal actions like successful implementation of a new process or the failed launch of a new product. Thus strategy seems to form the framework that managers use to interpret corporate entrepreneurial outcomes.

STRATEGIC MEANS AND ENDS

Indeed, some researchers have viewed strategy as a "theory-in-use," in that it is a "framework for critically understanding phenomena" and forms "a basis for considering how what is unknown might be organized" (Silverman, 2001: 4). By specifying a strategy, organization members are constructing hypotheses as to which means will get them to the desired ends, which in turn will result in an overall success outcome for the firm.

At the project level, the link to strategy is mainly implicit, although at periodic points during the project, it may be formally assessed for its strategic fit. Thus at the conclusion of an initiative,

organization members assess the outcome, typically in terms of success or failure, and will focus on what that outcome implies for the validity of their assumptions regarding the firm's strategy. Successful projects that are aligned with strategy will affirm that the current strategy's means and ends are valid, and failed projects that are aligned with strategy will indicate that the current goals or objectives do not fit with either environmental conditions or internal capabilities.

Hypothesis 1a: When CE initiatives are perceived as aligned and successful, organization members will interpret that as a confirmation of the firm's strategy, and there will be no need for change.

Hypothesis 1b: When CE initiatives are perceived aligned but unsuccessful, organization members will interpret that as invalidating the firm's strategy, which will indicate a need for change to the firm's strategic means &/or ends.

The reverse situation is expected when the project is deemed unaligned with strategy. In that case, if a project is successful, yet unaligned with strategy, this is a clear signal that the strategy must be adjusted to accommodate the new initiative. If a project is unaligned with strategy and unsuccessful, this will serve as confirmation that the strategy is appropriate and needs no adjustment.

Hypothesis 2a: When CE initiatives are perceived as unaligned yet successful, organization members will interpret that as invalidating the firm's strategy, which will indicate a need for change to the firm's strategic means &/or ends.

Hypothesis 2b: When CE initiatives are perceived as unaligned and unsuccessful, organization members will interpret that as a confirmation of the firm's strategy, and there will be no need for change.

To review, in an analogous manner to experimental results and hypotheses, corporate entrepreneurship outcomes are implicitly considered "tests" of the firm's "theory-in-use" commonly known as strategy. If the "test" is deemed accurate –i.e., the product is considered aligned with strategy—then a good outcome supports the strategy and a negative outcome refutes the strategy. The converse holds true when the outcome is not considered reflective of the intended strategy.

METHODS

As noted above, corporate entrepreneurship is composed of many activities including market, product and process development. To sharpen its focus, however, this research study investigated a subset of these CE initiatives, namely product development projects. This unit of analysis was selected for several reasons. First, most significant product development projects include elements of market and process development—like new manufacturing techniques, innovative distribution channels and equity-building marketing activities such as promotion and advertising. Second, new product development was a core competency for the firms that participated in the study; these companies are each known for their abilities in this arena. Finally, the firms had formal new product development processes in place, which made identifying deliberate entrepreneurial activities easier to identify and track.

Over one-hundred interviews were conducted at multiple organizational levels—top, middle and project—within five strategic business units of a well-known consumer products company. Each unit had a different founder, a unique history and culture, and was run somewhat independently of corporate oversight. The firms used overlapping, but in some cases, quite different distribution channels and addressed different target markets. The manufacturing technologies they used ranged from traditional assembly line to batch to continuous processing.

The respondents were asked to discuss a completed initiative that they worked on (the new product development project had to be completed so that the outcomes were known). These projects ranged in complexity from simple product improvements (sustained strategy regeneration) to radical

new products that created new technologies and addressed new market segments (strategic renewal). Forty-four (44) of the projects were perceived to be successful and 49 were unsuccessful and fifty-six (56) projects were assessed as aligned with strategy when they ended, while 37 were deemed unaligned.

RESULTS

The respondents' answers were coded by a trained, but independent research assistant who was not aware of the purpose of the study, nor the specific hypotheses to be tested. In particular, three factors were coded: was the project successful (yes-or-no), was the project aligned with strategy when it was launched (yes-or-no), and did the respondent perceive that the project's outcome influenced strategy (yes-or-no). All of the data are perceptual in nature, but, the success and failure assessments were corroborated where possible by documentary evidence (e.g., financial statements, market share reports, business plans). The results are presented in Table 1 below and are discussed in the sections that follow.

Table 1: Summary of Hypothesis Results.

Hypothesis	# responses	% supporting
H1a (aligned + success = confirmation)	43	0.72
H1b (aligned + failure = modification)	13	0.38
H2a (unaligned + success = modification)	0	n/a
H2b (unaligned + failure = confirmation)	37	0.51

Hypothesis 1a: Aligned and Successful Initiatives Confirm Strategy - supported

Hypothesis 1b: Aligned and Failed Initiatives Imply Strategy Modification Needed – not supported

Not surprisingly, and in support of Hypothesis 1a, most organization members did not indicate that strategy had changed when the initiative was considered aligned with business strategy and its outcome was considered a success. In seventy-two percent (72%) of those cases, respondents indicated the project had simply confirmed that the strategy was “on track.” This supports the concept of business strategy as being a “theory of competitive advantage,” where the projects are analogous to experiments run to test the validity of implicit hypotheses underlying that theory.

A majority of the 28% who indicated the project did influence strategy (and were therefore coded as not supporting the hypothesis) spoke of the changes as enhancing current strategic means and ends, rather than materially changing or redirecting them. Organization members spoke of changing the weightings of future investments, broadening their perception of the product category, being more focused on process issues, and being more open to similar ideas.

To summarize, in general, product development related corporate entrepreneurship initiatives that were considered successful and were perceived as aligned with strategy, are consistent with the implicit theories underlying current strategy. In other words, aligned, successful projects confirm strategic ends and means in the minds of organization members. Therefore, Hypothesis 1a is supported.

Thirteen interviews satisfied the conditions for hypothesis 1b—the project was considered aligned with strategy yet failed. However, respondents in eight of these cases or seventy-two percent (72%) indicated that strategy did not change as a result. Of those interviewees that made clarifying comments, most indicated that they still felt that the strategy was correct.

Only five or thirty-eight percent (38%) of the respondents indicated that the strategy was modified as a result of their focal project's outcomes. In fact, of those respondents that did indicate

that the strategy changed, and made clarifying comments, all of them focused on the changes to the means of strategy not the ends.

Thus, overall, Hypothesis 1b is not supported. Thinking of strategy as a “theory of competitive advantage,” would imply that a failure would cast the strategy—both means and ends—in doubt. However, it seems that this occurs only for a small minority of organization members. Even then, the failure of an aligned project only persuaded organization members that a modification of strategic means was called for. It rarely caused them to examine strategic ends. Thus, at least in the eyes of these respondents, strategic ends are entrenched and only some of the strategic means are amenable to change.

Hypothesis 2a: Unaligned yet Successful Initiatives Imply Strategy Modification Needed – no determination

Hypothesis 2b: Unaligned and Failed Initiatives Confirm Strategy – not supported

Unfortunately, none of the interviews in the usable sample met the requirements to test Hypothesis 2. Therefore, no conclusions can be drawn, except perhaps that there may be some assumption on the part of organization members that successful projects must somehow be aligned with strategy, otherwise they would not have been successful. This, of course, is conjecture, but would be a very interesting topic for a future study.

Thirty-seven interviews in the data set met the conditions necessary to test this hypothesis—respondents in these cases spoke of unaligned projects that were considered unsuccessful. Here, however, the data are inconclusive. Nineteen, or roughly half (51%), of these interviewees reported that the strategy changed after the initiative’s failure, as was predicted by the hypothesis, but a significant minority (eighteen or 49%) of the interviewees responded to the contrary in regards to their projects.

Unaligned projects seem to send ambiguous messages to organization members. Given the equivocal “design” of the product development “experiment,” organization members are cannot be sure if the lack of alignment is due to poor strategic ends, improperly implemented strategic means, or some other extraneous factor. This observation is reflected in the equivocal nature of the data. However, a significant minority did not support Hypothesis 2b. Eighteen respondents in this category (initiatives that were unaligned and unsuccessful) indicated that strategy did not change due to these outcomes. Therefore, Hypothesis 2b is not supported.

CONCLUSIONS AND DISCUSSION

Overall, there was mixed support for the hypotheses. Despite the widely held analogy of strategy as a “theory-in-use” and product development related-CE initiatives as “tests” of the underlying relationships outlined in that theory, the data only supported the supposition that aligned projects that were successful were generally viewed as confirming existing strategic means and ends. The other hypotheses were not supported. Given these surprising results we explored two alternative explanations for what we observed. Namely we speculated that the results might be due to poor strategy specification and overwhelming environmental forces.

First, the surprising results might occur if the firms were not very good at specifying strategic ends and means. If the overall strategy was vague, organization members might have difficulty assessing the meaning of CE initiative outcomes. However, the means and ends were widely disseminated through out the divisions using both face-to-face communication (e.g., manager explaining the strategy to a subordinate, town hall meetings) and written strategic plans.

Second, another possible explanation for the findings may stem from the strength of industry forces. However, an independent analysis of the firms’ environments revealed they were operating in “mature/unstable” environments. Their industries in had been fairly stable in the past, but now

were facing new entrants, mergers/acquisitions, intense industry rationalization and significant technological changes, all destabilizing forces (Brews & Hunt, 1999: 894). Therefore it is unlikely that these industry factors have served as a “drag” on the rate of strategic change in these strategic business units.

IMPLICATIONS

These findings have significant implications for corporate entrepreneurship. It is a widely held assumption that investing in entrepreneurial activities enables firms to modify their strategies in response to environmental changes, competitive threats or changes in customer needs. It implies that the results from these initiatives are seamlessly integrated into a continually evolving theory of the firm’s competitive advantage. However, the findings presented here are more in line with the concept of core rigidities (Leonard-Barton, 1992). In these firms, many past projects were aligned and successful, which reinforced the validity of the organization’s prevailing strategy. When contrary evidence invalidates the firm’s strategy, however, those years of supporting evidence form an ingrained “wisdom” that was quite difficult to overcome.

Given today’s dynamic environment, to improve their competitive advantages; firms must continually update, renew and rejuvenate their strategy. This study indicates, however, that this process is quite difficult. Corporate entrepreneurship requires that people think beyond current conditions. It means that the firm’s current strategy must serve as a springboard to future competencies, not as a straightjacket binding firms to its current activities, products and processes. Only a conscientious effort to fully integrate the learning that stems from corporate entrepreneurship initiative outcomes, both successes and failures, will fully enable this process.

REFERENCES and APPENDIX I -INTERVIEW EXERPTS (*available on request*)

A HERMENEUTICAL APPROACH TO UNDERSTANDING ENTREPRENEURIAL FAILURE

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ABSTRACT

This paper reports an investigation of entrepreneurial failure using hermeneutic analysis of five entrepreneurship narratives. The data used in this study was collected between 2002 and 2005. Hermeneutics is a post-modern approach to understanding which develops depth of meaning through iterative attempts to interpret text or other objects (Ricoeur & Thompson, 1981).

The research focuses on entrepreneurial orientation and defines entrepreneurs as individuals who can “see what is not there” (Carland et al., 1996). The researchers adopted “a deviation from the entrepreneurs’ desired expectations” as their working definition of entrepreneurial failure. The paper progresses through four levels of interpretation in the development of theoretical understanding of personal and organizational learning from failure. The first level of interpretation is the development of a theoretical understanding of through a review of the academic literature. The second level of interpretation is the development of a model based on evidence collected in an interview with Dr. Anji Reddy. The third level of interpretation is the application of this model to the interpretation of interviews with four entrepreneurs: Ron Morgan, Dan Newell, Tim Vasko and Cathy Walker. This interpretation causes the authors to reflect on the model developed earlier and to make adjustments to reflect new understanding from these interviews. The fourth level of interpretation is a discussion of the usefulness of this model and its contribution to academic literature.

The researchers found that individuals and organizations can learn from failure thus improving chances of ultimate success. However, sometimes individuals and organizations do not learn from entrepreneurial failure and other times there are no lessons to be learned from entrepreneurial failure. The authors created a model of entrepreneurial failure based on an ecological perspective.

The study adds to the growing body of research into entrepreneurial failure. It introduces researchers to the importance of seeing entrepreneurial failure within the context of endogenous and exogenous forces. This paper extends the organizational ecology perspective into the entrepreneurship literature. While organizational ecology tends to examine the life stories of organizations (Hsu & Hannan, 2005); this study recognizes the importance of examining the life stories of entrepreneurs. The study provides a mechanism for practitioners to determine whether or not there is learning available from particular instances of entrepreneurial failure.

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DOES LEVEL OF EDUCATION INFLUENCE PSYCHOLOGICAL TRAITS? EVIDENCE FROM USED CAR ENTREPRENEURS

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ABSTRACT

The entrepreneurship literature is inundated with controversy on discerning an appropriate definition of entrepreneurship and the entrepreneur. This research gap is further widened by researchers attempting to determine appropriate sociological influences that may impact the relationship between psychological traits and entrepreneurial orientations.

Previous data-based research studies have been criticized because of their use of single level of analysis and a majority of the studies have been conducted in the manufacturing industries. The service industry, which represents one of the fastest growing sectors in the global economy, has received minimal attention (Zahra & Covin 1995, p.50). This research study addresses these research voids in the entrepreneurship literature.

This research study was conducted to empirically examine the levels of education on the relationships between psychological traits and entrepreneurial orientations. The sample was comprised of used car entrepreneurs located in a “deep south” capital city Standard Metropolitan Statistical Area (SMSA).

The relationship between psychological traits and entrepreneurial orientations were tested using hierarchical regression analysis. Findings suggest significant positive relationships between psychological traits and entrepreneurial orientations.

The influence of level of education on the relationships between psychological traits and entrepreneurial orientations were tested using moderated multiple regression analysis. Findings suggest that the interaction effects of levels of education and psychological traits had positive variance change at significant levels in predicting entrepreneurial orientations.

This research study findings reported herein tends to provide modest support and corroboration to the criticisms that psychological traits alone are inadequate to explain what constitutes entrepreneurial behavior. Findings also tend to suggest that entrepreneurship is an outcome of many events and influences.

THE MATCH BETWEEN PROCESS ORGANICNESS AND TASK COMPLEXITY: IMPACTS ON GROUP CREATIVITY

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ABSTRACT

Group performance and creativity depend on the mode of coordination, which in turn is determined by the level of complexity of the task. Also, organic processes are a vital element and are frequently a pre-condition to creativity. This paper focuses on the relationships between task complexity and group process organicness, and how this relationship affects creativity. Contrary to a widespread belief in the literature, our study concludes that the match between task complexity and process organicness does not have an impact on group creativity. The implication of the study is that creative outputs are not necessarily generated by organic processes. Consequently, managers and team leaders are expected to grant working groups some level of standardization in their processes to foster high levels of creativity.

INTRODUCTION

Turbulent environments require that organizations find novel ways to handle the compounded complexity that characterizes them. Organizational success in complex environments has been closely linked to the ability of a firm to design creative approaches to handling complexity (Woodman et al, 1993). In addition to being creative, firms are pressured to respond quickly to unexpected changes. Teamwork has been considered one of the most effective strategies to cope with the pace and nature of these changes. Group creativity becomes, then, the pillar of most organizational initiatives aimed at developing and supporting the firm's ability to cope with environmental turbulence. A close look at the dynamics of working groups helps unveil some of the factors that affect group creativity. The basic goal of this research is to identify the determinants of group processes that increase creativity, and explain the ways in which organizations can improve their abilities to handle complexity in turbulent environments.

The literature on group creativity states that among those factors necessary to sustain the ability of a group to provide creative solutions, process structure plays a prominent role (Woodman et al, 1993; Rhodes, 1961). Specifically, it considers process organicness as a necessary element in creative projects (Isakesen et al, 2000; Tata et al, 1999). Moreover, the research asserts that creativity relies on the existence of freedom of autonomy to manage the creative process (Amabile, 1997), as well as on the existence of a reasonable level of tolerance of disorder (Isaksen, 2000). Such attributes are integral elements of organic structures. Meadows (1980) found that, in fact, organic group structures and the group's degree of innovativeness were highly related.

Creativity requires very organic structures and processes, as they provide freedom to try novel, innovative solutions (King & Anderson, 1990). Organic structures are highly flexible; tend to decentralize decision making (Tata et al, 1999); do not rely on any form of standardization (Mintzberg, 1979); have little formalization of behavior; and, rely upon liaison devices to encourage mutual adjustment within and between teams (Mintzberg, 1979). The level of a firm's organicness depends on the extent to which decision making is centralized, and behavior formalized. A firm's

structure is more organic when decision making is highly decentralized (Tata et al, 1999), and there exists little formalization of behavior.

This study builds on the basic claim in the literature that group effectiveness depends on the match between process type and task complexity. The objective is to shed some light on how the relationship or match between task complexity and process organicness impacts creativity. According to this literature, under conditions of low task complexity, both task analyzability and predictability are high (Scott, 1998). The options and their consequences can be fully determined in advance, and thus the contents of the task can be specified and programmed. Here, a structured process appears to be the appropriate way of handling such a level of task complexity. On the contrary, when the task is not simple and routine (i.e., it is more complex), the task-doers are forced to turn to a more organic process that grants them sufficient autonomy to manage their own sub-tasks. In this case, the desired results of the task are specified, yet the selection of the process is left to the decision makers (Mintzberg, 1979). Therefore, groups that are working with simple tasks are expected to be more effective if they use a structured approach in their handling of the task. On the other hand, if the task is complex, groups are expected to be more effective if they rely on processes that are more organic. A mismatch between these two factors is expected to render the group effort ineffective.

RESEARCH DESIGN

Thirty-two groups of 3 to 4 members, randomly assigned each to one of four conditions, solved a marketing case in which the level of task complexity was manipulated. The goal of the study was to assess the impact that a task complexity-process organicness match had on creativity. Two versions of the case were used, one with a high degree of complexity, the other with a low level of complexity. The manipulation was effective, as indicated by the ratings of two experts (Cronbach's Alpha for the combined set of scores was 0.702). Groups used two processes, one of them very organic, the other highly structured. Groups using a structured process followed an agenda that encompassed very specific, sequential steps. There was little room for improvisation. Groups using an organic process selected their solution approach, and were only given instructions on the format of their recommendations. To avoid a confounding factor, the process was not facilitated.

The subjects were undergraduate students in their senior year. They had some level of business experience, and very little group experience. Statistical analyses showed that there were not statistical differences between conditions for all the contextual factors, and that the observations were taken from populations normally distributed, and the variances for each set were equal.

Groups solved the case in an electronic, asynchronous, and distributed environment, using a basic type of groupware that included communication and decision support aids. After reading the task on-line, subjects recorded their first impressions using a task questionnaire. Once the solutions were completed, subjects filled a post-study survey.

The creativity of the groups' solutions was rated by a panel of marketing experts. As Amabile (1983) asserted, "a product or response is creative to the extent that appropriate observers independently agree it is creative. Appropriate observers are those familiar with the domain in which the product was done or the response articulated" (31). The results were analyzed using ANOVA-GLM.

THE COMPLEXITY-ORGANICNESS MATCH: IMPACT ON CREATIVITY

According to prior research, the task complexity-process organicness match has an impact on group creativity. As Dailey (1980) and Milliken & Vollrath (1991) asserted, if a group's structural characteristics are kept constant, the mode of coordination that yields effective

performance is solely determined by the complexity of the task. The complexity of a task is, in turn, determined by both the task's ill-structured or non-structured nature (Daft & Lengel, 1986), and the amount of relevant information processed in the solution-building phase (Thompson & Tuden, 1959).

For low-complexity tasks, the options, as well as their consequences, can be easily determined. In consequence, the contents of the task can be specified by means of agendas to secure acceptable outcomes. On the contrary, for high-complexity tasks, the options and the consequences are not fully known, and task doers are forced to turn to more organic processes (Mintzberg, 1979). Therefore, one can conclude that group performance and creativity depend on the match between the levels of process organicness and the level of task complexity.

This is the basic claim of this research. In other words, the study's main hypothesis claims that, when the level of process organicness matches the level of task complexity, groups generate more creative solutions. In this context, a complexity-organicness match exists when either an organic process are used for complex tasks, or structured processes for simple tasks.

Table 1 shows the mean scores and the standard deviations for group creativity, as well as the results of the ANOVA test. Creativity scores ranged from 1 to 100, with a 100-score associated with the highest level of creativity, and 0 with low or no creativity at all. According to the results of the ANOVA-GLM analysis, there is no empirical evidence to support the claim that group creativity increases when the level of process organicness matches the level of task complexity. As a matter of fact, groups using a structured process outperformed those using an organic process, regardless of the level of task complexity. More specifically, those groups solving high-complexity tasks were more creative when they followed a sequenced agenda, a result opposite to that claimed in the hypothesis. Further analysis shows that the level of process organicness has an impact on group creativity, regardless of the nature of the task. As reported elsewhere, structured processes seem to be a pre-condition to creativity (Perez-Alvarez & Watad, 2005).

Complexity Level	Structured Process	Organic Process	F	p value
High Complexity	77.90 (14.15)	59.11 (23.71)	0.76 (df=1.28)	0.389
Low Complexity	61.67 (11.88)	42.33 (15.30)		

The lack of statistical support may be explained by the fact that the level of organicness seemed inappropriate for the level of task complexity. Although more organic processes allow for more and richer discussion rounds, the benefits may wear out, as groups do not know what should come next in their decision-making endeavors. Group processes seem to need some sort of structure if creative solutions are sought.

CONCLUSION

Based on the results of the study, even under conditions of high task complexity, groups need a certain level of structure in their processes if their outcomes need to exhibit some level of creativity. This finding contradicts the belief that an organic process is a pre-condition to group creativity. In reality, groups can make more creative decisions if there is a sense of direction to their efforts. It seems that too much "laissez-faire" is not conducive to the development of creative solutions.

A major implication of the finding of this study is that, albeit some organicness is a precondition to creative group solutions, the group's endeavor will be more effective if a basic sense of direction is provided. A loosely-designed agenda may be appropriate to guide the efforts of group members. At the same time it provides a framework for assessing progress, the agenda should grant group members room for improvisation and the exploration of alternative solution approaches.

The most compelling conclusion of this research is that if groups are to be more creative, their processes need some level of structuring, regardless of the complexity of the task. Although some organicness is needed for group creativity, the presence of excessive levels of organicness seems to render the process ineffective.

The question of what level of process organicness or structure is appropriate for different levels of task complexity is very intriguing and requires further study and attention from researchers and practitioners.

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SHOW ME THE PLASTIC: CREDIT CARDS AND SMALL BUSINESS OWNERS

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ABSTRACT

Small business owners who find it difficult to obtain traditional financing from banks often resort to using credit cards, usually at a higher rate of interest. To further examine credit card use by small business owners, data from the U.S. Census Bureau's 2001 Survey of Income and Program Participation were analyzed. The study specifically compares the proportions of incorporated and unincorporated business owners who have credit card or other types of debt with people who are not business owners. Not surprisingly, owners of unincorporated small business, especially sole proprietors, were the most likely to have credit card debt.

INTRODUCTION

Small business credit cards have become increasingly popular, providing business owners not only with convenience, but also easy access to fast credit. According to the SBA Office of Advocacy (2006, p. 1), "the number of small business loans outstanding under \$100,000 increased 25% between June 2004 and June 2005... The increase came mostly from credit card use by small business." This study further explores small business owners' credit card use by comparing the proportions of incorporated and unincorporated business owners with credit card debt. In the following sections, a brief background on credit card use is provided, leading to the methodology of this study, and the results.

CREDIT CARD USE

Credit cards became popular because of their user-friendliness and the decrease in post depression aversion to financial risk. People rebelled against the previous logic of going without items until they could save up enough to purchase them outright (Nocera, 1994). In 2003, 35 million out of the 144 million cardholders regularly made only the minimum payment on their credit card accounts (PBS Frontline, 2004). Many cardholders have contributed significantly to the mounting number of bankruptcies (7 million bankruptcies from 1999-2004) in recent years. One of the important and worrisome issues with this vast cardholder base is that "most cardholders do not view their credit card balance as a loan" (Nocera, 1994, p. 20). According to the Federal Reserve (2005), the average family filing for bankruptcy in 1997 owed \$36,000 in high-interest credit cards and other debt while earning only \$24,000.

Banks that issue credit cards do so because of the high potential profitability of this financial product. With interest rates that climb as high as 25-30%, the industry continues to reap the benefits of consumer credit usage that has drastically increased in the last 50 years. In the U.S. alone, 641 millions cards were issued in 2003, generating \$30 billion (PBS Frontline, 2004). During the 1983-1995 period, there was a real increase of 179% in such borrowing as credit rose to \$812 from \$291 1983 constant dollars based on household data (King, 2004, p. 56). Interest rates are not, however,

the only cost associated with credit card use. Penalties and fees accounted for 28% of credit card issuer profits in 2000 and 31% a year later (Lazarony, 2005).

The importance of credit cards has likewise grown among small business owners in the last 10 years. In a survey of the members of the National Federation of Independent Business (Scott, Dunkelberg, & Dennis, 2003), 11% of business owners in 1995 reported that credit cards were their most important source of working capital. That proportion grew to 15% by 2001. Approximately 6% depended on credit cards alone for financing. Of the 82% of business owners that used credit cards, 44% carried balances. In addition, 54% of all surveyed business owners took advantage of trade credit and 20% used personal loans. Credit cards were most important to small companies with less than \$500,000 in sales, women business owners, and businesses less than 10 years old. People who had been in business fewer than ten years were the most likely to carry a credit card balance.

Credit cards are clearly an important element in U.S. finances today, both among business owners and the general population. This study further examines credit card use by incorporated and unincorporated business owners, comparing these groups with people who are not business owners. In the following section, the data from a nationwide survey are analyzed, with special attention given to the proportion of people having credit card debt and the average debt carried by those who do not pay off their balances monthly.

METHODOLOGY AND RESULTS

Data were obtained from the U.S. Census Bureau's 2001 Survey of Income and Program Participation through the use of Data Ferret. Over 48,000 people from age 18 to 88 were included. Two important variables used in this study were the dollar value of credit card debt and whether the respondent had no debt, credit card debt (alone or with other debt as well), or only debt that was not from a credit card. This variable was limited to debt in the respondent's own name. Therefore, the proportions of people reporting debt may be underestimated while the percentage of people with no debt may be overestimated as married respondents may essentially owe money, but it is in their spouses' names. In the following tables presenting the data regarding the debt variables as well as demographic variables, both actual and expected counts from cross-tabs matrices are included where appropriate in order to allow for easier analysis of the association between the variables.

Analysis of the data in Tables 1 and 2 shows that there was not a close relationship between the proportion of people with credit card debt and business ownership, although there was a significant difference in the mean debt held by those with credit card debt. When business ownership was broken down into incorporated and unincorporated businesses, as shown in Table 3, an association emerged. More than 19% of unincorporated business owners in the study had credit card debt in their own name. In contrast, only 15% of incorporated business owners had this debt. One explanation for this could be that owners of incorporated businesses have better access to lower-cost bank loan financing. Because incorporated businesses are separate legal entities, their owners may incur debt in the name of the business, leading to a high proportion of people in this category (81.0%) claiming they have "no debt" in their own name. The proportions of people with no debt were very similar between unincorporated business owners and non-business owners (76.4% and 77.6%). Non-credit card debt percentages were similar across all three categories.

	No debt	CC debt	Non-CC debt	Total
Not a business owner	34780	7964	2100	44844
Expected value	34790	7969	2056	

Within category %	77.6%	17.8%	4.7%	
Business owner	2797	643	153	3593
Expected value	2787	639	167	
Within category %	77.8%	17.9%	4.3%	
Chi-square	1.360	sig. .507		

Table 2.
Mean Debt Among Those with CC Debt by Business Ownership

	Mean	std. dev.
Not a business owner	\$4103	6391
Business owner	\$5792	7953

***t = -5.249 sig. .000

Table 3.
Proportion of People with Credit Card (CC) Debt and Other Debt by Business Ownership

	No debt	CC debt	Non-CC debt	Total
Not a business owner	34780	7964	2100	44844
Expected value	34790	7969	2056	
Within category %	77.6%	17.8%	4.7%	
Incorporated business owner	926	171	46	1143
Expected value	887	203	53	
Within category %	81.0%	15.0%	4.0%	
Unincorp. business owner	1871	472	107	2450
Expected value	1901	435	114	
Within category %	76.4%	19.3%	4.4%	

***Chi-square 102.212 sig. .000

Among those with credit card debt, unincorporated business owners had the highest mean debt (see Table 4). ANOVA showed a significant difference between the means. Post hoc analysis revealed the difference was significant (sig. .000) between non-business owners and unincorporated business owners. However, it was not significant between incorporated business owners and either of the other two groups. In all three groups, the standard deviation was very large in relation to the mean due to a large range.

Table 4.
Mean Debt Among People with CC Debt by Type of Business Ownership

	Mean	std dev.	Min	Max
Not a business owner	\$4103	6391	\$1	\$118000
Incorporated business owner	\$5483	7644	\$39	\$60000
Unincorporated business owner	\$5904	8067	\$1	\$60000

***F=20.215 sig. .000

When the data from unincorporated businesses were further broken down into sole proprietorships and partnerships (Table 5), there was again a statistically significant relationship as

sole proprietors were more likely to have both credit card and other types of debt. This could logically be due to the fact that partnerships allow multiple people to combine their resources, whereas unincorporated sole proprietors must borrow money they need but do not have.

	No debt	CC debt	Non-CC debt	Total
Sole proprietorship	1514	409	93	2016
Expected value	1540	388	88	
Within category %	75.1%	20.3%	4.6%	
Partnership	357	63	14	434
Expected value	331	84	19	
Within category %	82.3%	14.5%	3.2%	

**Chi-Square 10.145 sig. .006

In comparing the mean debt among people with credit card debt (see Table 6), sole proprietors had a mean approximately 50% higher than non-business owners. While the ANOVA showed a significant difference among the means, post hoc analysis revealed there was a statistically significant difference between the mean debt of sole proprietors and non-business owners (sig. .000) but not between partnerships and either other group.

	Mean	std. dev.	Min	Max
Not a business owner	\$4132	6422	\$1	\$118000
Sole proprietorship	\$6117	8406	\$1	\$60000
Partnership	\$4521	5204	\$100	\$23000

***F=18.094 sig. .000

DISCUSSION AND CONCLUSION

The findings of this study show that while owners of incorporated businesses were the least likely to have credit card debt when compared to unincorporated businesses owners or people without businesses, and unincorporated business owners were the most likely to have credit card debt. Despite high standard deviations, the mean debt (of those with credit card debt) was found to be significantly higher (\$4103 vs. \$5792) among business owners. When incorporated and unincorporated businesses were separated, non-business owners had significantly lower debt than unincorporated business owners (\$4103 vs. \$5904). Sole proprietors were found to have the highest mean debt (\$6117) when partnerships were placed in a different category. This would suggest that the business owners, especially sole proprietors, use personal credit card to debt to help finance their operations. Because these data were limited to credit cards in the respondent's own name, future research should examine debt by family, to give better insight into borrowing practices.

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ENTREPRENEURIAL TECHNOLOGICAL CHALLENGES FOR THE MUSIC INDUSTRY

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ABSTRACT

Microbusinesses in the music industry manage tension between creativity and organization, money and meaning in different ways. This balancing act depends not only on skills and competencies but also on the personal values of the organization's founders.

The Research Problem and Relevance:

Entrepreneurs in the music industry manage their businesses in very different and often seemingly economically irrational ways. Music entrepreneurs, as value-based organizations, are built around diverse sets of personal beliefs and assumptions. The transformation of ideas and information into products and knowledge happens in many different ways. Without awareness of the basic assumptions of the founders, it is difficult to support their businesses in a sustainable way.

Objective -- Research Questions/Hypotheses:

This paper addresses three hypotheses:

- H1: Specific incidents take place during the foundation phase of firms in the music industry that lead to specific themes;
- H2: There is a set of indicators allowing entrepreneurs to mark a difference between a creative business ("me") and other businesses ("not me"); and
- H3: Micro-businesses in the music industry have implicit, rather than explicit, strategies. These strategies are based on a comparable set of assumptions, and direct the organization at the deepest level.

Methodology:

Poettschacher's 65 question survey instrument has been adapted. The instrument gathered data on firms in the creative industries in Vienna. Cross cultural comparisons will be made. The original study consisted of 35 interviews (seven the music industry) with entrepreneurs in the creative industries in Vienna, . This study will initially focus on interviews with 35 music entrepreneurs in the United States.

Importance -- Expected Contributions to Practice and/or Theory:

The research explores the ways of thinking behind the intuitive strategies of entrepreneurs in the music industry. Very little empirical research has been collected focusing on creativity and entrepreneurship in this industry. This study will add to this body of literature and examine the cross-cultural implications of the findings.

ON DEMAND SYSTEMS OFFER BIG OPPORTUNITIES FOR SMALL BUSINESSES

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ABSTRACT

Currently there is a convergence of two technologies that offer tremendous opportunities for small business: Automated enterprise wide systems (ERP/CRM) and On Demand Software. Enterprise systems are systems that automate back office and front office functions of a business. Once reserved for big corporations, ERP applications are gaining traction among entrepreneurs who need real-time insight into sales patterns, merchandise availability, cash flow and the like.

The other technological innovation is "On Demand Software," or sometimes called "software-as-a-service" (SaaS). This means that a technology vendor sells space on their infrastructure and the business users of a company log into their server to use a software package. Most midsize enterprises turn to SaaS expecting significant cost, deployment speed and maintenance benefits. They're looking to SaaS to improve efficiency for core processes such as CRM, sales compensation management and ERP. The growing popularity of information technology should be recognized as a serious threat to the "have-nots." This paper presents ideas on how the technological revolution helps small businesses and how they can take advantage of these products.

INTRODUCTION

Currently there is a convergence of two technologies that offer tremendous opportunities for small business: Automated enterprise wide systems (ERP/CRM) and On Demand Software. Enterprise systems are systems that automate back office and front office functions of a business. Once reserved for big corporations, ERP applications are gaining traction among entrepreneurs who need real-time insight into sales patterns, merchandise availability, cash flow and the like. According to IDC, a Framingham, Mass. research firm, more than a million small businesses worldwide implemented an ERP system last year ("Cost Cutting," 2006). Yesterday's ERP systems carried seven-figure price tags and typically required two-year painful deployments, not to mention battalions of expensive IT consultants to keep them up and running. Today's products can be deployed in a few weeks and are far less likely to crash. Further, the overall cost of ERP services has dropped 40 percent over the past five years and is increasingly likely to provide a rapid payback ("Cost Cutting," 2006). For example, Vetco was able to avoid hiring three additional workers to accommodate the company's growth over the past two years by replacing stacks of paperwork with a single piece of software running over a common database. That savings alone of roughly \$126,000 a year (including bonuses and benefits) allowed Vetco to recoup its ERP investment after little more than a year of deployment ("Cost-cutting," 2006).

The other technological innovation is "On Demand Software," or sometimes called "software-as-a-service" (SaaS). This means that a technology vendor sells space on their infrastructure and the business users of a company log into their server to use a software package. Most midsize enterprises turn to SaaS expecting significant cost, deployment speed and maintenance benefits. (And, of course, many midsize companies don't have the in-house IT staff to manage more applications.) They're looking to SaaS to improve efficiency for core processes such as CRM, sales

compensation management and ERP (“SaaS Appeal,” n.d.). For example Spherion Inc, a staffing firm out of Ft. Lauderdale FL was able to quickly and consistently improve their ability to track and manage customer information while generally better utilizing resources by using one SaaS package instead of several ‘stand alone’ incompatible software packages previously used by their representatives (“With Consolidated,” n.d.).

The growing popularity of information technology should be recognized as a serious threat to the “have-nots.” North American mid and small size businesses will experience the most growth in IT investments of any company size sector through 2009 (“[Top 2006](#),” 2006). For example, Small and medium businesses (1-999 employees) worldwide are on track to spend US\$2.44 billion on CRM and ERP/SCM Services in 2007 (“SMBs Set,” n.d.). ERP and supply chain management continue to rank among most companies' top-10 initiatives (“How Are,” n.d.) The gap between the businesses who have and those who have not will continue to spread. Those who “get it” and know that technology is a tool to grow their businesses will continue to grow and do well. But those who cannot grasp the importance of technology and harness its use will fail (Ray, 2006, para. 5). Further, this gap will continue to spread at a faster pace. Carly Fiorinas, former CEO of Hewlett-Packard, suggests that the IT revolution of the last twenty years was just the prologue. She states that, “The last twenty years were just about forging, sharpening and distributing all the new tools with which to collaborate and connect. Now the real IT revolution is about to begin, as all the complementarities between these tools start to really level the playing field” (Freidman, 2005, p. 200).

HOW DOES THIS HELP SMALL BUSINESSES?

First, companies will be able to have systems that automate businesses functions (e.g., accounts payable, payroll, sales, marketing, etc.) the same as large companies. This automation will level the playing field in terms of productivity, quality and cost. Second, companies gain best practices in all the back and front office business functions without the large upfront capital expenses and without the distractions of large expenses required with maintaining information systems on the premise. In other words, they can focus on their core competencies. In addition to leveling the playing field with the larger companies, these two initiatives can easily create a competitive over other small businesses.

HOW CAN A SMALL BUSINESS TAKE ADVANTAGE OF THIS OPPORTUNITY?

Find an inexpensive expert (preferably free) that can lead you through the process of selection and implementation. This is particularly important when it comes time to configure the system to meet your specific needs (e.g., coding the software or purchase of supplemental modules). Your local Small Business Development Center should be able to put you in contact with a college or university department that researches and teaches management information systems. The most ideal situation is if the college or university has an incubator or small business support center (SBSC) that could take on your need as a project. For example, our college’s SBSC has equipped two incubated companies with three of the industry leading solution. Specifically, one company was given the *Netsuite* solution which is the only fully integrated front office and back office on demand system available. The other company was given a “best in breed” solution of *Quickbooks* (the market share leader in back office solutions for small businesses) and *Salesforce.com* (the small business industry leader of on demand front office CRM). These tools have greatly accelerating their time to market by having best practice operational templates representing functional area best practices. Also, these solutions have set these organizations to have a real competitive advantage in their markets in terms of increasing productivity with back office efficiencies and front office

sales and marketing effectiveness. In short, the playing field is becoming more and more level for the small businesses who implement new information technologies.

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THE ORGANIZATIONAL LEADERSHIP OF THE POST BABY BOOM GENERATION: AN UPPER ECHELON THEORY APPROACH

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ABSTRACT

Organizations entering into the new global economy of the 21st century face challenges and threats never before experienced. Researchers have predicted that the key to success in this new era of globalization lies in the organizational leaders' ability to provide strategic leadership. The upper echelon theory suggests that leaders of organizations are subconsciously bounded by psychological factors within the leaders' personal criteria which they have been socialized to in their lifetimes. This paper will use an upper echelon theory approach to explain how the ethical and entrepreneur perspective differences of the newer generation of leaders will affect the strategic leadership of the 21st century.

FOUNDER EDUCATION AND EXPERIENCE AS PREDICTORS OF SMALL FIRM PERFORMANCE

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ABSTRACT

We investigated the effect of founders' level of education and industry managerial experience on the performance of their small firms. We hypothesized that higher levels of founder education and more years of founder industry managerial experience led to better firm performance. A survey of founder-managed natural food stores validated our hypotheses.

INTRODUCTION

Success as an entrepreneur is based in part on being able to perceive an opportunity based on an individual's knowledge and having an entrepreneurial propensity (intention to act). Education has long been used as a measure of future career success with the assumption being that there is a direct relationship between academic achievement and vocational success (Judge, et al., 1995; Melamed, 1996). Individuals with advanced educational backgrounds develop more intellectual capability and knowledge that can aid them in making strategic choices which can lead to firm performance in any business environment (Becker, 1993; Hitt, Bierman, Shimizu and Kochhar, 2001). The growing literature on entrepreneurship processes includes relatively few studies that empirically explore and identify an entrepreneur's education and its contribution to firm performance. Chow (2006) found that human capital, in terms of the percentage of employees with a college education, had a significant impact on a firm's overall entrepreneurial performance. A small business founder's education may therefore play a central role in their overall success.

Hypothesis 1: Small-business founders' level of education will be positively related to firm performance.

A common perception is that previous experience plays a significant role in determining entrepreneurial success. Research has shown that much of an entrepreneur's knowledge is experientially based (Rae and Carswell, 2000). A review of the literature shows the importance of learning by doing, with various scholars giving a slightly different emphasis to an essentially similar process. Young and Sexton (1997) explicate trial and error; Deakins (1996) emphasizes problem solving; Deakins and Freel (1998) examine discovery; Gibb (1997) focuses on experimentation and copying; Reuber and Fischer (1993) link development to facing successes and setbacks, which Gibb (1997) terms learning from mistakes. In researching entrepreneurial activity, many of these writers have incorporated into their investigations critical learning events, i.e. learning processes associated with experiencing opportunities and problems in their past (Cope and Watts, 2000; Deakins and Freel, 1998; Sullivan, 2000). Steiner and Solem (1988) demonstrated that managerial background and experience of the owner/entrepreneur or lack thereof as a cause or contributing cause for the success or failure of a small business. Furthermore, prior experience as an entrepreneur has been

found to be a good predictor of re-venturing and can contribute to future success (Ronstadt, 1988 and Vesper, 1980).

Hypothesis 2: Small business founders' years of industry managerial experience will be positively related to firm performance.

Figure 1 illustrates the specific interrelatedness of the three main variables of the Founder Level of Education and Managerial Experience Model. These core variables are Founder Level of Education, Founder Industry Managerial Experience, and Firm Performance.

METHODOLOGY

We obtained the sample data for this study from a random sampling of members of The Natural Products Association (NPA), a trade association for the U.S. natural food industry. We measured the dependent variable founder *firm performance* using the criteria Chandler and Hanks (1993) found relevant to entrepreneurs: growth in: (1) earnings, (2) net worth, (3) cash flow, (4) market share, and (5) sales volume.

Founder *industry managerial experience* functioned as an independent variable in terms of its relationship with founder *firm performance*. The values for this variable were obtained simply by asking respondents to provide an answer to the following question: "How many years of full-time managerial work experience did you have in this industry before founding this business?"

Our final variable, founder *level of education* functioned as an independent variable in terms of its relationship with founder *firm performance*. A founder's highest level of education was determined by asking the question "What was your highest level of formal education before starting this firm?"

RESULTS

Descriptive statistics and correlations for the Founder Education and Experience Model are presented in Table 1. Regression results are presented in Figure 1, which shows significant and complete support for the Model. The adjusted R^2 for the regression was 0.138. *Firm performance* was significantly positively correlated with the independent variable founder *level of education*. Achieving a higher level of education was associated with higher *firm performance* with a significant Pearson correlation coefficient of 0.281 ($p < 0.05$). In addition, the model's link between founder *education* and *firm performance* possessed significant explanatory power [$t(63) = 2.158$, $p = 0.035$ (one-tailed)], demonstrating that being better educated led to higher performance in terms of market share, sales revenue, sales volume growth, net worth and profitability.

Firm performance also was significantly positively correlated with the level of *founder managerial experience*. Greater founder *experience in a management role* was associated with greater *firm performance* with a significant Pearson correlation coefficient of 0.318 ($p < .01$). In addition, the model's link between founder *management experience* and *firm performance* possessed significant explanatory power ($t(63) = 2.501$, $p = 0.015$ (one-tailed)), demonstrating that greater management experience led to greater *firm performance*.

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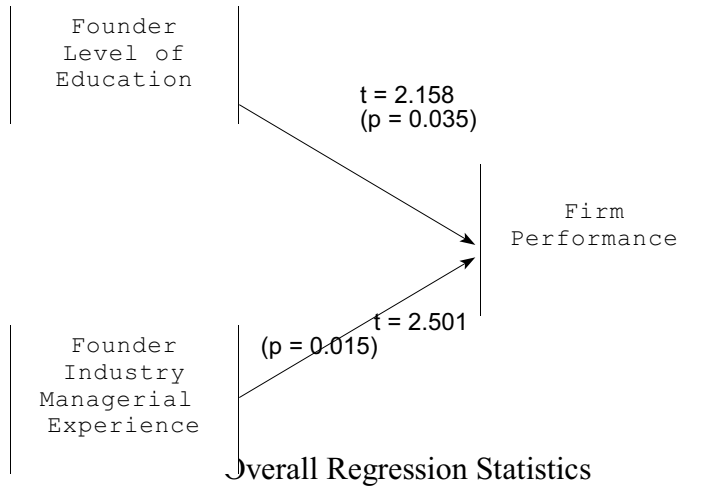
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APPENDIX

Table 1				
Descriptive Statistics and Correlation Matrix for the Founder Education and Experience Model				
Variable	Mean	Standard Deviation	Correlation Matrix	
			Level of Educational Attainment	Level of Management/ Supervisory Experience
Firm Performance	25.51	8.72	0.281 ^(a)	0.318 ^(b)
Level of Educational Attainment	4.65	0.79		0.085
Level of Management/Supervisory Experience	3.13	3.84		
(a) p < 0.05				
(b) p < 0.01				

Figure 1
Results for the Founder Self-Efficacy and Goal Setting Model



:
Adjusted R-Squared = .138

USING SOCIAL COGNITIVE CAREER THEORY TO ENHANCE STUDENTS' ENTREPRENEURIAL INTERESTS AND GOALS

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ABSTRACT

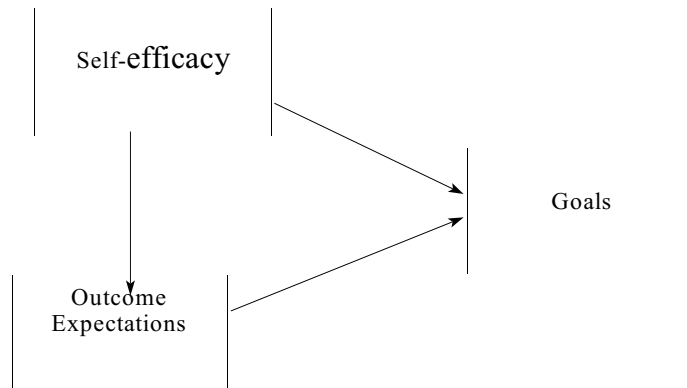
Social Cognitive Career Theory proposes that career interests, goals, and choices are related to self-efficacy beliefs and outcome expectations. Based on this, educational activities that enhance students' entrepreneurial self-efficacy and outcome expectations will increase students' interests and goals for an entrepreneurial career. In this exploratory research, we surveyed entrepreneurship educators to determine their perceptions of which classroom related activities best enhance student's entrepreneurial self-efficacy and outcome expectations.

INTRODUCTION

Social Cognitive Career Theory (SCCT; Lent, Brown, & Hackett, 1994) uses self-efficacy and outcome expectations as predictors of career interests and goals. As defined by Bandura (1986), perceived self-efficacy is defined as people's judgments of their capabilities to organize and execute courses of action required to attain designated types of performances. Outcome beliefs form as a result of an individual's expectations about the consequences of their behavior. Whereas self-efficacy is concerned with, "Will I be able to do this?" outcomes are concerned with, "If I do this, then what will be the outcome?" Research (Segal, Borgia, and Schoenfeld, 2002) found the SCCT model strongly predicted interest and goals for an entrepreneurship as a career choice. Finally, Bandura (1986) defined goals as the determination to engage in a particular activity.

Figure 1 illustrates the specific interrelatedness of the three main variables of the SCCT model, which affects the choice of career. These core variables are self-efficacy, which affects an individual's expectations for outcomes as well as their intentions towards performance, outcome expectations that affects their future performance or goals and, ultimately, their actual career goals.

**Figure 1
SCCT Model**



METHODOLOGY

We conducted an exploratory survey to determine which classroom activities best enhance students’ entrepreneurial self-efficacy and outcome expectations.

We posted a request on the Academy of Management Entrepreneurship Division’s Entrepreneurship Discussion Network (ENTREP-L) asking educators who had taught entrepreneurship or small business management during the previous 12 months to complete an on-line survey. Because of the exploratory nature of this study, we simply surveyed the entrepreneurship educators’ perceptions and summarized their responses.

Thirty four entrepreneurship educators completed our on-line survey. We freely acknowledge that this was a non-representative convenience sample of entrepreneurship educators. Despite this, we felt the perceptions of these 34 educators offered something of value.

SURVEY CONSTRUCTION

We reviewed the entrepreneurship education literature to generate a list of twenty classroom-related pedagogical methods typically used by entrepreneurship educators. Table 1 provides a summary of these classroom-related activities that may be embodied in individual courses and throughout a program of entrepreneurship study.

TABLE 1 Pedagogical Methods Identified in Literature Review	
Business Plan Competitions	
Personal Career Plan	
Small business Consulting Projects	including SBI® case-writing
New Venture Computer Simulations	
Abundant Specific Feedback	

TABLE 1 Pedagogical Methods Identified in Literature Review
Creating a Business Plan as a Class Project
Discussions on Current Events Involving Entrepreneurship
Videos about Entrepreneurial Firms
Entrepreneur Biographies (video and text based)
Encouraging Entrepreneurial Careers through Instructor Attitude/Enthusiasm
Entrepreneur Guest Speakers
Exercises and Role Play Activities Covering Critical Entrepreneurial Functions
Field Trips to Local Small Businesses
Formal Mentoring by an Entrepreneur
Internships with Entrepreneurs and Small Businesses
Lecturing
New Venture Initiation (actually starting a business as part of a class)
Self-Management Training (emotional intelligence goal-setting time-management etc.)
Entrepreneurship Club

We constructed an on-line survey asking respondents to rate these twenty educational activities based on how likely they are to afford an opportunity to provide positive (1) enactive mastery, (2) modeling, (3) verbal persuasion, (4) autonomic arousal, and (5) outcome expectations for student participants.

The on-line survey asked respondents to rate the 20 activities based on how likely they are to afford an opportunity to positively influence the five dimensions using the measurement scale: 1 definitely not, 2. very unlikely, 3 unlikely, 4 neither likely nor unlikely, 5 likely, 6.very likely, and 7 definitely.

RESULTS

For the key dimension of enactive mastery, starting a business as part of a class was rated the highest at 6.12. This was followed closely by internships (5.94) and consulting projects (5.82). Other activities that scored high were formal mentoring by an entrepreneur (5.41) creating a business plan (5.35) and business plan competitions (5.21).

In the vicarious experience or modeling dimension, formal mentoring by an entrepreneur rated highest (6.03), followed by internships (5.88) and entrepreneur guest speakers (5.68). The only other activity with a rating of at least five was entrepreneur bibliographies (5.00).

The respondents reported that new venture initiation (5.85) provided the best opportunity to provide verbal persuasion to students. This was followed by formal mentoring (5.82) and internships (5.74). Other activities that scored high were entrepreneur guest speakers (5.47), encouraging entrepreneurial careers with instructor attitude/ enthusiasm (5.38) and consulting projects (5.32).

The affective or autonomic arousal dimension had the lowest ratings. Respondents apparently

felt that various classroom activities had less effect on this self-efficacy dimension. Class exercises and role play (5.32) were seen as the best way to help students learn to foster positive emotional reactions, such as remaining calm and focused when confronted by difficult or stressful challenges. This was followed by two activities with scores of 5.26: (1) exercises and role play and (2) new venture initiation.

We added the four dimensions of self-efficacy to obtain a self-efficacy index. We used this index to measure the total impact of the various classroom activities to build self-efficacy. Internships had the highest index score (22.82), followed by formal mentoring by an entrepreneur (22.21) and starting a business (22.06). Other classroom activities with high overall self-efficacy index scores were consulting projects (20.79) and exercises and role play (20.15).

The top four classroom activities to enhance self-efficacy also had the strongest influence on student outcome expectations. Starting a business had the highest score (6.18), followed by internships (6.16), formal mentoring by an entrepreneur (5.97), and consulting projects (5.44). Other classroom activities with high outcome expectation scores were creating a business plan and entrepreneur guest speakers (both were 5.35).

It is also interesting to note those classroom-related activities with low scores. Lecturing consistently ranked last, both in terms of self-efficacy and outcome expectations. Case study and entrepreneurship clubs ranked in the bottom five places, both in terms of self-efficacy and outcome expectations.

DISCUSSION

This research shows that there are a number of pedagogical techniques that should be considered by entrepreneurship educators to facilitate and strengthen students' intentions to major in and pursue a career in entrepreneurship. Course development and teaching pedagogy should include various activities that will provide the opportunity for each of these processes to be realized. The educator's goal is enhanced student entrepreneurial self-efficacy and outcome expectations as an inherent byproduct of participation and completion of coursework. The more highly-ranked classroom-related activities that can be incorporated in the development of course pedagogy, the greater the level of self-efficacy and outcome expectations that can be fostered throughout the educational experience.

It is revealing that classroom lecturing was rated last in affecting students' self-efficacy and outcome expectations. Another commonly-used classroom technique, case study, also ranked low. The implication seems to be that real-world experience is the best teacher.

It is possible that entrepreneurship educators focus excessively on student knowledge and ability. "Hands-on" learning experiences may be as important as the more cognitive and theoretical information often emphasized in the preparation of program graduates. Knowledge and ability is necessary, but not sufficient for accomplished performance (Bandura, 1986). The relationship of knowledge and ability with performance is mediated by self-efficacy and outcome expectations. In other words, students possessing the requisite knowledge and skills for entrepreneurship may lack self-confidence or perceptions of desirable outcomes.

Entrepreneurship educators need to build integrative educational activities into their curriculum. It is important to make bridges connecting students to the external entrepreneurial environment. The top activities involved getting out of the classroom, either to start a business or to work closely with an entrepreneur. Clearly, the most effective classroom-related activities are those that strongly connect entrepreneurship students to a real venture or entrepreneur.

We are encouraged by the findings of this exploratory study. Empirical research should be used to further investigate the link between pedagogical methodology and students' entrepreneurial intentions.

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ENTREPRENEURSHIP AMONG GRADUATES: REALITY AND PROSPECTS IN TERTIARY EDUCATION

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ABSTRACT

During the past decade, entrepreneurship has become a commonly taught issue in universities all over the world. More specifically, the question addressed is whether graduates are seriously interested in establishing their own businesses. The present article focuses on a study of the entrepreneurial activities of the Higher Educational Institute graduates in Greece. Five issues were investigated:

- *the relationship of one's studies with the economic activity of his/her business,*
- *the usefulness of knowledge/skills attained during the course of studies ,*
- *the span of time between graduation and the start up of the enterprise,*
- *the source(s) of financing used to startup a business*
- *the degree of satisfaction with one's career and the financial performance of his/her business.*

A random proportional stratified sampling of 249 graduates -from two different years- was selected. Preliminary findings are presented in this paper showing the current situation in the areas mentioned above. The conclusions can be used both in the evaluation of the current system concerning entrepreneurship as well as in the formation of new strategies in the entrepreneurship in tertiary education.

Key Words: Entrepreneurship, Tertiary Education, Intentions

Entrepreneurship as a research field attracts the interest of many researchers because it is a tool of development for many economies in the world. The investigation of the factors that leads particular people to become entrepreneurs instead of others has been a question of many researches. So, many researchers have tried to understand the reasons leading those people to entrepreneurship. Toward that direction theories (Ajzen, 1991) and models (Shapero & Sokol, 1982; Krueger & Brazeal, 1994; Linan, 2005) were developed, and focused on the intentions that make people undertake entrepreneurship action, because the intentions are the best predictor factor for the future behavior of a person, such as the foundation of an enterprise (Ajzen, 1991; Krueger, 2005). So it is supported, that by formulating fundamental theories for the entrepreneurial intentions, we can explain a basic peace of the field of entrepreneurship.

Of course there are some factors that contribute to the prediction of the entrepreneurial intentions such as the attitude and the degree of desirability toward that behavior and the level of the feasibility (Krueger, 2005). As other factors defining the intentions of entrepreneurship are mentioned such as propensity to action, personal convictions and other "demographic" variables such as gender, age, educational level and economic environment (Davidsson, 1995).

The study of entrepreneurship among graduates of tertiary education is a research field that attracts the interest of many researchers worldwide (Bevan et al., 1989; Roberts, 1995; Blackburn, 1997; La Valle et al., 1997; Gibb, 1997). These researches focus on the relation between education and entrepreneurship and also on the degree that education can influence the decision of the students

– graduates to start their own entrepreneurial activity. In recent years the interest towards youth entrepreneurship has been increased as it is an important alternative of professional occupation, especially for the graduates of the tertiary education (Brenner et al., 1991; Hart and Harrison, 1992; Fleming, 1994; Kolvereid, 1996). But despite all these, there are few research efforts that focused on the relationship between the entrepreneurial activity of the graduates and the degree of necessary supplies, with which education provides to young, to establish and run their own business and the graduates' opinion about the usefulness of knowledge gained during their studies, is quite interesting. Moreover it is important to study the interval time that intervenes between graduation and companies' start up process and of course in relation with the financial resources that they use for the establishment. Finally our knowledge about the degree of satisfaction among graduates from their entrepreneurial activity is quite limited.

RESEARCH AIM AND QUESTIONS

The aim of the present article is to take a deeper look to the graduates' opinion about the relationship between the tertiary education and their entrepreneurial activity, so the research questions are:

- What is the opinion of the entrepreneur graduates about relationship between their studies and business activity?
- What is the usefulness of the knowledge and skills that the graduates gained during their study period?
- What is the mean time between graduation and entrepreneurial activity start up?
- Which are the funding sources for the enterprise start up?
- What is the degree of satisfaction with the total enterprise development process and profits?

The investigation of the graduates' opinion for the relationship between education and entrepreneurship is a very important issue since it can be a very important source of feedback for the educational systems worldwide targeting to their readjustment.

Following the present article we will display the international literature about the researched subject, the research question that the methodological model will follow, and finally we will present the results of the research and the conclusions.

LITERATURE REVIEW

The start up of the entrepreneurial activity does not take place all of a sudden because the intention preexists to the person who wants to start an enterprise. So, we could support that the entrepreneurial intentions concern the inclination of a person to start an entrepreneurial activity in the future, because the intentions are a step backwards the action (Davidsson, 1995). Other researchers have tried to connect the intention of a person to become entrepreneur with the education level.

All over the world there is a growing interest in the professional choice of the students and graduates, especially in the entrepreneurship (Kolvereid, 1996). The orientation and behaviour of the tertiary education graduates are influenced by a few personal and environmental factors (Lüthje and Franke, 2003). But the empirical research showed that entrepreneurship education creates a positive image for the entrepreneurs and contributes to the choice of entrepreneurship as a professional alternative by graduates and Autio et al. (1997) pointed out the positive effect to the perceptions of students in this choice. Other research projects have proved the importance of the social status of the entrepreneurship (Begley et al., 1997) and the relationship between the

entrepreneurial intention and the number of management courses they have attended (Chen et al., 1998).

A research that was conducted to a sample of 5375 UK students and 10 universities showed that 9,7% of their graduates become entrepreneurs during a period of five (5) years since their graduation. This is a very high rate of entrepreneurial activity if we consider the span of the professional choices that the students can have and that they have a propensity to the dependent employment status (Rosa, 2003). Some of the researchers maintain that the survival rate of the companies established by graduates is higher than the average and in any case higher than the companies established by non-graduates (Storey, 1994). In addition, other studies as regards to the entrepreneurship, demonstrates that the companies established by graduates perform better, compared to the average of the rest of the companies with similar size. (Daly, 1991; CSBRC, 1992). A study among graduates from English universities shows that they generally establish private or micro enterprises, which are based on their knowledge and skills. In addition, the study supports a high correlation between the studied subject and the activities of the established business. Finally, we should not ignore the unemployment factor since a weak correlation ($r=0,35$) has been observed between unemployment and the establishment of new enterprises by the Observatory of European Small-Medium Enterprises. This is probably valid because unemployment induces self-employment and entrepreneurship. (Observatory of European SMEs, 2002). The aim of this paper is to focus on graduates' opinion about entrepreneurship in relation to their studies. In conclusion, we analyze the methodological framework anchoring to which research has been conducted.

RESEARCH METHODOLOGY FRAMEWORK

In order to study the research hypothesis we chose the quantitative approach (Bird et al., 1999) with the use of a constructive questionnaire consisted of eighteen (18) questions, which gather information about the graduates' professional status, their professional path and their subject of activity, the way of raising funds for their company, the relevance level between the subject of their business and their studies, and their satisfaction with managing of their enterprise.

Research population was the total number of graduates of the academic years 1996/1997 and 2000/2001 from every academic department of Technological Education Institute of Larissa and the sample was 250 graduates, men and women. Regarding the sampling method, the method of random quotas was used in order to cover as much as representative sample of the examined population. The quotas of the sample were constructed according to the Department and gender of the graduates. This construction represents the same percentage of the total population, with regard to both the Department and the gender. The sample was decided to be more than 10% in order to be representative. The gathering of the primary data was accomplished with phone interviews, which did not exceed the ten minutes duration. In order to increase the validity and the reliability of the research (Choen & Manion, 1994), a pilot research took place.

RESEARCH RESULTS

- **Professional situation and employment movement**

After the research data processing, it is aroused that the graduates of tertiary education appear to be owners of a private company or to be self-employed, with or without personnel in a percentage of 14,6%. The rest of them are employees (66,4%), unemployed (18,6%) or students (0,4%). Comparing these results with them of GEM it is clear that the percentage is particularly high, as the average in Greece is 5,8% while internationally it is 5,54% (GEM, 2005).

Employee	66,4 %
Unemployed	18,6 %
Employer – Self Employed	14,6 %
Other	0,4 %

With regard to the question, of how long they have been working since their graduation, regardless of their work position, 92% of them answered that they have been employed for more than three years, 5% for less than one year, while 3% of the responders said that they have working for less than three years. Afterwards, the graduates were asked about the number of the working positions they have changed since their graduation and it came out that the answers vary. 41% answered that their today's work is the only one they ever had, while 16% of the total answered that they have changed work place once and 19% stated that they have already worked on two different jobs. A percentage of 11% of the sample responded that they have changed three jobs and 14% more than three.

Until 1 year	5,4%
Until 3 years	2,7%
More than 3 years	91,9%

Non	40,5%
One	16,2%
Two	19,0%
Three	10,8%
More than three	13,5%

- **Economic Aid**

In order to establish their own company, the majority of graduates invested their own funds (53%), while their family supported financially 23% of them. It is noticeable the fact that only 13% of the total answered that they had subsidy from European Community's or national investment programs for promoting the entrepreneurship, or were supported from any other financial institution or banking funds.

Family funding	22,5%
Bank loan	12,5%
National of European projects	12,5%
Own funding	52,5%

- **Studies and entrepreneurship correlation**

Correlating the studied subject with entrepreneurial activity, 43% of the respondents point out positive relation. On the contrary, 44% report that there is a low correlation or there is no correlation at all between subjects of studies with entrepreneur activity. At this point we have to notice that big differences were observed between the academic background of the graduates and the nature of businesses they have started up and this is an issue for further investigation.

Very much	43,2%
A lot	0,0%
Enough	10,8%
A few	21,6%
Not at all	21,6%
Don't Know	2,8%

- **The use of studies in the enterprise operation**

Table 6 below indicates the relation between studies and work. More specifically, it is analysed the opinion of graduates about the knowledge and skills that have been obtained during the undergraduate studies and how these could be useful to the entrepreneurship. It is observed that 24% of the respondents agreed on the usefulness of knowledge during studies to the enterprise operation. On the other hand, 51% of the respondents had the opposite opinion.

Very much	24,3%
A lot	0,0%
Enough	24,3%
A few	27,1%
Not at all	24,3%

- **Enterprise progress satisfaction**

Till now, 46% of the graduate entrepreneurs have been satisfied from the whole picture of their own businesses, but when the question is focused on earnings, this percentage reduces to 40%. Respectively, 14% of the graduates are not pleased with the progress of their own business, while 22% are not happy with their financial performance.

Satisfaction Degree	Enterprise development	Profits
Very much	24,3%	24,3%
A lot	21,6%	16,2%
Enough	40,6%	37,9%
A few	13,5%	18,9%
Not at all	0,0%	2,7%

CONCLUSIONS

This study investigates higher education graduates' opinions on possible relations between entrepreneurship and studies. To find a job as a graduate is a very import issue for every economy while entrepreneurship is seen as a key force for successful economic growth in the next decade.

Particularly, entrepreneurship courses should be provided in all departments of universities, but nowadays, qualified graduates unfortunately can not use the knowledge that they gain in university into their enterprises. However, the results of this study, support that university graduates' start up their own businesses and this can be explained by the high percentage of entrepreneurship among Greeks related to the average of European ones (GEM, 2005). Furthermore, Greek graduates of higher education institutes set up their own businesses without following career as employed.

As it seems from Global Entrepreneurship Monitor (2005) and from our research, graduates startup a business based on family resources or on their own funding and they don't use banking loans or community funding. Moreover, with regard to the affinity of object of study of the entrepreneurial activity, it appears that the answers of graduates are not homogeneous, while they are differentiated, depending on the faculty of graduation. But when the question comes to the usefulness of studies to their enterprise, the answer is negative. Concerning the last research question, the graduate entrepreneur is satisfied with the progress of his/her enterprise and the positive attitude is in pace with the high expectations of young entrepreneurs in Greece and worldwide (GEM, 2005).

Consequently, the graduates of higher education worldwide are associated with high rates of self employment and this leads us to the conclusion that education could positively assist toward this direction. However, it is important to investigate further the same data worldwide since most researches taken place on a local level have limited value. In other words graduate entrepreneurship in tertiary education should be approached in a more holistic way (Keeble and Walker, 1994). Moreover, it is significant to use other research methods with qualitative approaches because this could help us to better realize the obstacles of the graduate's entrepreneurship.

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STRATEGIC PLANNING AND SME SUCCESS: EMPIRICAL EVIDENCE FROM THAILAND

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ABSTRACT

The role of small and medium enterprises (SMEs) is becoming increasingly prominent throughout the world. Thailand is no exception. SMEs in Thailand represent over 90 percent of the total number of entrepreneurs in nearly all business sectors, and employ over 60 percent of the labor force. However, many SMEs fail each year. Given the significance of SMEs to the Thai economy and the fact that no study has yet examined strategic planning in the SME sector, this study seeks to investigate the linkage between strategic planning and growth of SMEs in Thailand. The primary objective is to determine whether or not there is a relationship between the use of strategic planning by SMEs and their growth. In addition, this research seeks to explore the factors that influence SME decision makers to use strategic planning. The findings indicate that the level of strategic planning is positively associated with the growth of the SME. This conclusion is very significant for SMEs because it shows them the usefulness and benefits of practicing strategic planning. Furthermore, the results reveal that certain demographic factors, such as age and education level, are significantly and positively related to the decision to use strategic planning. However, neither the gender of the SME decision maker nor the age of the SME business is related to the decision to use strategic planning.

Keywords: SME; Strategic Planning; Growth; Thailand

DEVELOPING AN AGENDA FOR CLOSELY HELD BUSINESS: ALIGNING PRACTITIONER AND ACADEMIC INTERESTS

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ABSTRACT

Closely held or family businesses make up the majority of business enterprises and provide most of the employment in the United States. Universities recognize the impact of such enterprises on society and undertake initiatives to serve these important organizations. One popular approach is the 'Center for Closely Held Business'. Unfortunately the needs and approaches of the university community do not always align with those of business owners and managers. In order to close this gap, we surveyed the closely held business community to determine the topics and delivery methods they preferred. In this paper we present and examine the survey results and develop complementary agendas for practitioner development and academic research.

INTRODUCTION

Universities frequently support the business community through outreach efforts such as the 'Center for Closely Held Business' (CCHB). As a university with a newly formed CCHB, we realized that for us to be successful we needed to align the needs and approaches of the university community with those of business owners and managers. In order to close this gap, we reviewed the activities of successful centers and surveyed the closely held business community to determine the topics and delivery methods they preferred.

In this paper we will first look at the impact of closely held businesses and the efforts of the government and universities to support them. Next we will briefly review the emerging literature. This will be followed by the main contribution of the paper, an explanation of an approach to designing coordinated academic research and practitioner program agendas for a developing CCHB.

CLOSELY HELD, FAMILY AND SMALL BUSINESS

In 2000, family businesses where the family defines the strategic direction and the family participates in the business made up 24.2 million businesses employing 62% of the US workforce (82 million individuals). These family businesses filed 89% of the business tax returns and accounted for 64% of the GDP (\$5.9 Trillion) (Astrachan & Shanker, 2003).

Universities and governmental agencies have many initiatives that serve the special concerns of small, entrepreneurial, family and closely held businesses. These categories are separate, but not mutually exclusive, therefore difficulties arise regarding the specific constituency or population being served. The current trend is for the government and universities with government support concentrating on small business. The Small Business Administration and university run Small Business Development Centers are examples of such efforts. University run programs not associated with the government have concentrated on entrepreneurial efforts and family business.

One trend is to move away from the notion of family business and use a somewhat broader concept of closely held businesses, and form Centers for Closely Held Business. This change reflects the reality of the form and control of the businesses. Many 'family' businesses are in reality or in transition becoming closely held businesses. Family and closely held businesses have the same concerns, therefore it makes sense that universities have shifted towards the broader definition. In the rest of this paper the terms will be used interchangeably.

CLOSELY HELD AND FAMILY BUSINESS RESEARCH

There is increasing research in the field of closely held business (Sharma, 2004; Zahra, Sharma, 2004), however it is fragmented. Some researchers have looked at practical problems faced by the businesses. Building the value of the firm (Leitner, 2006), determining the value of the firm (Burkett, 2003; Sheeler 2004) and determining the value of human capital (Barber & Manger, 1997) are of interest to practitioners. Other issues of interest which have received some research attention are transitions, exit strategies and succession planning (ie. Bilderback, 2006; Bowen, 2003; Brockhaus, 2004; Venter, Boshoff & Maas, 2005; Lambrecht, 2005; Vera & Dean, 2005; Wright 1997). Other issues of interest to practitioners that have been addressed are the changing roles of boards of directors and planning boards (Blumentritt, 2006; Teksten, Moser & Elbert, 2005), dependence on a single decision maker (Feltham, Feltham, & Barnett, 2005), team building (Cantzler, & Leijon, 2005) and using the balanced scorecard approach (Craig, 2005).

Reviews of the academic closely held business literature have concentrated on development of theory within the academic field. Those that propose the development of theory generally advocate a thoughtful direction of the field based on incorporation of theory from outside the area and exporting of theories and findings to other academic areas (Sharma, 2004; Zahra, Sharma, 2004). This approach, while it may eventually be of practical value to practitioner, lacks the immediate impact that such research can and should provide. Closely held businesses are frequently on the cutting edge of societal forces and the proposed approach might leave practitioners with advice that is always behind the current trends.

Commentary on university centers concentrate on alignment of centers with the university mission. Of primary concern are why should the university have the center, where should it be located and who should head the program (McCann 2003). Although these are important considerations, in our opinion they still miss a very important element – the alignment of center and university research activities with the practitioner needs and interests. The rest of this paper describes an effort to achieve such an alignment.

DESIGNING A JOINT AGENDA

The Center for Closely Held Business at William Paterson University was founded in September of 2005 by and for successful closely held and family business leaders. The CCHB is dedicated to the success of family and closely held businesses in the region. The CCHB has a 20-member Advisory Board, 7-member Executive Committee and 3 Committees: Programming, Promotion & Raising Funds, and Resource and Knowledge.

CONCERNS AND PREFERENCES OF PRACTITIONERS

The initial primary activity of the CCHB was to develop a series of practical events targeted towards closely held businesses. The plan was to run four events per year in lecture, round-table discussion, and/or workshop formats. In order to ascertain the interests and preferences of our CCHB members, we conducted a survey. We were particularly interested in the topics that the closely held business leaders wanted addressed and what types of presentation formats they

preferred. We distributed the survey to owners and high ranking executives of closely held businesses at three events held over a 10 month period and collected a total of 99 completed surveys. The businesses ranged from between \$100,000 to \$500,000 (2.5%) to over \$50 million (8.6%) in sales. The respondents represented a very wide varied of businesses - professional services, retail, manufacturing, distribution, and so on.

The executives were asked how interested they were in 21 topics gathered from the literature and research into what program topics were being offered by other closely held, family owned and/or small business initiatives. The results are shown in Table 1. The executives were also asked their preferences regarding program format. The preferred program formats are found in Table 2.

How interested are you in the following topics?	Mean*
Employee motivation, productivity and evaluation	3.07
Marketing, advertising and media strategies	2.96
Selling techniques	2.91
Recruiting, interviewing, hiring and retaining highly qualified employees	2.88
Customer relationship management	2.80
Business and succession planning	2.77
Intergenerational communications in family & closely held businesses	2.74
Advisory boards / Boards of Directors	2.71
Managing cash flow and finding sources of financing	2.68
*1 Not Interested, 2 Somewhat Interested, 3 Very Interested, 4 Extremely Interested	

The five topics that the executives were most interested in having addressed fell into two broad categories, employee oriented topics - motivation, productivity, evaluation, recruitment and retention, or marketing oriented topics - marketing, advertising, media strategies, selling and customer relationship management. These topic areas are not unique or particular to closely held businesses, however the specific issues and contingencies within these topics areas make them of great interest. Several topics that are typical of the offerings of other centers also were of interest to the survey respondents, specifically succession planning, intergenerational issues, advisory boards and finance. Interestingly, manufacturing overseas, how to sell your products internationally and ISO certification did not generate much interest. This is of note because our center is in an area with major transportation links and located near a major port.

Which program formats or activities would you prefer?	Mean*
Lecture by expert	3.13
Real-world case study discussion	2.91
Networking events with family & closely held businesses	2.86
Benchmarking Best Practices with local businesses	2.81
Hands-on workshop for skill development	2.80

Facilitated peer discussion group	2.69
Tours of successful businesses	2.55
Receiving one-on-one mentoring	2.44
Giving one-on-one mentoring	2.18
* 1 Will Not Participate, 2 May Participate, 3 Probably Participate, 4 Definitely Participate	

Lecture by experts followed by real life case studies were the most preferred program format alternatives. These formats stress the practical orientation of the participants. One-on-one mentoring and plant tours did not generate much interest. Participants in center events found the interaction with other executives to be very valuable, therefore it is not surprising that they did not desire one-on-one formats or plant tours.

The results of these surveys have been and are being used to plan programs, develop case studies and benchmark best practices. Specifically the topics reflect the interests revealed in the survey and the formats that participants preferred. For example the recruitment/retention, building high performance, CRM & sales, and succession planning events address five of the top six topics in our survey. The formats are primarily expert lectures and case studies with facilitated interactive discussions and exercises.

Past and Planned Events

- ◆ “What Every Family Business Needs to Know for Success: Practical Strategies for Family Businesses”
- ◆ “Survive and Thrive: Succession Planning,
- ◆ “Need for Allignment”
- ◆ “Getting the Right People on the Bus: How to Recruit and Retain Qualified Employees”
- ◆ “Build High Performance with Strategic Planning”
- ◆ Mayors’ Summit
- ◆ CRM & Sales Techniques
- ◆ High Profile Speaker
- ◆ Retail Industry Insights

In addition, as a result of the survey, several outreach and academic goals were established:

Outreach Goals

- ◆ Grow the Center to reach 100 regularly participating firms.
- ◆ Establish a mentoring program where family business leaders provide one-on-one mentoring for new family businesses.
- ◆ Establish a student internship program, leveraging the structure and resources of the College

Academic Goals

- ◆ Create new courses in Family Business and Entrepreneurship
- ◆ Development of a certificate program within the Cotsakos College in Family Businesses and Entrepreneurship- then Major
- ◆ Fund Cotsakos College faculty members’ case studies of family business issues and research into family business best practices

CONCLUSIONS

Closely held businesses are an integral part of our economic landscape and university closely held business centers are a way that owners and operators of such businesses can address issues critical to their business success. The key to the success of such centers is aligning the university's outreach and academic efforts with the specific interests of the closely held business community that is being served.

In this paper we outlined the efforts of one relatively new CCHB to align their efforts with the business community. The alignment efforts have two critical objectives, to provide programs of interest to and in a form preferred by the business community and to direct and conduct research that can be used by closely held business community. The advisory board, executive committee and committees worked with the faculty coordinator and utilized analysis of the activities of successful centers and surveys of the centers constituent base to plan practitioner programs and academic research agendas.

The research faculty will support the programs by performing case studies and identifying best practices in the areas of interest to the CCHB community. In addition to the topic areas identified by the surveys, several strategic long term topics were established to differentiate the center and expand the base of knowledge in newly emerging areas. Specifically, research will be conducted on disruptive technologies and its impacts on CHB, and successful green companies. With these carefully chosen new topic areas and programs and research agendas designed to meet the interests of the business, we are certain that as our CCHB grows it will be able to meet the needs of the closely held business community.

REFERENCES

(available on request)

A CASE STUDY ON CREATING A UNIVERSITY-PBS TELEVISION ENTREPRENEURSHIP SERIES: OPPORTUNITIES FOR ENTREPRENEURSHIP EDUCATORS AND ADVISORS

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ABSTRACT

An explanatory process is given on planning, creating, producing and hosting a local half-hour weekly Public Broadcasting Station (PBS) television show on fostering entrepreneurship and encouraging an entrepreneurial mindset. Since the ongoing series spans a fourteen-year period, the article offers an overview, brief background of the show, issues in planning the series, mistakes, benefits, and a roadmap in creating similar television programs. The process and experiences have worthwhile implications and opportunities for university administrators, entrepreneurship professors, Directors of Small Business Development Centers, Small Business Institutes, and Entrepreneurship Centers. Most notably, it may be reasonable for academic entrepreneurs to duplicate a similar business outreach venture in one's own sphere of influence.

