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PREFACE

Prof. Dr. Ichiro Shiobara

Guest Editor

Special Issue on "Entrepreneurship Around The World"

It gives me an immense pleasure to place this special issue of the JOURNAL OF INTERNATIONAL BUSINESS & ENTREPRENEURSHIP into the hands of our esteemed readers. I am grateful to the leadership of the JIBE for providing me this enriching opportunity of acting as a guest editor for this special issue devoted to "ENTREPRENEURSHIP AROUND THE WORLD". I am pretty sure that the readers will find lot of food for thought in the articles that have been carefully selected for this special issue, after a thorough peer reviewing process. I decided to be very selective in accepting articles based on the recommendations of the reviewers, as I intended to provide quality articles representing divergent perspectives on different dimensions of entrepreneurship around the world . It could be possible for me to carry it out only with the help of the colleagues, associates and peers from different parts of the world. I would especially like to record a deep sense of appreciation for the help and support that I got from Professor Dr. Zafar U. Ahmed at all stages of the editing process. My sincere thanks are due to my peers who willingly agreed to act as reviewers.

Most of the books, articles, and research studies in the area of entrepreneurship around the world are confined to the scholarly analysis of the entrepreneurial process, of the traits and characteristics of successful entrepreneurs, guidance on business plans, raising capital, financial projections, venture capital, legal and tax matters, etc. There is another category of scholars and researchers who, out of their excitement, end up confining the discipline of entrepreneurship to motivation and leadership styles, traits, and theories. I don't see a problem either with them or even with those who are churning out literature on "History of Entrepreneurs". But, I hold and support the view that there is a need of concerted efforts on the part of the scholars in the area to examine the multi-dimensional issues of entrepreneurship development from divergent perspectives in order to provide an integrated picture of the discipline rather than

casting reflections, projecting stray thoughts, and coming out with their isolated views, without taking cognizance of strategic implications of entrepreneurial issues.

The success story of Silicon Valley in the United States reveals how universities, governmental agencies, venture capitalists, head hunters and entrepreneurs have joined hands together to create a “unique habitat”, an envy of the globe, that offers an environment fostering the development of new ventures, new industries, new business cultures, and unparalleled growth. It calls for an examination of strategic issues as to how everyone has responded to internal as well as external opportunities and threats.

It is high time for breaking the ground in the area of entrepreneurship research, as there is a great need for a profound research base in order to provide support to the budding entrepreneurs when they strive to enter into business internationally, and to the successful entrepreneurs as they explore virgin and untapped markets. We need research studies to cover the sophisticated topics such as navigating the world of venture capital funding and turning technological innovations into successful market realities, and also at the time to address the political, legal, social, psychological, cultural, and economic dimensions of entrepreneurship problems pertaining to marketing, production & operations, research & development, human resources and finance.

I wish and hope that our business schools and our scholars will respond to the needs of our times, and will play a proactive role in creating an entrepreneurial culture across the globe, for the welfare of the mankind.

ENTREPRENEURIAL SUCCESS, GENDER AND LEADERSHIP BEHAVIOR

Mahfooz A. Ansari
Rehana Aafaqi
Sharmila Jayasingam

Abstract

We examined the effects of entrepreneurial success, entrepreneur gender, and respondent gender on entrepreneurial leadership behavior, in a $2 \times 2 \times 2$ between-subjects factorial design, with two levels of entrepreneurial success (most successful/least successful), two levels of entrepreneur gender (male/female), and two levels of respondent gender (male/female). The first factor (i.e., entrepreneurial success) was manipulated by using a scenario. We randomly assigned the 305 managers—representing diverse manufacturing organizations—to one of the two versions of the scenario: most successful ($n = 157$) or least successful ($n = 148$). A varimax rotated principal components analysis revealed three significant, independent dimensions of leadership behavior: supportive-taskmaster, autocratic, and participative. The preliminary analysis clearly indicated the success of experimental manipulation. We tested our main hypothesis in a 3-way ANOVA. Results disclosed that, relative to the least successful entrepreneurs, the most successful ones received significantly higher ratings on supportive-taskmaster and participative leadership behavior but lower on autocratic behavior. Some significant interactions were also observed. Implications of the findings for those entrepreneurs in small business and in large corporations are discussed and directions for future research are suggested.

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INTRODUCTION

Since entrepreneurship is considered the driving force behind economic growth, increasing numbers of students are choosing to become entrepreneurs (Zimmerer & Scarborough, 1998). The misconception that entrepreneurial activities are limited only to small business enterprises has begun to erode. Entrepreneurial activities are now expanding their horizons to international levels (Stevenson, Roberts, & Grousbeck, 1985). In other words, entrepreneurs are no longer restricted to small business. In recent years, international interest in new venture creation has grown exponentially (Dollinger, 1999), largely because of the fact that to survive dynamic industry environments, companies must employ corporate entrepreneurship (Drucker, 1985; Echols & Neck, 1998). Corporate entrepreneurship (or intrapreneurship) has been considered one of the managerial roles and functions (Chandler, 1994; Mintzberg, 1973) that include internal innovation and venturing within an established organization. It is, therefore, essential for ensuring survival by renewing the key ideas on which they are built (Zahra, 1996).

Two schools of thought prevail concerning successful entrepreneurship (in small businesses or in large companies)—one is based on the trait model and the other is based on contingency thinking (Littunen, 2000). The trait model focuses on identifying the stable trait dimensions of successful entrepreneurs. The other—based on the contingency formulation—focuses on the interaction between the personal characteristics of the entrepreneur and those of the external environment. The earliest work in the field focused on the identification of entrepreneurial attributes that distinguished entrepreneurs from non-entrepreneurs (Brockhaus, 1982; Naffziger, Hornsby, & Kuratko, 1994). McClelland (1961, 1965) is undoubtedly the often quoted, best-known psychologist who provided a much clearer understanding of the characteristics associated with successful entrepreneurs. His primary emphasis was on the need for achievement, elaborating its innermost role in entrepreneurial behavior. He provided sufficient data in support of his hypothesis that an individual with a high achievement drive will be attracted to the business world because the existing situation will complement his achievement orientation in terms of risks, personal achievement, and unambiguous (concrete) feedback in the form of profits and specific accomplishments. Since then, a host of studies centered on testing McClelland's

hypothesis. Almost all of these studies reported a strong positive relationship between the need for achievement and successful entrepreneurship (Collins, Moore, & Darab, 1964; Hornaday & Aboud, 1971; Javillionar, 1973; Pareek, 1968; Schrage, 1965). Further researches revealed the salience of need for power factor—a factor that is defined as desire to be powerful (McClelland & Bernham, 1976) or striving to be powerful (Winter, 1973). Successful entrepreneurs were found to possess low-to-moderate need for power (McClelland & Burham, 1976; Nandy, 1973).

Innovativeness, flexibility, creativity, and high need for achievement are but a few traits that are identified to be common among entrepreneurs (Carland, Hoy, Boulton, & Carland, 1984; McClelland, 1961, 1965). However, possessing these traits is no guarantee to success (Stevenson *et al.*, 1985). In other words, mere possession of entrepreneurial traits that are common among entrepreneurs is not sufficient to determine their success as entrepreneurs. There could be some other underlying factors that may be vital ones. That is, a total profile of an entrepreneur seems to be lacking. Leadership is certainly one area about which little is known.

The present study is an attempt to bridge the gap between entrepreneurial success and leadership areas. It is evident that entrepreneurs are largely involved in persuading and changing the minds of others in order to accomplish their goals. Once entrepreneurs have formulated their ideas, they must sell their ideas and convince others about it. Furthermore, they need to manage internal and external relationships with potential supporters such as employees and financiers by explaining the desirability of their innovation. Leadership styles are such factors that are hypothesized to be critical in entrepreneurial success. Unfortunately, little is known about leadership dimension of successful men and women entrepreneurship. Thus the prime objective of the present study is to examine the extent to which most successful and least successful entrepreneurs differ in terms of their leadership behavior. We employed three leadership dimensions: nurturant-task, autocratic, and participative. The nurturant-task style - conceptualized as a task-and-efficiency-oriented leadership with a blend of nurturance - was developed as a contingency model to fit the Indian subordinates. Indian subordinates are characterized with strong preference for status differential (large power distance); they want to depend excessively on their superiors, with whom they want to cultivate personalized rather than contractual work relationships. The

effectiveness of this model has been reported in a number of experimental as well as survey studies (see such reviews as those of Ansari, 1990, Bhal & Ansari, 2000; Sinha, 1980, 1994). A review of the literature (e.g., see such works as those of Abdullah, 1994; Hofstede, 1994) indicates that the Malaysian workforce carries very similar work values as those found in the Indian setting. In view of this similarity between the two cultures—Malaysian and Indian—it is hypothesized that **successful entrepreneurs receive significantly higher ratings on nurturant-task and participative leadership behavior and lower on autocratic behavior than their unsuccessful counterparts.**

The second objective of the study is to examine the link between gender differences and entrepreneurial success. Past research has found essentially no significant difference between men and women entrepreneurs in term of personality traits. Cromie (1987) compared men and women business owners on characteristics such as achievement motivation, locus of control, primacy of business, trust, independence, planning, and achievement values. In each comparison, there was no noteworthy difference between the two sexes. Although women have been found to be similar to men in many qualities, stereotypes about their belief and perceptions indicated that they were perceived to be lacking the characteristics needed for successful entrepreneurship (Buttner & Rosen, 1988). In general, they have been rated less influential than men (Burke, Rothstein, & Bristor, 1995). The leadership research (see such meta-analyses as those of Eagly & Johnson, 1990; Eagly, Karau, & Makhijani, 1995) is equivocal on gender issue: evidence has been accumulated for both the presence and the absence of gender effect. In view of this, a bi-directional hypothesis is offered: **men and women entrepreneurs receive significantly different ratings on leadership behaviors. Similarly, men and women managers are significantly different in terms of rating entrepreneurs on leadership behaviors.** Considering the relative paucity of research on this topic, we make no prediction about interaction effects.

RESEARCH METHODOLOGY

Research Site and Sample

Three hundred five managers, randomly selected from the manufacturing organizations in the two northern States of Malaysia, voluntarily participated in the study. Majority (78%) of them represented multinational companies, were mostly in the age range of 25 to 44 years ($M = 33.90$; $SD = 7.64$), and over half of them were male (58%). Most (90%) of the participants had worked in the entrepreneurial environment. On an average, they personally knew about 8 entrepreneurs but worked with about 4 of them in their career—with 67% endorsing that they had worked with the person (most/least successful entrepreneur) in question for about 4 years. The described typical entrepreneurs ranged in age between 35 and 50 years ($M = 42.39$, $SD = 7.30$), with majority of them in the male category (77%). A detailed demographic account can be looked up in Table 1.

Design and Procedure

The study was a $2 \times 2 \times 2$ between-subjects factorial, with two levels of entrepreneurial success (most successful/least successful), two levels of entrepreneur gender (male/female), and two levels of participant gender (male/female). The first factor (i.e., entrepreneurial success) was manipulated by asking the participants to read a two-paragraph scenario and then to respond to the dependent measures and manipulation check items. We randomly assigned the participants to either of the two versions of the scenario—most successful ($n = 157$) or least successful ($n = 148$). We assured them of complete anonymity of individual responses. The two groups of respondents were not significantly ($p > .05$) different in terms of demographic variables.

Experimental Manipulation

The first paragraph of the scenario contained the purpose of the study and a definition of an entrepreneur that was based on the various definitions available in the past literature (Carland, Boulton, & Carland, 1984; Schollhammer & Kuriloff, 1989). An entrepreneur was described as “someone who perceives an opportunity and creates a

Table 1 : Frequency Count and Percentage Distribution of Respondents

Demographics	<u>N</u>	Percentage
<u>Participants' Gender</u>		
Male	177	58.0
Female	122	40.0
<u>Participants' Age (years)</u>		
29 or less	107	35.1
30 – 39	118	38.7
40 – 49	52	17.1
50 or more	19	6.3
<u>Participants' Company</u>		
Multinational	238	78.0
Local	66	21.6
<u>Participants Working in the Entrepreneurial Environment</u>		
Strongly disagree	2	.7
Disagree	11	3.6
Neutral	92	30.2
Agree	182	59.7
Strongly agree	9	3.0
<u>No. of Entrepreneurs Known to Participants</u>		
10 or less	255	83.5
11 or more	36	11.7
<u>No. of Entrepreneurs Participants Worked with</u>		
2 or less	169	55.5
3	40	13.1
4	36	11.8
5 or more	58	17.9
<u>Participants Worked with the Entrepreneur in Question</u>		
Yes	203	66.6
No	99	32.5
<u>No. of Years with the Entrepreneur in Question</u>		
1	20	6.6
2	66	21.6
3	47	15.4
4 or more	139	45.6
<u>Entrepreneur's Gender</u>		
Male	235	77.0
Female	58	19.8
<u>Entrepreneurs' Age (in years)</u>		
29 or less	11	3.5
30 – 39	69	22.6
40 – 49	141	46.3
50 or more	59	19.4

Note: Because of missing responses, N and percentage do not add up to 305 and 100, respectively.

venture to pursue it with the principal purpose of profit and growth. An entrepreneur is characterized principally by traits such as high need for achievement, a desire to be involved in innovative activities, high level of energy, and a willingness to assume personal responsibility for making events occur in preferred ways.”

Following the description (definition) of an entrepreneur, the second paragraph required the participants to recall all the entrepreneurs whom they had ever worked with, or exposed to, or familiar with, and then to think of an entrepreneur, who in their judgment was the most successful (or least successful). Thereafter, they were asked to describe that person in mind.

Dependent Measures

Thirty pre-tested single-statement items (Ansari, 1990; Bhal & Ansari, 2000; Sinha, 1994) were employed to measure the leadership behavior of the entrepreneurs. The scale consisted of three dimensions—autocratic, nurturant-task, and participative—each containing 10 items. The respondents were asked to indicate on a 5-point scale (1 = strongly disagree; 5 = strongly agree) their degree of agreement or disagreement with each item in describing the entrepreneur in mind.

A partial test of the construct validity of the scales employed a varimax-rotated principal components analysis. Table 2 reports the factor structure and factor loadings obtained. The analysis generated three interpretable factors, meeting the criteria of eigenvalue greater than 1.0 and factor loadings greater than .50. The three factors together explained a total of 60.48% of the variance. As is evident, for the most part, the items loaded rather cleanly. The first factor that consisted of 13 items was renamed “supportive-taskmaster.” The second factor—autocratic—appeared as expected. The third factor—“participative”—was the weakest one (5.24% of the variance), with only two items. In order to obtain mean factor scores, item responses were summed up for each respondent divided by the number of items.

We assessed the internal consistency of the sub-scales with Cronbach’s coefficient alpha. Descriptive statistics, reliability coefficients, and intercorrelations among the factors are presented in Table 3. The reliabilities of the three leadership sub-scales

**Table 2 : Factor Structure and Factor Loadings Obtained
- Leadership Behavior Measures**

Items	I	Factors II	III
I. <u>Supportive-Taskmaster Style</u>			
01. often consults his/her workers	<u>75</u>	-25	24
02. takes personal interest in the promotion of those	<u>79</u>	-15	15
04. lets his/her workers solve problems jointly	<u>76</u>	-17	20
05. gladly guides and directs those workers who work hard	<u>87</u>	-11	07
08. encourages his/her workers to assume greater responsibility on the job	<u>83</u>	-15	13
13. goes by the joint decisions of his/her group	<u>70</u>	-12	27
14. openly favors those who work hard	<u>66</u>	-03	14
16. feels concerned about the feelings of his/her workers	<u>72</u>	-17	14
17. appreciates those workers who want to perform better	<u>89</u>	-08	14
19. allows free and frank discussions whenever a situation arises	<u>79</u>	-18	21
20. is very affectionate to hardworking workers	<u>74</u>	-04	25
23. goes out of his/her way to help those workers who maintain a high standard of performance	<u>81</u>	-08	22
29. feels good when he/she finds his/her workers eager to learn	<u>76</u>	-09	14
II. <u>Autocratic Style</u>			
06. behaves as if power and prestige are necessary for getting compliance from his/her workers	-27	<u>70</u>	04
12. is always confident of being right in making decisions	-02	<u>55</u>	12
15. keeps an eye on what his/her workers do	28	<u>68</u>	-19
21. does not tolerate any interference from his/her workers	-31	<u>67</u>	-19
24. believes that if he/she is not always alert there are many people who may pull him/her down	05	<u>75</u>	-20
27. demands his/her workers to do what he/she wants them to do	-20	<u>74</u>	-06
III. <u>Participative Style</u>			
22. often takes tea/coffee with his/her workers	21	-04	<u>83</u>
28. is informal with his/her workers	34	-14	<u>69</u>
Eigenvalue	13.08	3.49	1.57
Percentage of Variance	43.62	11.63	5.24

Note: N = 305; Decimal points in factor loadings are omitted; Underlined loadings indicate the inclusion of that item in the factor.

Table 3: Descriptive Statistics, Coefficients Alpha and Intercorrelations of Leadership Behavior

Tactics	<u>M</u>	<u>SD</u>	1	2	3
1. Supportive-Taskmaster	3.16	.81	.96**		
2. Autocratic	3.33	.72	-.31**	.81**	
3. Participative	2.66	.84	.51	-.27**	.69**

Note : $N = 353$; ** $p < .01$; Diagonal entries indicate Cronbach's coefficients alpha.

Table 4: Means and Standard Deviation on Leadership Behavior

Leadership Behavior	Least Successful (E)				Most Successful (E)			
	Male(E)		Female(E)		Male(E)		Female(E)	
	Male	Female	Male	Female	Male	Female	Male	Female
	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)
ST								
<u>M</u>	2.48	2.30	2.48	2.35	2.35	3.76	3.54	3.84
<u>SD</u>	0.53	0.61	0.41	0.44	0.44	0.34	0.51	0.52
<u>n</u>	61	40	12	22	22	41	8	14
F								
<u>M</u>	3.40	3.58	3.75	3.77	3.77	3.17	3.56	2.63
<u>SD</u>	0.60	0.47	0.51	0.66	0.66	0.79	0.66	0.51
<u>n</u>	61	42	12	23	23	40	8	14
P								
<u>M</u>	2.49	2.36	2.33	1.98	1.98	2.68	2.56	2.96
<u>SD</u>	0.69	0.74	0.62	0.79	0.79	0.90	1.45	0.80
<u>n</u>	61	42	12	23	23	42	8	14

Note: E = Entrepreneurs; S = Participating subjects; ST = Supportive-taskmaster; F = Autocratic; P = Participative.

were within the acceptable range. The three factors were found to be as inter-related as one would expect on theoretical grounds. From Table 3 it can also be inferred that the three factors were only weakly correlated, indicating a reasonable level of scale independence.

RESULTS

Check on Experimental Manipulation

Built into the stimulus material were 5 achievement motivation items. These items were taken from Steers and Braunstein's (1976) Manifest Need Questionnaire (coefficient alpha = .93; \bar{M} = 3.27; \underline{SD} = .95). This was the critical perceptual manipulation. In fact, the study's internal validity relies upon how precisely the respondents thought about the most successful or least successful entrepreneur when responding to the dependent measure items. A 3-way ANOVA clearly discovered that the most successful entrepreneurs (\bar{M} = 3.99; \underline{SD} = 0.49) were rated to be significantly higher, $F(1,280) = 243.90$, $p < .001$, on achievement motivation than the least successful (\bar{M} = 2.49; \underline{SD} = .67) ones—suggesting that our experimental manipulation was successful. Other effects, main or interaction, did not reach their significance level.

Hypothesis Testing

Descriptive statistics (means and standard deviations) on leadership behavior as a function of entrepreneur success, entrepreneur gender, and respondent gender are displayed in Table 4. The analysis readily disclosed that the most successful entrepreneurs were rated significantly higher than the least successful entrepreneurs on supportive-taskmaster, $F(1, 274) = 283.43$, $p, .001$, and participative, $F(1, 280) = 18.30$, $p < .001$, leadership behavior but lower on autocratic behavior, $F(1,278) = 20.88$, $p < .001$. Of interest was a significant success x respondent gender interaction for supportive taskmaster leadership behavior, $F(1, 274) = 4.32$, $p < .04$. The analysis indicated that male respondents rated the most successful entrepreneurs significantly higher on supportive-taskmaster behavior than the female respondents. But the two groups of respondents were not significantly different in rating the least successful

entrepreneurs. Additionally, two 2-way interactions (success x respondent gender and respondent gender x entrepreneur gender) were apparent for autocratic behavior. The first interaction, $F(1,278) = 6.91, p < .01$, indicated that male respondents rated the most successful entrepreneurs significantly higher on autocratic behavior than did female respondents. But, in the case of least successful entrepreneurs, the ratings were not significantly different. The other interesting interaction, $F(1,278) = 6.47, p < .01$, disclosed that female respondents rated the female entrepreneurs significantly more autocratic than the male entrepreneurs, whereas the opposite was true in the case of male respondents.

DISCUSSION

Our factor analysis results suggest that the two leadership styles—autocratic and supportive-taskmaster—are clearly evident in the Malaysian context. The third style—participative leadership—did emerge in the analysis but it was the weakest factor, composed of just two items. Thus results on participative style should be viewed with caution. It should, however, be noted that supportive-taskmaster style already contained a mixture of original nurturant-task and participative leadership items. Probably, this is why, the supportive-taskmaster correlated at .51 with the third derived factor, participative.

Our main hypothesis receives full substantial support from the data that the most successful and the least successful entrepreneurs differ significantly in terms of their use of leadership styles. As predicted, the successful ones are reported to rely more often on the use of supportive-taskmaster and participative styles and less often on autocratic styles. However, as is evident, our analysis is based on respondents' perception of the entrepreneurs' use of leadership style. We analyzed our data based on critical incident methodology. Although this technique is useful in collecting such data, future researchers should employ entrepreneurs as respondents to capture their leadership behavior, and then relate their leadership behavior to the subjective or objective criterion measures of success. Future research should also focus on actual bases of power and tactics used by successful entrepreneurs. This information might be quite relevant to designing entrepreneurial training programs.

Although no prediction was made, a few interactions did emerge in the study. On the whole, male respondents rated the most successful entrepreneurs significantly higher on supportive-taskmaster and autocratic styles than the female respondents. While the two groups of respondents (males and females) did not differ significantly in rating the least successful entrepreneurs on supportive-taskmaster behavior, they did differ reliably on rating autocratic behavior. Interestingly, female respondents rated the female entrepreneurs significantly higher on autocratic behavior, but the opposite was the ratings assigned by male respondents. In view of the uneven distribution of the entrepreneur gender in the study (see Table 1), the findings concerning gender effects (of entrepreneur and respondents) are not easy to interpret. Our respondents readily recalled and thought of men as entrepreneurs (almost 77%). Subsequent analysis suggested that only 22 women (about 7%) were thought of as successful entrepreneur. Thus, future studies should be conducted with even distribution of male and female entrepreneurs to examine the role of gender differences in entrepreneurial leadership.

Overall, the present research has some obvious implications. Our findings are not meant only for entrepreneurs in small business, nor is it only meant for entrepreneurs in big businesses. Instead, they are meant for all those who fit in the definition of an entrepreneur. Thus those managers who want to succeed in their venturing must cultivate supportive-taskmaster style that is very conducive to socio-cultural values of the Malaysian context. However, a note of caution is in order: Autocratic style will be detrimental to any successful ventures.

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