

Veränderte Werte und ihr Einfluss auf KMU
Changing values and their impact on SMEs

Do corrupt practices affect the development of SMEs ? An exploratory study

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Introduction

The extent and detrimental effects of corruption are well documented and discussed in the literature. For example, the U.S. Agency for International Development indicates that studies conducted during the previous ten years showed clearly both the short- and long-term costs associated with corruption. For example, a survey of 49 countries revealed that the cost of capital tended to be higher where corruption was more prevalent. Also, according to the International Monetary Fund (IMF), countries with high corruption achieved aggregate investment levels that were almost five percent lower than the others. Their studies contend that corruption “results in a general waste of resources, ineffective government, and a loss of tax revenue (International treaty to criminalize bribery, 1998, p.1).” The same article also reports studies by the U.S. Commerce Department, which conclude 80 per cent of international deals are won by foreign firms that offer bribes. Because some countries offer tax deductions for the bribes paid by their businesses, U.S.-based firms that must adhere to the Foreign Corrupt Policies Act suffer a competitive disadvantage in the global marketplace.

Wilhelm (2002) reports that the U.S. Department of Commerce estimates that \$80 billion was paid to officials in other countries by foreign firms between 1995 and 1998 and that corruption acts as a barrier to development and economic growth. Furthermore, he references a KMPG Peat Marwick survey that found that most of the respondents believed that global fraud would increase in the future. This survey covered almost 4000 firms in 18 different countries. Reasons cited for this prediction included: deteriorating economic conditions, declining societal values, and increased opportunity related to technologies such as the Internet and international wire transfers. Recent events involving Enron, WorldCom and other large firms in the United States would tend to confirm this prediction.

Habib and Zurawicki (2002) looking at 89 countries in an IMF database found that corruption was a serious obstacle to foreign direct investment. They cite a study by Gupta, Davoodi and Alonso-Terme (1998) that demonstrated the ways in which corruption adversely impacted economic development and led to greater poverty for the inhabitants of the corrupt nation. They also note “corruption is widespread in countries where the administrative apparatus enjoys excessive discretionary power, and where laws and processes are barely transparent. Corruption, once present, tends to persist because some firms can use it for competitive advantage.

Boswell (1996) observed that scandals involving corruption had toppled governments in four countries: Brazil, Japan, Italy and Venezuela during the period 1991–1996. And she also noted that in six other countries, government officials had been forced to resign in disgrace, while stories of other incidents continued to appear in the

to resign in disgrace, while stories of other incidents continued to appear in the news almost daily. This corruption is seen as draining economic resources and in destroying confidence in governments. Furthermore, it causes greater uncertainty for investors. She also notes that even the United States is not immune from corruption, despite its laws and culture.

Included in Boswell's (1996) article is a reference to Dieter Frisch, the former Director General of Development at the European Commission. He posits that the cost to the community is greater than the cost of the bribe paid, because the corruption leads to "uneconomic decisions that divert scarce resources, raise the costs, lower the standard of goods and services, and ultimately increase the debt of the country. He concludes that corruption creates a vicious cycle, causing poverty, which, in turn, feeds corruption among those too poor to subsist by honest means (Boswell 1996, p.4)."

The definition of corruption

The World Bank (2000) considers corruption to be an abuse of public office for private gain. This conceptualization is similar to that employed by Transparency International, a non-government organization, that is leading the charge against global corruption. In their words, corruption involves "the misuse of entrusted power for private gain (Transparency International, 2002, April)." In practical terms, this would include bribery, extortion, fraud, trafficking, and embezzlement, as well as nepotism and cronyism. Acts of corruption need not involve money. For example gifts or advantages (e.g. memberships to an exclusive club) are often used to influence people or to close a deal, and these would clearly fall under the definitions above.

Coase (1979) argued that corruption exists between private parties as well, but this argument is beyond the scope of this paper.

The development and growth of SMEs

The effects of national corruption on entrepreneurial activity have not been well documented, but it is our contention that an empirical linkage may very well exist. The negative effects of corruption on economic development, noted above, may also affect the formation of new businesses and the performance/success of these startups over time. Specifically, where government corruption is high (e.g., bribes are common and cronyism abounds), we aver that startup efforts will be hindered. That is, these conditions favor large, established firms with deep pockets and well-developed social networks. New ventures, apart from those initiated by larger companies, will lack the critical resources and thus find the hurdles to startup more insurmountable. Corruption may have a similar effect on nascent enterprises. Those SMEs that lack the capacity to play by the rules of a corrupt government may find their competitive potential to be very limited. At the very least, the growth potential of these smaller competitors will be hindered since they cannot offer the substantial "contributions" that various government officials may seek.

Wilhelm (2002) alludes to this in his article. He notes that in Sub-Saharan Africa and some countries in South America getting a business license is not as simple as in the United States. It can take endless trips to a government building, countless bribes and as much as a year of waiting in order to obtain a similar license. He observes that these conditions are often caused by excessive regulations. The fact that regulation can lead to corruption was noted by Aleksei Kudrin, the Deputy Prime Minister of Russia, in an interview published in the *Academy of Management Executive* (Shekshnia 2001). He states, "direct government intervention only creates additional opportunities for embezzlement and corruption (p.13)." He further remarks that entrepreneurship and SMEs are the cornerstones of a market economy and that he sees the role of government to be that of creating business conditions which allow individual entrepreneurs and small firm owners to prosper. Thus, we would expect entrepreneurial activity to be low where regulation and its concomitant corruption are high.

Measuring corruption

The measurement of corruption can be challenging because most of it occurs in secret. Recent research has used *The United Nations Survey of Crime Trends and Operations of Criminal Justice Systems* to index the level of corruption in different countries. However, this measure is based on data reflecting the number of felonies, convictions and penalties as published by various national organizations. So these numbers may say more about the efficiency and competency of the judicial system than about the level of corruption. Furthermore, the precise legal definition of terms such as bribery, extortion and fraud differs across countries. Thus, the use of such data may also create distortions.

Transparency International (TI) was founded in 1993 and is headquartered in Berlin. It has become the leading advocate for action to counter corruption in the international business scene. It has since developed 80 national chapters around the world (Boswell, 1996; Transparency International, 2002, February). In 1995 TI launched its first Corruption Perceptions Index (CPI) that utilizes a composite measure based on other polls. In 2001, it drew information from 14 different surveys from seven independent institutions. These surveys reflect the perceptions of business people, academics and country analysts. Surveys used have been undertaken during the previous three years, and no country is included in the index unless it has been included in a minimum of three separate surveys. It should be noted that these are measures of perception rather than actual corruption, but as noted above, objective measures are not available.

Wilhelm (2002) validated the CPI and found that it had the highest correlation of all measures with real gross domestic product per capita using the available international data. CPI data will therefore be used for this study as a measure of corruption for the country. Although each country receives a score from 1 to 10, the rank of the country was used for this study. A rank of one indicates the least corrupt country, while 91 is the worst.

<i>Country</i>	<i>Necessity-based entrepreneurship</i>	<i>Corruption</i>	<i>GDP Growth</i>
Argentina	7	57	13
Australia	8	11	14
Belgium	23	24	26
Brazil	3	46	7
Canada	9	7	25
Denmark	27	2	28
Finland	25	1	10
France	19	23	21
Germany	16	20	22
Hungary	6	31	6
India	1	71	2
Ireland	13	18	1
Israel	26	16	9
Italy	12	29	22
Japan	15	21	29
Korea	4	42	4
Mexico	2	51	5
New Zealand	10	3	19
Norway	29	10	27
Poland	5	44	8
Portugal	17	25	17
Russia	22	79	10
S. Africa	11	38	12
Singapore	21	4	3
Spain	14	22	15
Sweden	24	6	16
The Netherlands	28	8	20
U.K.	18	13	17
U.S.	20	16	24

Table 1: Necessity-based entrepreneurship, corruption, GDP growth

Measuring entrepreneurial activity

In 1999, the Global Entrepreneurship Monitor (GEM) began an assessment of entrepreneurial activity with 10 countries participating. Twenty-nine countries participated in the 2001 assessment. The *2001 Executive Report* included not only a measure of total entrepreneurial activity within the countries, but also separated the activity into two categories: necessity-based entrepreneurship and opportunity-based entrepreneurship. About 54 percent of the people engaged in entrepreneurial activity reported that they were pursuing a business opportunity for personal interest. These were classified as

opportunity-based entrepreneurs. Another 43 percent said they were involved because they had “no better choices for work” and were classified as necessity-based entrepreneurs. The measures of these two variables were found not to correlate with each other, indicating that they were different activities.

The data from the Global Entrepreneurship Monitor was considered to be the best measure of entrepreneurial activity available. However, rather than try to decipher the exact “scores” from the graphs showing the results of these assessments, the countries were assigned a rank, with one being the highest scoring country and 29 the lowest. Although this relegates us to the use of ordinal data, it is considered better than using inaccurate interval level data.

In addition to the measures of entrepreneurial activity noted above, the report offered data for ranking Gross Domestic Product (GDP) growth for each country, the number of SMEs receiving venture capital, venture capital as a percentage of GDP, and the amount of informal investment by country. The data regarding venture capital was not available for a few countries.

Method and results

A Spearman rank order correlation was performed using the ranks obtained from the above databases for each of the 29 countries included in GEM.

No significant correlation resulted from the comparison of the total entrepreneurial activity of the country and the level of corruption ($r=0.21998$). The correlation of the CPI and GEM data for opportunity-based entrepreneurship was also not significant, although slightly negative ($r=-0.1122$). There was a strong positive correlation between the level of corruption in the country and the necessity-based entrepreneurship however ($r=0.55383$) with Russia included and with Russia excluded ($r=0.74022$). Both were significant at the $p < .01$ level. The attached scatter diagram (figure 1) shows why it was computed the second way. Russia was clearly an outlier in the data.

Hypothesis testing indicated that the only economic variable that was significantly correlated with corruption was GDP growth. The scatter diagram attached (Figure 2) shows the relationship. More corrupt countries appear to be experiencing higher levels of GDP growth as well as NBE growth, which was noted in the GEM report.

Implications

Given the level of the data and the small size of the sample, a significant finding is encouraging. However, we must be careful not to read too much into the findings. Clearly, more extensive work is needed, and called for, based on the findings of this rather simple, exploratory work.

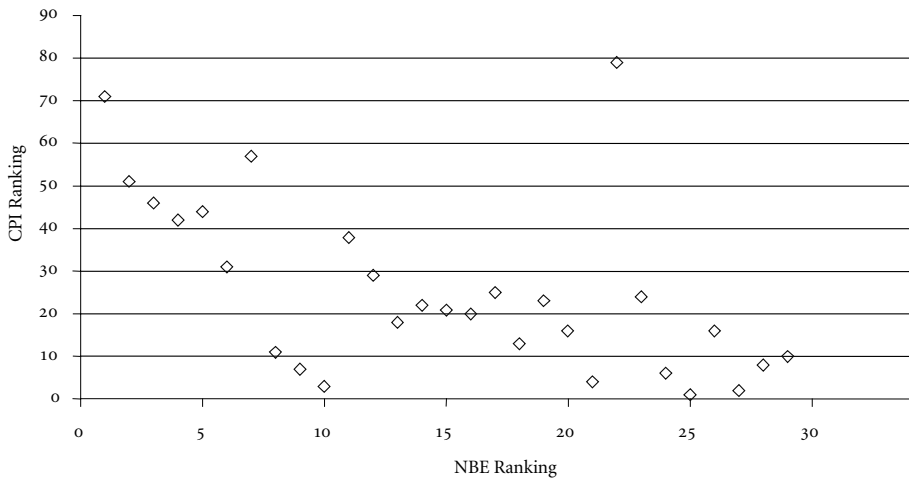


Figure 1: Corruption vs. Necessity-based entrepreneurship

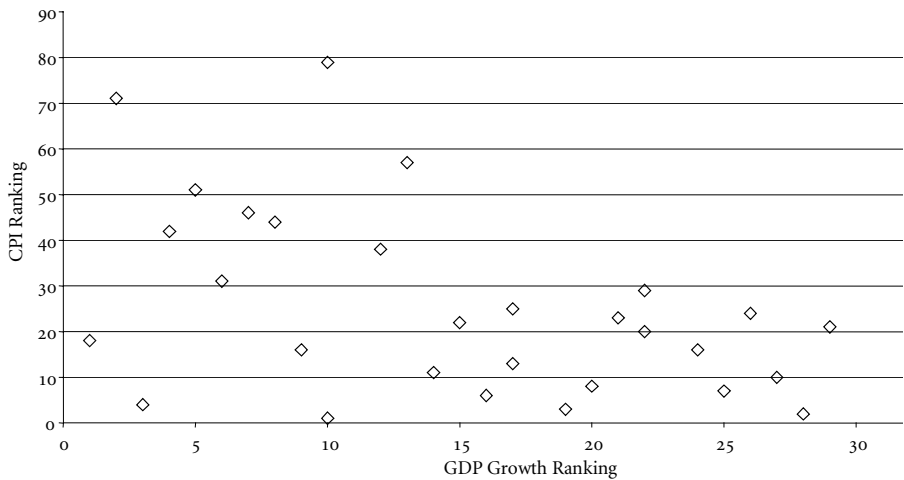


Figure 2: Corruption vs. GDP growth

Although we expected levels of entrepreneurship to be low in countries where corruption is high *a priori*, the results do tend to make more sense with hindsight. Necessity-based entrepreneurship should be higher in those countries because it would be more difficult to find gainful employment, especially since most of the corrupt countries are those with emerging or transitional economies (see for example, Goldsmith 1995). Much of this activity may be low-growth ventures such as vegetable stands (retail) or service areas. This contention is supported by the GEM (2001) data, which notes that most of the countries with high NBE are developing countries and that a greater per-

centage of NBE occurs in the consumer-oriented sectors. Further, 9 of 10 necessity-based entrepreneurs expected little employment growth in the next five years.

How much of the necessity-based entrepreneurship ends up in the shadow economy is an interesting question that deserves further research attention. Ayres (1996) reports that as much as 20 percent of the U.S. economic activity may be in a shadow economy. He observes further that 24 percent of the GDP in Hungary, 40 percent in Russia, and 60 percent in Zimbabwe exist in the shadow. It would be very interesting to examine this question because of the tax implications for such countries.

Although not statistically significant, the result with regard to opportunity-based entrepreneurship is worth noting. The *r*-value is so small that it is essentially zero. This may indicate that these type entrepreneurs are able to thrive in any situation, regardless of level of corruption. Clearly, additional research using better measures and larger samples appears to be justified.

All of the literature indicates a strong relationship between perceived corruption and the underdeveloped status of nations. Because of this strong correlation it is not clear whether corruption or the economic status of the nation is the primary link with entrepreneurial activity. Additional analyses with higher-level data will be necessary in order to examine this question.

The authors are attempting to obtain the specific interval level data from GEM and other databases to continue this line of research. Hopefully additional answers will be found regarding corruption and its effect on SMEs in the future.

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Komparative Analyse wissenschaftlicher Untersuchungen von Familienunternehmen in den mitteleuropäischen Ländern

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1 Das Problem

Dieser Beitrag macht auf die Entwicklungsunterschiede der kleinen und mittleren Familienunternehmen in verschiedenen mitteleuropäischen Umgebungen aufmerksam. Es wird nämlich davon ausgegangen, dass das Verständnis dieser Unterschiede sowohl für bisherige Transitions- als auch für die „klassischen“ Marktumgebungen von Bedeutung sind.

Dieser Beitrag basiert auf den Ergebnissen des internationalen wissenschaftlichen Symposiums *Management und Entwicklung – MER 2002* – zum Thema *EU-Integration und Entwicklungsbesonderheiten der Familienunternehmen*. Diese Analyse basiert auf der Voraussetzung, dass die ausgeführten (und in der Symposiumsarbeit vorgestellten) Untersuchungsergebnisse über die Familienunternehmen die realen Bedürfnisse konkreter Umgebungen darstellen und die reale Entwicklungsproblematik dieser Unternehmen widerspiegeln.

Die Symposiumsergebnisse bestätigen die von den Veranstaltern gestellte Hypothese, dass zwischen der Entwicklungsstufe dieser Unternehmen in den traditionellen Markt-ländern einerseits und den sogenannten Transitions- bzw. Reformländern relevante Unterschiede bestehen, die die Entwicklungsprobleme (auch) dieser Unternehmen bedeutend bestimmen.

Die Autoren sind der Überzeugung, dass es sich lohnt, die breite wissenschaftliche und fachliche Öffentlichkeit über diese Unterschiede in Kenntnis zu setzen, denn diese Erkenntnisse können für alle – sowohl für die Transitions- als auch für die klassischen Marktwirtschaften – nützlich sein. Erstere könnten daraus die kommenden Probleme und Lösungen entdecken, die anderen die Entwicklungsstufen der Familienunternehmen in den Umgebungen, mit denen sie sich immer enger verbinden und mit ihrem Wissen und Erfahrungen zu ihrer schnelleren Entwicklung beitragen.

2 Vorstellung des Symposiums „Management und Entwicklung – MER 2002“

Das internationale wissenschaftliche Symposium *Management und Entwicklung – MER 2002*, schon zum siebten Mal durchgeführt, wurde vom 9. bis 11. Mai 2002 zur Thematik *EU-Integration und Entwicklungsbesonderheiten der Familienunternehmen* abgehalten. Dieses Symposium wird veranstaltet vom slowenischen MER Evrocenter unter Mitwirkung von (in alphabetischer Reihenfolge):

- Abteilung für Controlling und strategische Unternehmensführung, Institut für Wirtschaftswissenschaften, Universität Klagenfurt, Österreich
- Institut für Arbeitswissenschaft, Ruhr-Universität Bochum, Deutschland

- Institut für Betriebswirtschaftslehre der Klein- und Mittelbetriebe an der Wirtschaftsuniversität Wien, Österreich
- Lehrstuhl Organisation und Personal, European Business School, Oestrich-Winkel, Deutschland
- Wissenschaftliches Institut für Regionalentwicklung, Zentrum für inter- und multidisziplinäre Forschung, Universität Maribor, Slowenien.

Die diesjährige Symposiumsthematik „EU-Integration und Entwicklungsbesonderheiten der Familienunternehmen“ wurde schon vor vier Jahren ausgewählt und den potenziellen Teilnehmern mitgeteilt. Der Symposiumsrat, dem folgende Mitglieder angehören, in alphabetischer Reihenfolge: Janko Belak (Universität Maribor und MER Eurozentrum, Slowenien), Norbert Kailer (Ruhr-Universität Bochum, Deutschland), Štefan Kajzer (Universität Maribor und MER Eurozentrum, Slowenien), Dietrich Kropfberger (Universität Klagenfurt, Österreich), Josef Mugler (Wirtschaftsuniversität Wien, Österreich), und Jean-Paul Thommen (European Business School, Oestrich-Winkel, Deutschland) ging bei der Bestimmung der Thematik von folgenden Hypothesen aus:

- Die Familienunternehmen stellen einen wichtigen Entwicklungsfaktor in allen (auch in den Transitions-)Umgebungen dar.
- Es existieren massgebende Entwicklungsunterschiede zwischen den Familienunternehmen in den entwickelten Markt- und in den TransitionsUmgebungen.
- Diese Unterschiede haben einen bedeutenden Einfluss auf die Entwicklungs- (problematik) der Familienunternehmen in diesen Umgebungen.

Der Einladung zur Mitwirkung am Symposium, die an wissenschaftliche Mitarbeiter in vielen europäischen Ländern adressiert wurde, leisteten 123 Universitäts- und andere Mitarbeiter Folge, die ihre Untersuchungsergebnisse über Familienunternehmen vorstellen wollten.

In die Analyse wurden die Symposiumsbeiträge von 77 Autoren aus folgenden Ländern einbezogen:

- | | |
|----------------|----|
| · Belgien: | 2 |
| · Bulgarien: | 1 |
| · Deutschland: | 9 |
| · Kroatien: | 1 |
| · Österreich: | 7 |
| · Polen: | 19 |
| · Schweiz: | 1 |
| · Slowakei: | 8 |
| · Slowenien: | 19 |
| · Tschechien: | 7 |
| · Ungarn: | 3 |

Von 77 Autoren kamen zum Symposium 19 Teilnehmer aus vier Ländern mit entwickelten Marktwirtschaften (Belgien, Deutschland, Österreich, Schweiz), die restlichen 58 aus sieben Transitionsländern (Bulgarien, Kroatien, Polen, Slowakei, Slowenien, Tschechien und Ungarn).

3 Die typischen Symposiumsthemen der Teilnehmer aus den entwickelten Marktumgebungen

Von den Symposiumsteilnehmern aus den entwickelten Marktwirtschaften wurde am meisten über Nachfolgeproblematik in den Familienunternehmen, über ihre Globalisierung und Internationalisierung und auch über die Rolle der Familienunternehmen in der Wirtschaftsentwicklung, die spezifischen Managementkompetenzen, die Besonderheiten des Kooperations-, Krisen- und Risikomanagements, über Entwicklungshilfen usw. diskutiert. Diese Inhalte werden aus den Titeln der Symposiumsbeiträge ersichtlich:

- Einfluss der Familienunternehmen auf die wirtschaftliche Stabilität und Entwicklung
- Globalisierung und kleinere Familienunternehmen
- Internationalisierung als Herausforderung für mittelständische Familienunternehmen
- Generationswechsel als Herausforderung in der Entwicklung von Familienunternehmen
- Übergabe des Staffelstabs: Wettbewerbsvorteile, Schlüsselfähigkeiten und Nachfolge des Unternehmers
- Übernahmepotenziale von KMU und Familienbetrieben: Ein aktuelles Szenario für Österreich
- Erfolgsfaktoren für den Generationswechsel in kleinen und mittleren Familienunternehmen auf der Basis der Analyse empirischer Daten
- Beratung und Training bei Unternehmungsgründung und -nachfolge (unter besonderer Berücksichtigung von Familienunternehmen)
- Managementkompetenzen in wachstumsorientierten (Familien)Unternehmen in der Gründungsphase
- Kooperationsfähigkeit von Familienbetrieben – eine Sondierung der Problemlandschaft
- Risikomanagement in Familienunternehmen: Unternehmenskrisen und das Risikomanagementsystem nach KonTrag
- Sechstes Rahmenprogramm: Exzellenzförderungsmassnahmen auch für Familienunternehmen
- Welche Form von Unterstützung benötigen Familienunternehmen?

4 Die typischen Symposiumsthemen der Teilnehmer aus der Transitions Umgebung

Die Symposiumsbeiträge der Teilnehmer aus den Transitionsländern können in folgende fünf Themenkomplexe eingeordnet werden:

1. Besonderheiten der Familienunternehmen

- Familienunternehmen: grundlegende Merkmale und Klassifikation
- Besonderheiten des Funktionierens von Familienunternehmen
- Grundsätze der nachhaltigen Entwicklung in Familien und Familienunternehmen
- Beispiele des Generationswechsels in Familienunternehmen.

2. *Länderspezifische Situationen von Familienunternehmen*

Bulgarien:

- Finanzierung von Familienunternehmen in Bulgarien.

Kroatien:

- Merkmale des Managements von Familienunternehmen in Kroatien.

Polen:

- Einstellung des Eigentümer-Managers des Familienunternehmens zu den Familien- und Geschäftsproblemen: eine Vergleichsstudie in 16 Ländern
- Zukunft polnischer Familienunternehmen
- Entwicklungsprobleme der Familienunternehmen in Polen
- Merkmale und Entwicklungsfaktoren der Familienunternehmen in Polen
- Gegenwärtige Finanzierungsprobleme der KMU (Familienunternehmen) in Polen
- Polnischer Bankleistungsmarkt für KMU – unter besonderer Berücksichtigung von Familienunternehmen.

Slowenien:

- Bedürfnisse der Bildung und Weiterbildung der Familienunternehmen in Slowenien
- Finanzierung von Familienunternehmen am Beispiel der *Nova Kreditna banka Maribor d.d.*
- Anregung des Unternehmertums und der Konkurrenzfähigkeit in Slowenien mit Betonung auf den Familienunternehmen
- Globalisierung von Banken und die Familienunternehmen (unter Berücksichtigung von Slowenien).

Tschechische Republik:

- Ausgewählte Unternehmenstätigkeiten physischer Personen in der Tschechischen Republik
- Distribution und Differenzierung von Familienfarmen in der Tschechischen Republik.

Ungarn:

- Corporate Identity in der Familie: Existenz und Nachholbedarf in Ungarn
- Rolle der Familienunternehmen in der ungarischen Landwirtschaft.

3. *Die Rolle der Familienunternehmen in der regionalen Entwicklung, insbesondere in der Entwicklung weniger entwickelter Regionen*

- Wirtschaftsanalyse der Entwicklungsfaktoren der Familienunternehmen in Polen: Beispiel der Provinz Kujawsko-Pomorskie
- Veränderungen ökonomischer Betriebsstrukturen im ländlichen Raum der Slowakei
- Mikroökonomische Analyse der Umstrukturierung von Haushalten im ländlichen Raum der Slowakei
- Situation in Familienunternehmen in der Tschechischen Republik: Entwicklung der ländlichen Gebiete
- Unterstützungsiniciativen von Familienunternehmen in der Slowakei
- Die Rolle des Familienunternehmens in der Entwicklung der Gegend von Kozjansko in Slowenien
- Entwicklung von Familienunternehmen in den Dörfern: Beispiele aus Slowenien – Gubno und Pilštanj.

4. Besonderheiten des Management- und Geschäftsprozesses des Familienunternehmens

- Informationsbedürfnisse für das Management von KMU (mit Betonung auf Familienunternehmen)
- Qualität des Geschäftsprozesses als Entwicklungsfaktor des Familienunternehmens
- Controlling im Management von Familienunternehmen
- Marketingmanagement von Dienstleistungs-Familienunternehmen
- Psychologische Komponente im Management von Familienunternehmen
- Management des reifen Familienunternehmens
- Probleme der Familienunternehmen aus der Sicht des wertorientierten Managements
- Lernfähige Organisation im Familienunternehmen
- Streuung der Neuigkeiten in der Familienwirtschaft und die Rolle der Werbung
- „Perceived Product Value“-Konzept als Erfolgsfaktor im Familienunternehmen
- Steuerharmonisierung und die Familienunternehmen
- Steuermanagement und Steuerberatung von Familienunternehmen.

5. Die Erfahrungen über die Unternehmens- (und Betriebswirtschafts-)entwicklung in verschiedenen Ländern

- Dienstleistungsorientierung von Handwerksunternehmen: Besonderheiten und das marktorientierte Managementkonzept
- Ökonomische Differenzierung landwirtschaftlicher Betriebe in der Slowakischen Republik
- Entwicklung und ausgewählte Probleme der Klein- und Mittelunternehmen in der Slowakischen Republik
- Konkurrenzfähigkeit von landwirtschaftlichen Unternehmen verschiedener Typen in der Tschechischen Republik
- Wirtschaftspolitische Verbindungen in der Gestaltung der Landwirtschaftspolitik und die Globalisierungsprozesse
- Einfluss der Lokalfinanzen auf die Entscheidungen in KMU (mit der Betonung auf die Familienunternehmen)
- Bewertung des Betriebes als nicht finanzielle Einlage in die Handelsgesellschaft
- Optimale Kapitalstruktur der KMU in Slowenien
- Einflussfaktoren auf die Entwicklung im Sektor der KMU in Polen.

5 Schlussfolgerungen aufgrund der inhaltlichen Analyse der Symposiumsbeiträge

Die genauere inhaltliche Analyse der betrachteten Symposiumsbeiträge zur Thematik *EU-Integration und Entwicklungsbesonderheiten der Familienunternehmen* führt zu folgenden Feststellungen:

1. Die Familienunternehmen existieren und funktionieren in allen betrachteten Umgebungen, entstehen und wachsen auch in den Transitionsländern sehr schnell. In den meisten Transitionsländern sind diese Unternehmen noch nicht gründlicher untersucht worden, darum ist es schwer, den Umfang der Familienunternehmen und ihre tatsächliche Rolle in der Wirtschaft dieser Länder genauer zu beurteilen. Die in Slo-

wenien durchgeführte Forschung hat gezeigt, dass dort die Familienunternehmen zwischen 40 und 50% aller Unternehmen ausmachen. Fast mit Sicherheit kann man behaupten, dass in den berücksichtigten Transitionsländern die wirklich grossen Familienunternehmen noch nicht existieren.

2. Während in den traditionellen entwickelten Marktumgebungen die Nachfolgeprobleme, die Internationalisierung der Familienunternehmen und die Einflüsse der Globalisierungsprozesse im Vordergrund stehen, werden diese in den Transitionsländern noch nicht als aktuell empfunden und sind daher auch nicht untersucht worden. Die Wissenschaft und das Fachwissen werden sich damit – leider mit ziemlicher Verspätung – auseinandersetzen müssen. In einigen Transitionsumgebungen ist man sich der Bedeutung der Familienunternehmen als eines spezifischen Unternehmertyps mit eigenartigen Eigenschaften (obwohl die Familienunternehmen vor der sozialistischen Ära die gleiche Entwicklungsstufe wie in anderen Teilen Europas erreicht haben) noch immer nicht bewusst.
3. Ungeachtet der grossen Unterschiede in der Rolle und der Entwicklungsstufe der Familienunternehmen in verschiedenen Transitionsländern, die aus den geschichtlich bedingten Entwicklungsgegebenheiten dieser Länder resultieren, sind sich fast alle der Bedeutung dieser Unternehmen – besonders für die unterentwickelten Regionen – bewusst. Im Vergleich zu anderen Ländern steht Slowenien bei der Entwicklungsforschung dieses Problems im Vordergrund.
4. Aufgrund einer eher flüchtigen Einsicht in die Symposiumsbeiträge über die Besonderheiten der Geschäftsprozesse und des Managements der Familienunternehmen könnte man schliessen, dass diese Fragen in allen untersuchten Umgebungen gleichwertig behandelt wird. Die genauere inhaltliche Analyse der Beiträge aus den Transitionsländern weist aber auf die Tatsache hin, dass in diesen Umgebungen die Besonderheiten der Geschäftsprozesse und des Managements der Familienunternehmen mit denen der KMU gleichgesetzt werden. Die Symposiumsbeiträge weisen weiterhin darauf hin, dass die Untersuchungen dieser (wenigstens latent gegenwärtigen) Probleme in den meisten Transitionsumgebungen erst am Anfang stehen. (Doch die Forscher sind sich dieser Probleme bewusst! Hoffentlich wurden sie auch von der diesjährigen Thematik des MER-Symposiums angeregt.)
5. Die Beratung und die (Weiter-)bildung mit Besonderheiten der Familienunternehmen ist in den traditionellen Marktwirtschaften sehr gut entwickelt. Aus den Symposiumsbeiträgen kann man aber leider nicht feststellen, ob solche Programme auch in den Transitionsumgebungen entwickelt sind und den Familienunternehmern zur Verfügung stehen. Auch auf diesem Gebiet stellt Slowenien eine Ausnahme dar, denn einige spezifische Bildungsprogramme für die Familienunternehmen haben sich schon bestätigt.

6 Einige Massnahmen

Durch die Ergebnisse der vorgestellten Untersuchungen wurden die oben gestellten Hypothesen des MER-Programmrates bestätigt:

- Die Familienunternehmen – bislang die Klein- und Mittelbetriebe – haben sich als wichtiger Entwicklungsfaktor in den Transitionsumgebungen bestätigt und werden immer bedeutender.
- Bei den Familienunternehmen in den Markt- und Transitionsumgebungen zeigen sich erhebliche Entwicklungsunterschiede. Diese Unterschiede kann man auch in verschiedenen Transitionsländern feststellen.
- Aufgrund dieser Entwicklungsunterschiede werden in verschiedenen Umgebungen auf dem Gebiet der Familienunternehmen auch verschiedene Probleme wahrgenommen, untersucht und nach unterschiedlichen Lösungen gesucht.

Der Austausch der Forschungsergebnisse über Familienunternehmen in verschiedenen Umgebungen wird daher für zweckmässige (und rechtzeitige) Problemlösungen von ausserordentlicher Bedeutung. Auch auf diesem Gebiet wird also das europäische Rahmenprogramm, das gerade auf die Mitfinanzierung der Entwicklung von Exzellenznetzwerken gerichtet ist, von grossem Nutzen. Man kann behaupten, dass das hier präsentierte MER-Symposium 2002 einen Beitrag zum Austausch wissenschaftlicher Erkenntnisse geleistet hat.

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Family and business: Complementary and conflicting values

Jan Degadt

1 Introduction

Most businesses are, or were originally established as, family businesses. In family businesses there is an intensive interaction between the entrepreneur, his or her family and the firm, as shown in the extensive literature on this subject (cf. Donckels 1993, Gersick 1997).

It is not easy to define family business. Donckels (1993) refers to two criteria: ownership and management. A family business can be defined as a firm where the ownership and the effective control over the management are (mainly) at the hands of the members of the same family. Leadership by members of the same family can be an important determinant for success for a firm, but it can also be at the origin of a lot of problems.

The two main elements of tension between family and business are:

- Disagreements regarding the objectives, which occur mainly when decisions have to be made about the allocation of profits: short-term interest of the family (distribution of the profits) versus long-term or middle-term interest of the firm (reinvestment of the profits)
- Disagreements concerning the role and position of individual members of the family. Hierarchical structures within the family such as a right of primogeniture for older children over younger children or (very often) a preference for sons over daughters are transferred to the firm, even if there is no reason for this from a management point of view.

In the literature, the “family” in general is defined rather broadly as a so-called “extended family”. This “extended family” is a network, composed of several households which can be related to each other in very complex ways. Their relationship to the firm can be equally complex. Specially in larger family firms which exist for several generations, the structures and the networks can be complex and complicated.

However, even in the universe of small family firms, led by independent owner-managers, it can happen that the owner-manager has to take the “extended” family into consideration. Especially when the entrepreneur has taken over the firm from his or her parents or parents-in-law (family businesses of the second or third generation), these parents or their heirs (brothers, sisters, cousins, nephews etc.) can still be co-owners of the firm. They can be members of the board or they can try to influence management decisions in a more informal way. Very often they claim a preferential treatment for the assignment of jobs for themselves or their children.

When the interference of these relatives is becoming a liability for the management, the entrepreneur will try to reunite full property and full decision-making power in one hand and to keep it so. This is especially the case when the firm is too small to earn an

income for several households. In this case the entrepreneur will try to buy out his relatives.

Even if the entrepreneur is able to get (almost) full control over the ownership and the management such that the "extended" family no more has influence on business decisions, he (she) still has to take the "small" family (household partner and children) into consideration.

The firm is the main (or at least a very important) source of income for the household. In most cases it is also the main component of their wealth (positive or negative). This implies that the partner and the children are becoming "stake-holders" in the firm. The entrepreneur will be involved in the firm very profoundly, not only from a financial point of view, but also from an emotional point of view. In most cases the entrepreneur will take a very large working load and devote a large share of his time to the firm, so a competition can arise between the firm and the members of the household for the attention of the entrepreneur.

This phenomenon does not only happen with entrepreneurs. Also salary earners, especially at executive level and working out of home, can be confronted with a competition between their household and their job, vying for their attention. However, in most cases the problem will be more intensive for entrepreneurs. There are several reasons. On the one hand there will be more interaction between the household circle and the professional circle of an entrepreneur than of a salary earner (members of the household working together in the same firm; short physical distance between the household home and the firm...). On the other hand there is a strong interdependence between the social risk, the financial risk, the professional risk and the emotional (family) risk, which the entrepreneur has to confront (family savings money is invested in the firm, family home is mortgaged for the firm, ...). Members of the same household can be an important factor of mutual support, but we have to realize that potential household conflicts (between partners or between generations) can have an enormous negative impact on the firm.

In 1991 and 2000 empirical research has been conducted with small entrepreneurs by the Center for Economics and Ethics of the Catholic University of Louvain (K.U. Leuven), in collaboration with the Small Business Research Institute of the K.U. Brussels (cf. Schokkaert, Bouckaert 1992, Bouckaert, Sels 2001). The subject of both projects were value patterns and value conflicts in the group of small entrepreneurs.

In 1991, a survey was held with 401 Dutch-speaking (Flemish) Belgian entrepreneurs outside the agricultural sector. In the second project in March-May 2000, also small entrepreneurs in the agricultural sector were surveyed. In the sample were 501 entrepreneurs in agriculture and 531 entrepreneurs outside agriculture ("independents"). All respondents are owner-managers of small firms (less than 50 employees). In seven cases the respondent was not the entrepreneur but the husband of wife. In both sectors about one out of four respondents was female. This second project has been made possible by the support of Cera Foundation.

In both surveys, questions were submitted about several value issues such as growth, social capital and social security, public authorities and environment. In this paper we want to concentrate on family issues.

2 Family and business as competing values

2.1 *Complementary objectives of the household and the firm*

As shown in the previous paragraph, we run into several interactions between the firm and the household of the entrepreneur:

- financial interaction related to income and wealth
- spatial interaction (short physical distance between home and firm)
- emotional involvement of the members of the household with the firm
- interdependency between entrepreneurial risk, professional risk, social risk, emotional (family) risk.

The result of these interactions can be positive for the members of the household and for the firm. Members of the households can fulfil some personal objectives through the firm and the firm can take advantage of the involvement of the members of the family. There can be a large extent of synergy between the objectives of the family and the objectives of the firm. Some examples:

- Resident members of the household (especially the life partner of the entrepreneur) perform all kind of services for the firm, for free.
- The firm makes it possible to give employment to members of the family (on well-paid jobs).
- The firm can provide a high-yielding investment opportunity for the savings money of the family.
- The savings money of the family can be a cheap source of finance for the firm.
- The succession of the top executive of the firm can be nicely prepared and coached in the context of the family (cf. *infra*).

2.2 *Potential sources of tension and conflicts*

The synergy as discussed above has to be supported by a correct economic calculus. If the firm is not capable to provide a sufficient yield for the savings money of the family or if the members of the family think that they can earn more money by taking a salary job outside the firm, tensions cannot be avoided. Conflicts of interest can arise between the firm and the members of the household. Moreover, the firm can be at stake when conflicts arise among the members of the family.

Why can there be a conflict? Gersick (1997, p.294) points out that the objectives of owners of family firms are not mysterious at all. They want profitable firms, a high standard of living for themselves and their households and love within the family. However, problems arise when families become afraid that the pursuit of some objectives will be at the expense of some other objective. Donckels (1989, p.18) adds that very often the cause of problems lies in the interaction between the world of the family and the world of the firm. Very often, conflicting interests regarding the objectives and the priorities are forced into one system. Donckels (*ibid.*, p.19) points to at least four levels of possible tension between the family and the firm:

- Employment (objective of the family: each member of the family is entitled to a job in the family firm; objective of the firm: hiring people only when it is profitable).

- Income (objective of the family: each member of the family is entitled to equal treatment; objective of the firm: salaries are related to productivity).
 - Role of the individual (objective of the family: the well-being of each individual is a specific objective; objective of the firm: the individual is an instrument in the pursuit of the objectives of the firm).
 - Training (objective of the family: each member is entitled to a training following his or her personal wants; objective of the firm: training following the needs of the firm).
- The tension between firm and household also makes itself felt on the way an entrepreneur allocates his (her) time. Entrepreneurs work very hard and devote a lot of time on this work. At least this is the opinion they have about themselves, as it appears from the survey in Belgium. We give some results in table 1.

<i>How many days do you work per week?</i>			
	Independent (in %)	Agriculture (in %)	Total (in %)
5 days or less	21.7	10.4	32.1
6 days	58.0	47.1	52.7
7 days	17.5	41.5	29.2
No answer	2.8	1.0	1.9

<i>How many hours do you work per week?</i>			
	Independent (in %)	Agriculture (in %)	Total (in %)
Less than 30 hours	21.0	6.4	4.2
30 to 40 hours	5.9	3.2	4.6
41 to 50 hours	12.7	8.2	10.5
51 to 60 hours	21.0	17.0	19.1
61 to 70 hours	22.5	22.6	22.6
More than 70 hours	35.8	42.5	39.0
No answer	3.0	2.0	5.0

<i>How do you allocate your time over activities?</i>			
	Independent (in %)	Agriculture (in %)	Total (in %)
Family	18.1	18.3	18.2
Business	70.8	73.1	71.9
Social activities	4.7	3.8	4.3
Hobbies	6.6	4.9	5.8

Table 1: Working load and time allocation of the entrepreneurs

Most respondents work six or seven days a week. More than six out of ten respondents work more than sixty hours each week. Their time allocation is as follows: 70% for the firm, 20% for the family, 10% for social activities and hobbies. As expected, men spend more time for business and women on family and household.

2.3 The position of the family in the value system of the entrepreneurs

For everybody, family is an emotional issue. The job environment and household issues can become a dilemma for entrepreneurs as well as for salary-earners: on the one hand your job is an instrument to earn an income for yourself and your family, on the other

hand your job also can be instrumental in the pursuit of certain personal aspirations or objectives. Moreover, most people have to allocate a lot of time to their job environment.

Entrepreneurs allocate not only their time, but also other production factors (their savings money or other wealth components) to the firm. The decision to reinvest profits in the firm in the short run can have consequences for the standard of living of the household. Moreover, as we have seen there are also other interactions between the household and the firm (close physical distance, flexible hours of labor, life partner and children giving occasional assistance, perspective for a succession...).

The empirical research shows that the family (household) is very important in the value system of the respondents. The first impression is that the opposite could be true. Table 2 shows that the statement “I want to continue the tradition of my family” only gets a fourteenth or last place in the hierarchy of values.

Which values do you consider “important”?

	Independent (%)	Agriculture (%)	Total (%)
I want satisfaction in my job	90.4	92.2	91.3
I want to be my own boss	81.2	92.0	86.4
I want to make/deliver good products	83.8	88.0	85.8
I want a high reward for hard work	79.1	88.6	83.7
I want to be proud with my profession	76.6	83.2	79.8
I want contacts with people	78.9	80.4	79.6
I want a job (avoid unemployment)	71.2	82.6	76.7
I want to build up my firm	71.8	79.0	75.2
I want to be appreciated be the society	62.1	72.5	67.2
I want to make more money than as a salary-earner	63.7	68.3	65.9
I want to acquire property	55.0	64.7	59.7
I want to take risk	58.4	60.7	59.5
I want to create employment for other people	53.1	46.7	50.0
I want to continue the tradition of my family	39.9	59.3	49.3

Table 2: Importance of family tradition in the value system

In the group of independent entrepreneurs, only 39.9% consider the family tradition as important, in the group of agriculture it gets 59.3%. Family-related values (“to continue the tradition of the family”) are not considered “important” by about half of the respondents. However, in a second question the respondents were invited to define a hierarchy in the values. Here we get a different picture: those entrepreneurs who consider family traditions “important” give it a high place in the hierarchy. It gets a fourth place (on 15 values) with the respondents in the agricultural sector and a fifth place with the others (in both groups, autonomy or being one’s own boss, got the highest score).

We also can compare with 1990 (when 401 entrepreneurs outside the agricultural sector were surveyed). In 2000 more respondents discarded family values as “important”, but those who stressed its importance assigned a higher place in the hierarchy. In 1990 it got only a tenth place.

3 The position of the household partner

It has been shown earlier (cf. Degadt 1993) that not only the family, but also the household partner plays a crucial role for the functioning of the entrepreneur in the firm. It has been shown that there is an asymmetry between the position of the male partner of a female entrepreneur and the position of the female partner of the male entrepreneur. The male partner is mainly an informal advisor for strategic decisions. The female partner very often is a contributing wife (part-time or full-time) and is involved in all aspects of the management, from the strategic decision-making to the operational work.

This is confirmed by the empirical research. Table 3 shows that most respondents have a household partner: 81% are married, 4.6% are living together. More than half of these partners (65% in the agricultural sector, 55% outside agriculture) have some statute in the firm as a contributing partner, co-owner or employee. About one out of two partners effectively work in the firm in an executive, administrative/commercial or operational function. Male partners of female entrepreneurs are over-represented in executive functions. One out of four partners works at home and also one out of four has a paid job outside the firm, implying that the household has a source of income outside the family business.

How is your household situation?

	Independent (%)	Agriculture (%)	Total (%)
Single	9.8	9.4	9.6
Married	76.6	85.6	81.0
Widow or widower	1.1	2.4	1.7
Living together	7.5	1.4	4.6
Legally married but separated	0.9	0.2	0.6
Divorced	4.0	1.0	2.5

Which is the legal situation of the partner in the firm? (n=933)

	Independent (%)	Agriculture (%)	Total (%)
No statute	43.4	34.6	39.1
Co-owner	25.5	20.9	23.3
Contributing partner	19.4	38.1	28.5
Part-time employee	2.7	1.1	1.9
Full-time employee	6.3	2.4	4.4
Independent assistant	1.5	2.2	1.8

Which kind of function does the partner perform?

	Independent (%)	Agriculture (%)	Total (%)
Partner only helps in the household	21.5	23.6	22.5
Administrative and commercial function	21.7	22.2	22.0
Operational work	16.1	22.7	19.3
Leadership function	9.4	11.0	10.2
Partner has job outside the firm	31.3	20.5	26.0

Table 3: Position of the household partner

4 Working load and taking a day of rest

The idea of a day of rest each week has its origins in a very ancient tradition where economical, social, ethical and religious elements come across. In most European countries a Christian religious tradition induced the option for the Sunday as a weekly day of rest. Even where the influence of the organized religion has decreased, labor remains organized on a weekly basis. For most people, the week is composed of five working days and two days of rest.

The weekly day of rest is not only considered as a religious duty, but also as a social accomplishment. The Sunday is a mandatory day of rest, not only in the Christian religion, but also in most secular labor laws. Firms and other institutions (schools, hospitals, public administration,...) have to close or to reduce activities to a more limited level. When continuity is absolutely necessary, employees are entitled to a compensation (higher wages or holidays) for working on Sunday.

In most countries not only the Sunday rest of employees is legally protected. Very often there are also laws limiting or regulating the opening hours of shops and businesses. When the mandatory Sunday rest is put onto discussion (with arguments such as “flexibility” or 24-hours economy) the opposition is in the hands of a coalition of churches, trade unions and organizations of small business owners.

Although religious considerations continue to support the idea of a weekly day of rest, they will be surpassed by arguments supporting family life. During “working days” each member of the household has his or her own life. On the seventh day they are entitled to live with and for each other.

The empirical results show that the entrepreneurs support this position. Most respondents have their lives organized on a weekly basis. Table 4 shows that the Sunday is a day of rest for about 70%. In agriculture, this proportion is slightly smaller. Almost two out of three (64.2%) entrepreneurs support the idea of closing business on Sunday.

Do you have a day of rest?

	Independent (%)	Agriculture (%)	Total (%)
Sunday is a day of rest	67.6	61.5	59.5
Weekly day of rest on another day	10.5	5.2	7.9
Sunday and another day are days of rest	15.4	3.0	9.4
No day of rest	16.4	30.3	23.1

Table 4: The day of rest

In organizing the day of rest, family life is considered as a first priority, followed by recreation (television, reading, sport en hobbies). A large share of the respondents also use the day of rest to work on their administration. A minority devotes time to visit church or other religious activities.

5 Family and succession

5.1 *The family and the firm have their own objectives*

As we have seen in the previous paragraphs, the entrepreneur combines the functions of ownership (financial risk) and leadership (strategic and operational management). Very often he or she also has to perform some operational duties. In a family firm, the entrepreneur will be assisted by members of his household in various functions: co-owners, members of the board, members of the management team, executives, employees or volunteers. Members of the family also can combine several functions.

However, there is one more element: time. The family as well as the firm will change over time. The firm can expand or stagnate. The family changes through marriage and divorce, birth and death; young members of the family will choose to work in the firm or not but if they do, they will want to rise to management positions as fast as possible; ownership structures can change; at a certain moment the entrepreneur will have to consider retirement.

The dynamics of the firm and the family are not always convergent. As shown in the literature, the networks of larger family firms can become very complicated within two or three generations. Sometimes the family will make agreements regulating the position and the involvement of family members in the ownership and the management of the firm.

However, in most smaller firms such as were represented in our sample, the structures remain simple. If the firm is not capable to provide jobs and income to more than one owner-manager, succession will imply a transfer from one household (the leaving generation) to another (the incoming generation).

5.2 *Potential conflicts between leaving and incoming generations and other members of the family*

If there is more than one candidate for the succession, a conflict can arise. The leaving parents face a dilemma between a desire to leave a viable firm to one of the candidates at an affordable price and a desire to give equal treatment to their children. An implication can be that the parents will have to use other components of their wealth to compensate their non-incoming children or that the incoming son or daughter must be given a chance to buy out the non-incoming brothers or sisters.

Each situation and each family is unique, so each situation needs a specific succession plan. However, there are some general considerations, as mentioned in Donckels (1985), which are also relevant for small family firms:

- Priority must be given to the continuity and the future viability of the firm. If not possible, a sale of the firm must be considered.
- A succession procedure makes the firm vulnerable, especially during the transition period.
- The succession must be prepared for a long time on all levels (legally, psychologically, economically).

The possibility of emerging conflicts of interest between the leaving generation, incoming generation and non-incoming brothers and sisters (especially when setting the

price for the take-over) is only part of the problem. At the level of the firm, a new entrepreneur inevitably will try to formulate and implement a new vision and a new style of management, causing shifts in the balance of power at family level and firm level. Gersick (1997, p.214) points out that this is a process which will take time. Even when the succession has to happen suddenly (e.g. in case of sudden death or illness) a period of adjustment is necessary.

Problems arise not only because of the conflicts of interest (such as the setting of the right price) but also because of the emotional involvement of the members of the household and family. The leaving generation and the incoming generation not only have to deal with possible rejected candidates, they also have to clarify the future position of the leaving generation. Especially in agriculture, but also in other sectors (cf. Degadt en De Cock 2000) the leaving entrepreneur keeps involved intensively after the transition: emotionally, financially (very often he still keeps a share in the ownership) and spatially (his home is close to the firm and he keeps observing everything).

As Donckels (1987, p.22) points out, succession must be planned in all family businesses, whatever their dimension. A planning procedure implies formulating objectives, instruments and a timing, taking account of the aspirations of all stake-holders.

Table 5 shows that the majority of the respondents say that they want to stop at age between 60 and 70. Younger respondents have a tendency to give a lower optimal retirement age than older respondents.

At which age do you want to stop your business?

	Independent (%)	Agriculture (%)	Total (%)
Less than 40 years	0.6	0.0	0.3
40 to 49 years	6.0	2.3	4.2
50 to 54 years	12.5	8.5	10.5
55 to 59 years	22.3	12.4	17.4
60 to 64 years	27.9	36.8	32.3
65 to 69 years	26.3	34.5	30.4
70 ore more	4.4	5.5	5.5

Table 5: Optimal age to leave business

Who will succeed? As shown in table 6, about half of the respondents aged 50 or more declare that they have a candidate. In most cases it is one of their children. Larger firms and growing firms also have a bigger chance to have a potential successor.

Is there a successor at hand? (only for business leaders 50 ore more)

	Independent (%)	Agriculture (%)	Total (%)
	n = 149	n = 176	n = 325
One of the children	34.8	43.8	39.7
Somebody else	6.0	5.1	5.5
Nobody	51.7	45.5	48.3
Don't know (children are too young)	7.4	5.7	6.5

Table 6: Availability of a successor

6 Conclusions and policy recommendations

As we have seen, there are a lot of interactions between the entrepreneur, the members of his/her household, the extended family and the firm. These interactions can create positive effects, but there is a potential for tensions and conflict.

Making good decisions implies being capable of making a choice. So we have two policy recommendations for the entrepreneur and his/her family:

- Good decisions must be supported by a base of knowledge, even if the issue is highly emotional. Members of the household must recognize and discuss the problems and look for a solution together. If necessary professional assistance must be hired.
- Whatever decision, the competitiveness of the firm must be preserved. The family firm will always have to compete in a market environment.

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The driving force behind entrepreneurship: An exploratory perspective

G.J. de Klerk and S. Kruger

Introduction

Not all entrepreneurs turn out to be successful. Many of them fail: they are not in a position to turn their business into a sufficiently profitable organisation; their ventures fail to survive the first period, or even worse, they go bankrupt. Is it because the real motives were in doubt or was it just a poor economic decision?

Determinants of entrepreneurial start-up and success can serve as an instrument to gain insight into the manner in which economic value can be enlarged. The question which remains, however, is why people risk everything. Is it because they want to be rich or is it because they want to render a service to other people? Again, it boils down to insight into the real driving force behind these determinants.

The aim of this paper is twofold. *Firstly*, it is an endeavour to get a debate started on the real driving force behind new business ventures, to set the scene for an empirical study on the driving force behind entrepreneurial endeavours (and to make a statement against a growing view that science in the economic field must always be supported by empirical evidence). *Secondly*, to provide a certain (South African) perspective on the well-known answers which are so readily available. In order to satisfy these objectives it is necessary to look at some of the developments of the concept of entrepreneurship and to make a choice for a working definition of the concept. To put the underlying motives into perspective, attention is given to the goal determining function of the business. Finally the tension between profit maximisation and servanthood is debated.

A bird's-eye view of the development of entrepreneurship thought

The classics

Certain champions of entrepreneurship, such as Cantillon, Say, Marshall and Schumpeter were chosen subjectively. We thought they made a significant contribution to the debate on entrepreneurship and more specifically to the driving force behind starting a new business.

Cantillon was the first well-known economist to use the term entrepreneur in a precise way (Cantillon 1755). He was the first to place the entrepreneurial function in the field of Economics. The principle of profit maximisation immediately became part of the definition of an entrepreneur. Cantillon argued that entrepreneurs were directly involved in the equilibrium of supply and demand.

Say's theory of the entrepreneur in the nineteenth century came from his explicit opposition of the 'zero-sum game' economy: "They all take it for granted, that what one

individual gains must need be a loss to another;... as if the possessions of abundance of individuals and of communities could not be multiplied, without the robbery of somebody or other” (Say 1971, p.70). Say recognised the managerial role of the entrepreneur. In the business the entrepreneur acts as leader and manager because he plays an important role in coordinating production and distribution. Wealth was part of the process and it did not mean that somebody had to suffer. Wealth was created by production. Within this vision, “... the application of knowledge to the creation of a product for human consumption” (Say 1971, p.330) is the function performed by the entrepreneur. This kind of action is necessary to set industries in motion to satisfy the needs of the community in order to earn wealth for the country. “A country well stocked with intelligent merchants, manufacturers and agriculturists has more powerful means of attaining prosperity” (Say 1971, p.82).

Marshall saw the task of the entrepreneur as the supply of commodities and at the same time the provision of innovations and progress. Marshall was convinced of the importance of innovations. Businessmen who started new enterprises often died as millionaires but they left society with benefits far beyond their own personal gains (Marshall 1930, p.598). The entrepreneur continuously seeks opportunities to make a profit through minimising of costs. He directs production, bears the risks and coordinates capital and labour. The entrepreneur is both manager and employer and he must be able to act promptly and adapt quickly to change without becoming unreliable. The entrepreneur should be “a natural leader of men” (Marshall 1930, p.206–207)

Schumpeter’s major contributions to the theory of entrepreneurship are included in his book *The Theory of Economic Development*, first published in 1911. Schumpeter argued that innovation meant doing more with the same amount of resources. It can be seen as an endogenous process. Schumpeter believed entrepreneurship did not only mean management of the firm but, more importantly, leadership of the firm. He, therefore, was responsible for the continuous improvement of the economic system.

Being an entrepreneur is neither a profession, nor a lasting condition. Entrepreneurs do not form a social class, though successful entrepreneurship may lead to certain class positions, according to the way in which the proceeds of the business are used. Schumpeter regarded the entrepreneur as the decision maker in a particular cultural context – therefore entrepreneurship is a temporary position for any person, unless he continues to be innovative.

Knight contributed significantly to the theory of entrepreneurship in his publication *Risk, Uncertainty and Profit* in 1921. He saw the entrepreneur as the contributor of savings to society by bearing all the uncertainty. He takes responsibility for decisions he made. He mixes the factors of production and determines their remuneration. Entrepreneurship requires the ability to bear uncertainty as well as the availability of enough capital to pay the remuneration which has been demanded by the owner or other investors. The entrepreneur bears the risk of changing consumer needs and is held responsible for economic progress (Knight 1971, p.260–279).

According to *Kirzner* (1973), the entrepreneur fills a very important position within the market process. His ideas are summarised in his 1973 publication *Competition and Entrepreneurship*: “One of our complaints concerning contemporary theories of price

arises from their virtual elimination of entrepreneurship. What is required, I have argued, is a reformulation of price theory to readmit the entrepreneurial role to its rightful position as crucial to the very operation of the market” (Kirzner 1973, p.75).

Kirzner’s contribution to the theory of entrepreneurship was a rediscovery of the classics. He stated that entrepreneurs are the persons in the economy who are alert to discover and exploit profit opportunities. They are the equilibrating forces in the market process.

Entrepreneurs are producers of products or services. They are entrepreneurs only if they make discoveries and if they also make a profit out of these discoveries. “The entrepreneur is no longer only a pure entrepreneur; he/she has become, as a result of earlier entrepreneurial decisions, an owner of resources” (Kirzner, 1973, p.52–53).

Kirzner's entrepreneur requires no special ability or personality to carry out his function; *the pure entrepreneur could even hire all the required labour and business talent*. Entrepreneurship requires, however, a very special type of knowledge.

Table 1 summarises the determinants of successful entrepreneurship as discussed in each of the classic theories:

Alertness, foresight, risk bearing, sufficient capital, judgement, knowledge, perseverance, innovation, leadership, own capital, good luck and creativity.

Table 1: Summary of determinants of classic entrepreneurship

The contemporaries

How difficult it is to get a definition of entrepreneurship which will satisfy the majority of academics can be derived from the following: *Barnett* (1993, p.8) investigated the viewpoints of more than seventy authors on entrepreneurs and entrepreneurship and comes to the following conclusion. “An attempt to arrive at a consensus definition from the literature on entrepreneurship encounters...the ‘untidiness of views’ on the subject.” (Kent 1990, p.1) comes to the conclusion that: “Entrepreneurs have been equated with heffalumps...no one has been able to precisely describe them or state for certainty what they are.” Furthermore, the ideas of the modern schools of thought are not quite original. Again, the choice of authors is very subjective.

Jennings (1994) prefers not to define an entrepreneur or entrepreneurship but instead focuses on a multiple perspective. His argument is that the field of entrepreneurship needs multiple paradigms that are different because entrepreneurial research serves a variety of purposes.

Hisrich and *Peters* (1998) see the entrepreneur as someone who creates something new which has value by devoting time and effort, assuming the accompanying financial, physical and social risks and receiving the resulting rewards of monetary and personal satisfaction and independence.

“An entrepreneur is a person who sees an opportunity in the market, gathers resources and creates and grows a business venture to satisfy these needs. He or she takes the risk of the venture and is rewarded with profit if it succeeds” (*Nieman* 2002, p.58).

Wickham (1998, p.25) refers to entrepreneurship as “...bringing about change and making a difference. ...Entrepreneurship is about exploiting innovation in order to create value which cannot always be measured in purely financial terms.” This definition links to the previously discussed viewpoints: entrepreneurship is a way of behaving, to add value through innovative actions. He comes to the conclusion that entrepreneurial management is characterised by its holistic, whole organisational scope – its mission is creating change by exploiting opportunities. Entrepreneurship is therefore innovative behaviour and not ownership, not a specific job, not a certain type of work.

Timmons (1999, p.27) refers to the “classical” viewpoint that entrepreneurship means new venture creation and illustrates that in fact entrepreneurship is something quite different: “Entrepreneurship is a way of thinking, reasoning, and acting that is opportunity obsessed, holistic in approach, and leadership balanced”. (However, Timmons then goes on and writes about the elements and activities concerning new venture creation!).

For the purpose of this paper, entrepreneurship is defined as: The firm commitment to create something with intrinsic value which will satisfy a real need in the market. It is a continual process using innovative ideas combined with knowledge, leadership and the ability to bear the risks involved to mix resources in an enterprise which will create and distribute consistent value to individuals, groups and the community at large. It is the behaviour of a person who displays the traits necessary to serve all the definitions of entrepreneurship.

Finally, the determinants of entrepreneurship are summarised in Table 2.

Alertness, foresight, risk bearing, sufficient capital, sufficient knowledge, judgement, creativity, innovations, ambition, vision, decisiveness, determination, dedication, value(s), adaptability and reward.

Table 2: Final summary of determinants of entrepreneurship

The entrepreneurial process derived from the definitions and key determinants can be as follows:

- Innovation and creativity
- Taking risk
- Reating and growing a business
- Managing the business
- Identifying an opportunity
- Gathering resources
- Distributing consistent value
- Being rewarded

With the description of entrepreneurship and the process in mind, the goal determining function of the business can be put under the spotlight.

The goal-determining function of the business

Basic point of departure

The goal-determining function of the business can hardly be separated from the goal-determining function of Economics as a scientific subject. Economic activity is aimed at the fulfilment of needs and is motivated by the compensation the entrepreneur receives. From the so-called economic principle of as much gain with minimum pain the

goal-determining function of economy can be derived as effectiveness. It is an intentional effort to employ the relatively scarce sources of nature as effectively as possible in order to satisfy the almost limitless needs of man. The ability of the business, whether it is small, medium or large, to fulfil its mission, invariably leads to satisfaction of consumer needs, profits for the owner(s) and remuneration for the employees.

Whenever a transaction takes place, economic activity occurs. A transaction emanates from the needs of the individual and the willingness of someone to satisfy that need. These transactions do not take place in a vacuum but in *cells* with certain characteristics derived from the way the factors of production are combined. These cells we call businesses.

Man, irrespective of his developmental level, has almost limitless needs. The more primitive man is, the closer he is to nature and the simpler the process of need-satisfaction. To appease his hunger he has to make use of the available means in nature. He can, for example, catch fish or gather the edibles which exist in nature. However, as the needs become more sophisticated, so the demands set by the consumer increase and become more complex. The natural products in their untouched form are no longer good enough. To satisfy these more sophisticated needs, it is necessary to change the form and appearance of these scarce commodities in nature so that they furnish utility of form. The consumer, however, also expects utilisation of time, place and possession. Concisely, the consumer expects a product in a form which satisfies his need, but also at a specific time and a particular place where the product can be seen and tested (touched, tasted and savoured, et cetera).

The definition of a business must then be:

A business refers to the institution where economic activities take place in a planned and organised manner, so that capital which is invested in the activities is effectively applied to the satisfaction of the stakeholders and, in reply to the needs of the consumer, products and/or services are produced in an economic environment. It is therefore a production unit where production factors are physically assembled for the most effective production possible and products and services, determined by the demand, are offered and sold (with an ever-present risk factor) in the marketplace.

The driving force behind the business

The question now is: How does it all happen? Why are people prepared to satisfy the needs of others? The willingness of certain people (businesses) to take the risk of satisfying the needs of others, stems from the possibility of doing it effectively so that it leads to greater wealth for themselves and eventually also for the community. The profit motive still acts as one of the greatest motivators to do business. A healthy and responsible ambition for self-gain is not necessarily wrong and should not be camouflaged by all types of statements of a purely service-motivated nature. The basic consideration, therefore, is still to effect the highest possible need-satisfaction with limited means. To the point, it is known as the economic or economical principle. Bridging the gap between the consumer and the source for need-satisfaction, irrespective of the distance, takes place according to the economical principle.

The goal of the business in perspective

From the beginning it was clear that the economy should never be seen in isolation. It is therefore not wrong to define the goal-determining function of the business as effectiveness. Effectiveness may not, however, become an obsession without any regard for the employees, the consumers and the community at large.

For the business to function, the economical principle serves as the criterium of effectiveness. However, economical principle here implies maximum effectiveness or profitability. It means that it must be aspired to at all costs or any price. Man admittedly plays an important part but his needs and their satisfaction must always be seen in the light of his relationship with his environment (in the broadest sense of the word).

Can we thus conclude that profit and the accumulation of wealth are the only and final goals of the business? Very few scholars in the field of Economics and Business would be satisfied. The most recent debate on whether organ farms must be allowed and how organs will be marketed illustrates the point that not everything can be allowed on the basis of efficiency and profit alone.

The tension between profit maximisation and servanthood

Since the eighties of the 20th century, ethics in business received renewed attention. Taking into account that the quest for proper conduct in business also affects the motive(s) for entrepreneurial behaviour, the equation of the final motive becomes more complex.

Ethics and ethical behaviour is dependent on the set of values of the person involved in the action. Applied to the motives of the entrepreneur it can be argued that different groups would react differently (ethical relativism). For instance, in South Africa, where more than 80 per cent of the inhabitants are Christians, it is common to hear the following argument: Material matters cannot be the final goal but merely a means by which the God of the Bible can and must be served. It only becomes possible if the entrepreneur sees him- or herself as a steward. Stewards are appointed by God to manage His possessions (because everything belongs to Him) in accordance with His will. Something similar can happen where obedience to religion can change the egoistic approach to a more altruistic one.

The relationships between religion and economics are both complex and controversial. On the first page of his *Principles of Economics*, Alfred Marshall (1930) wrote: “[M]an’s character has been moulded by his every-day work, and the material resources which he thereby procures, more than by any other influence unless it be that of his religious ideals: and the two great forming agencies of the world’s history have been the religious and the economic.”

The complexity of the relationships of religion to economics, the fact that conflicting explanations have been given for how they relate – perhaps because the explanations were based on an explicit or implicit assumption that they can relate in only one way; and the significant roles they play in a changing world, have encouraged academics through the centuries to probe further into the subject of their relationship.

This does not, of course, suggest that Protestantism has ever known theological unity. Even among pious Calvinists, whom Weber saw as the chief carriers of secular asceticism, interpretive disputes about theological matters were always present.

This powerful intellectual construction, this ethic of ceaseless work combined with ceaseless renunciation of the fruits of one's labour, provided both the economic and the moral foundations for modern capitalism. On the one hand, secular asceticism was a ready-made prescription for building economic capital; on the other, it became the social myth, the ideology that justified their attention to this world, their accumulation of wealth, and indeed the social inequities and unethical behaviour that inevitably followed such accumulation.

With the shaping of the mass consumer society later in this century, accompanied by the commercialisation of leisure, the sanctification of consumption fueled by consumer debt became widespread, indeed crucial to the maintenance of the economic order. The result was that even the so-called religious businessmen conformed to profit maximisation.

The reengineering of ethical behaviour in business, however, made the question of servanthood as the proper motive for any new venture a legitimate one.

In a study by Bucar and Hisrich (2001) on ethical attitudes and standards of entrepreneurs, they concluded that: "Generally, entrepreneurs and managers differed only slightly in their views regarding the ethics of various activities and their ethical perceptions regarding others. There were few differences in the two groups regarding their evaluation of the ethical nature of twelve circumstances and seven scenarios. The similarities in ethical attitudes between the two groups of decision-makers seem to be one of the important findings, which can be explained by similar legal, cultural and educational factors that affect ethical attitudes of both groups. However, there are some significant differences that consistently indicated that entrepreneurs are more prone to hold ethical attitudes.

The findings indicate that managers need to sacrifice their personal values to those of the company more than entrepreneurs. Also, entrepreneurs consistently demonstrated higher ethical attitudes in the internal dealings of the company, such as not taking longer than necessary for a job and not using company resources for personal use. These findings are consistent with the theory of property where we would expect someone to be more ethical in dealing with his/her own property" (Bucar and Hisrich 2001, p.78).

Conclusions

- It is necessary if not imperative that the *debate* on the proper motive for starting a business must continue. Our predecessors did not give us the final answer and it would be academic arrogance to believe that we would be able to give the final answer.
- It is inevitable that regarding the subject of this paper there is a need for:
 - Greater consensus on the concept of *entrepreneurship*
 - A better answer to the *goal-determining function* of the business
 - Adequate consensus on the real *driving force* behind entrepreneurial endeavours.

- Derived from the views argued in the paper the following hypotheses are suggested:
 - There is a growing movement towards a more result-orientation and value-driven approach in the economic and business world
 - That people will start a new venture not only because they want the money but because they can serve their fellow man, conserve nature and make a contribution to the redistribution of wealth
 - Ethical behaviour is part and parcel of entrepreneurship
 - In a country (such as South Africa) where entrepreneurship is encouraged, the ethical standards can be lifted
 - Sustainability of the enterprise will be improved if the most important motive to begin the business is inclined towards servanthood
 - The values of the Bible relevant to this topic are universal enough to be taken into cognisance in the formulation of the motives behind entrepreneurship
- As definition for entrepreneurship we suggest the following: All the activities which a person will perform to start a new endeavour with motives varying according to the locality, culture, personality, prevailing circumstances, set of values, religious orientation and ethical sensitivity of the person involved.

These hypotheses will be tested in a research program already underway.

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A note on identity economy

Antti Haahhti

In this note a short description of the contexts of Sámi tourism firms and entrepreneurial activity is put forward followed by a proposed theory of identity economy. The theoretical conclusions are based on findings from 20 narratives of Sámi entrepreneurs in northern Lapland, in Finland during years 1999–2002. Each of the life experiences and entrepreneurial stories were recorded during the winters 1999–2000 and again during this winter (2001–2002). The written texts cover more than 300 pages, and it took a long time to understand and to conceptualize what is relevant in the studied phenomena.

The ideas of identity economy were also based on formative experiences with comparative tourism enterprise development project carried out in six villages in Lapland, four villages in Dolomites in Italian Trentino¹, and in four villages in Alentejo, Portugal during the last three years. Furthermore, early experiences with a village tourism research intention in Yunnan, China last fall, added in similar observations and strengthened the insights.

Aim and background

The aim of this short note is to present and discuss conceptual and theoretical issues raised by the observations that I have had the opportunity to make during the few past years in Lapland and other locations. Specifically, I would like to propose a contextualized theory of identity economy which has its roots in the study of entrepreneurial behaviours, and entrepreneurship in difficult conditions. The difficult conditions unfolded here refer mainly to two consecutive narrative studies of Sámi tourism entrepreneurs in Lapland.

They also refer to two other research experiences: Observations and insights gained in participating a EU project that focused on selected problems of marginalization of peripheral areas, i.e. development of village tourism issues in Lapland, Dolomites (Trentino, Italy), Alentejo (central eastern Portugal), and the early observations in having started a similar study in Yunnan, China. The text in the note focuses only on the Sámi and Lapland experiences. The comparative learning aspects are, therefore, not reported. But they have had a significant impact on my understanding that the issue may be not only of a local, but of a more general, and global nature.

This exploration started a few years ago in my having accepted the permanent, full position in tourism at the University of Lapland. I was approached by the Sámi Association of Rovaniemi² to carry out a study of Sámi entrepreneurs of the northern Lapland. I started with and assumed confirmed views on entrepreneurship. Specifically, in my attempts to understand the context and conditions of Sámi tourism entrepreneurs, the attempt was made with the *Stratos* theoretical model in mind as its starting point, and three specifications within the *Stratos* model, one related to my dissertation (Haahhti 1989), and the second study by Snuij and Zwart (1996). The third contribution was

1 It were the discussions with Dr. Michela Zucca (Centro di Ecologia Alpina, Viote Monte Bondone, Sardinia, Trento), when the term identity economy, based on her studies, was brought by her to my attention, in the spring of 1999.

2 Anne Nuorgam, chairperson, Roavvenjárgga Sámi Searvi Mii ry association

Fröhlich, Erwin and J. Hanns Pichler (1988). These offer a rich basis for entrepreneurship and strategy research even in smallest enterprises.³

In those previous research experiences, i.e. Stratos program, we had an orthodox approach also to the study of the comparative contexts of European small enterprises. And we went by the book in measurement of environmental influences with selected indicators. Admittedly, our stress was on the values, strategic behaviour and performance, not on the study of contexts. Therefore, the very different and difficult conditions in entrepreneurship of the Sámi and other entrepreneurs in the northern periphery became quickly a major revelation to me. I also realised that I misunderstood or did not understand what I was observing.

Therefore, the significance of the context, and the significance of understanding the impacts of the context on entrepreneurial behaviour became most important aim early in this new study into Sámi tourism enterprises. This revelation led to focused attempts to better grasp and to describe the context and the task environments of indigenous entrepreneurs, and to reconsider aspects of explanation of succeeding in sometimes very harsh, and always difficult conditions.

In retrospect, the change of place from southern Finland to north had meant for me also a different vantage point to the study of entrepreneurial behaviours. It had meant a change from central or an urbanized viewpoint to that of the peripheral and to marginal of which I seemed to have had little understanding. This scant understanding of the issues and problems of life in the periphery, and also related marginal economic and social conditions (dying villages, empty houses in the wilderness) in peripheral areas was something that I had a really only superficial grasp, and had not faced with nor truly thought about before.

Methodological approaches

A pilot study was carried out.⁴ The purpose of the pilot study was to increase understanding of entrepreneurial conditions of indigenous peoples, the Sámi, in northern Lapland, Finland, in the fall of 1999 and winter 2000. The study focused on Sámi entrepreneurs, both individual and family enterprises. We attempted to describe, interpret and deepen understanding of entrepreneurs views and working assumptions concerning their enterprises, strategic behaviours, social contacts and processes with neighbours and colleagues, survival strategies in the harsh arctic and sub-arctic conditions,

3 The Stratos Group (1990) Strategic orientations of small European businesses. Aldershot: Gower Publishing Company. Haahti, A.: Entrepreneurs strategic orientation: Modeling strategic behavior in small industrial owner-managed firms. *Acta Academiae Oeconomicae Helsingiensis, Series A: 64*. Helsinki 1989. Snuif Henoch R., Zwart, P. S.: Small firms as configurations of structural, strategic, environmental and individual characteristics: and empirical validation, in: Haahti, A. J. (Ed.): *Effective entrepreneurship. RENT VIII Proceedings*. 1996. Fröhlich, E., Pichler, J. H.: *Werte und Typen mittelständischer Unternehmer, Beiträge zur ganzheitlichen Wirtschafts- und Gesellschaftslehre*. Pichler, H. J. (Ed.), Vol. 8, Berlin: Duncker & Humboldt, 1988.

4 Haahti, A., Hannu, V.: Sámi entrepreneurship in tourism: A pilot study of entrepreneurs views and judgements of the present conditions and future strategies of Sámi entrepreneurship. University of Lapland Institute of Tourism Research. *Studies and Reports, No. 1*, 2000. Only in Finnish.

and conditions of success, which we attempted to decipher on the basis of listening to their personal life stories. Those tales we collected, taped and wrote into texts.

The object of the study was both the entrepreneur, family business partners and their enterprises. We adopted a narrative approach and focussed on a few selected entrepreneurs (both husband and wife where ever possible) in the Teno valley and the Vuotso area in northern Lapland, in Finnish the Sápmi, the country of the Sámi indigenous people, in the fall of year 1999. The secondary intention of the pilot study was to study the need for further studies in the subject matter. That pilot study represented the first study of Finnish Sámi entrepreneurs. Since the Sámi tourism enterprise population consists only of about 120 enterprises in Finland, there was a need for further explorations of the total entrepreneurial population. A second study⁵ with several more narratives in the Inari region, and a through compilation of available statistics followed during last winter (2001–2002). These narrative texts comprise about 300 pages of entrepreneurial life stories.

Here we delimit our discussion to the insights drawn from the narratives, only. But a few methodological comments from the pilot study and the second study before reporting on the main issues of the core of the paper, the context description and the identity economy proposal.

Consequently, the setting of the study was indigenous research and we assumed that the chosen approach of narratives, being loose flexible frameworks, are close to the action of practitioners and are, therefore, richer in content, and have a higher mnemonic value. There is a very good source on the narrative methodology that we followed by Steyært and Bouwen (1996)⁶, which approach would be justified given the early stage of the research and context of the study. Since the focus is on very small firms located in the arctic north of Lapland, and owned by Sámi entrepreneurs, the theory of science view is that of a study of indigenous entrepreneurs in their cultural and ecological surroundings. As we had only superficial views on the realities of the Sámi in general, and the lives and context of Sámi tourism entrepreneurs in specific, a narrative-contextual epistemology was justified and followed.

In analysis of recorded narratives we followed the approach of Glaser (1994)⁷. We looked for the core variables in the process of constantly comparing incidents and concepts popping up in the recorded stories. The narrative stories recorded were transcribed and also analyzed through quantitative approaches to qualitative datas such as Atlasti to build core categories of describing the social processes and encounters with both guests, other Sámi and other Finns and the arctic environment.

We were interested in the historical development of the enterprises, as those processes unfold in the stories that the entrepreneurs told us, and which we tape-recorded. As story telling may seem to be a fairly unstructured means of description.

5 Haahti, A., Terhi, T.: Saamenmaa & Sápmi – Suomen Saamenmaan matkailuyrittäjyyden rakenteesta ja kehityksestä, Lapin yliopisto, Rovaniemi. Forthcoming. 2002.

6 Steyært, Ch., Bouwen, R.: Telling Stories of Entrepreneurship. Towards a narrative-contextual epistemology for entrepreneurial studies. RENT 1996 Proceedings, 1996.

7 Glaser, B.: Theoretical Sensitivity. Sociology Press. CA, 1994.

One usually needs only time and patience to let the person, secure in her or his home, to reflect upon often very private memories. For the researcher the most difficult part in using narrative methodology is to shut up after introductions, and to stay quiet. Some times the person made the story a very short one. In such cases we gave more structure with questions linked to early childhood and school experiences, and career development with focus on the activities of the family and business conditions to present day. In this way comprehensive studies of life histories were collected in a most laborious, challenging and rewarding way.

We sought the family background and demographic information of the entrepreneur & family entrepreneurs, asked about their basic life values and attitudes towards business and the daily activities. These were most often linked to and followed the annual cycle. All of them talked enticingly about the eight seasons of the year, and about the significant events and activities related to tourism enterprising, and their individual approaches to survive, and attempts to prosper. An amazingly skilled and distinctly multitalented profile of entrepreneurs emerged most often. The talents were honed to quite different needs of different seasons.

An example from the Teno river

Let me give an example of a cottage tourism entrepreneur on the Teno river. The river flows between Finland and Norway to the Arctic Ocean. In the spring winter (April to May) he and she were collecting the reindeer calves for marking. These were small symbols of ownership made with knives in the tops of the earlobes. They were helped by other neighbours, and assisted by a neighbour with a small helicopter. That man sold his helicopter services to reindeer people all over the northern Scandinavia.

At that time of the spring he accommodates and guides bird watchers in the fjäll or tunturi (the mountains), and he also was making the wooden boats (not unlike long canoes) for the salmon season that lasted from mid June to mid August. During the hectic summer months he catered in his cottages to fishermen, who enjoyed the food made by her, and he rowed the guests to the best fishing from early morning to late, sunny night. He was to have a fourth of all gains, and had rowed the one lucky guy who caught the 28kg beauty of a salmon. She cooks and accommodates the staying guests and the occasional customers who choose to stop over night when driving along the scenic Teno route.

The major part of his approx. 25000 annual income came from selling permissions, rowing, guiding and leading trips, accommodating and catering the tasty foods of the wilderness to these guests, most of whom returned decade after decade to his cottages. The first British salmon anglers had started to come in the fifties. He recollected that as a boy they still lived in an earth hut to mid sixties. At that time the family built their first guest cottage, and have continued with receiving guests since then. To recreate those memories he has built such an earth hut with modern comforts for the guests. The guests stayed usually for a week or two, they were not that many in numbers, but represented many nationalities.

From extent of internationalization point of view, the small enterprise was fully international in terms of its customers, even though only rudiments of other than regional Northern Calotte languages (Sámi, Finnish, Norwegian) were mastered.

In September to October the quill hunting season proceeded with entry of the hunters that wanted to train their dogs more in finding and pointing the birds, than to shoot the quill. It is also the time of the blazing colours of the fall season, and the nature lovers gather for colours watching. The fall season berries are a rich source of additional income for the eager berry pickers. The berry pickers filled his cottages and his daily chores in leading the guests to the mountains, the tundra or along the beautiful Teno river banks.

November to December was spent on organising and leading snow scooters, quiet and slow reindeer sledge trips or skiing trips for tourists. This is also the time of tending the reindeer which were collected from the mountains for the selection for breeding, or beef production and sales to Finnish, Swedish or Norwegian individual purchasers or regional restaurants. January and February are too cold for most tourists with temperatures dropping below -40 Celsius, and the income has to be sought elsewhere. He then often leaves to seek work as a carpenter on building projects in Lapland, Norway, Sweden, Russia or Germany.

With end of February, and through March and April, the high season of tourism reaches also the far northern mountains, the fjälls, the tunturi, and again the organising, guiding and managing of snow scooter, reindeer and skiing treks become important daily activities. He works either as an independent entrepreneur, or in collaboration with some of the larger arctic safari tour companies of Lapland. Since the snows melt in late May or early June, there may still be skiers or snow mobile drivers from Norway filling his cottages. But he is already working with new row boats for the approaching summer.

Towards synthesis

The description of this entrepreneurs annual activities relate them time wise to fundamental changes in the nature, and also briefly give a glimpse of the many, and laborious ways of finding ones livelihood. The extent of activities prove of complete adaptation to and mastering of continuously changing circumstances. This example indicates the usual ingenuity, and the complex set of capabilities and broad set of competencies acquired and needed to survive.

This high dependency on nature, being one with nature, were quite characteristic of most of those interviewed. Keen eye on following the changes in the nature and fluent reading of its unfolding opportunities and possibilities for livelihood distinguishes those interviewed from those from more urban environments. This was apparent in all discussions. It is one of the keys of critical importance when attempting to understand their behaviour. The distinctive competencies and capabilities needed to succeed with the small business in combination with reindeer husbandry as a basic livelihood distinguished several types of entrepreneurial specialisation in adverse environmental conditions proved of resourcefulness.

Specific focus in the discussions and stories on entrepreneurial experiences was focused on the core processes of providing tourism services: development of services, host & hostess roles, meeting the guest, encounters, service & guest relationships and the investments in service facilities & machinery for summer and winter tourism such as cottages, boats for Teno fishing, snow mobiles, hunting and other strategies of survival. We were also most interested in their views on reindeer husbandry, touristic utilization of cultural artefacts, and context of cultural survival.

An interesting issue that we also discussed, an indication of colonialistic behaviours in tourism, was the use or misuse of Sámi national dresses by non-Sámi tourist personnel, and the relevancy of this issue to Sámi entrepreneurs.

After thinking about and analysing the texts for some time, the following description emerged in an attempt to grasp relevant aspects of the entrepreneurial contexts (see exhibit 1).

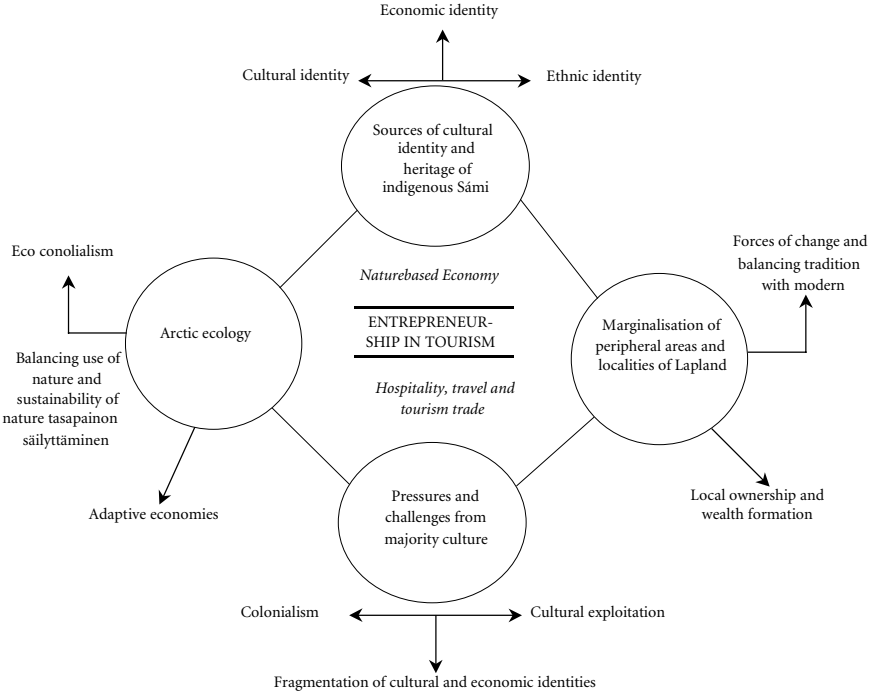


Exhibit I: The contexts of Sami entrepreneurship in tourism. Towards a theory of identity economy.

A view was established of four significant contextual factors that condition the entrepreneurial views. The pressures of the Finnish majority culture and related troubled views on the survival possibilities of Sámi culture expressed by some of those concerned, the arctic environment and harsh conditions, economic marginalization of the remote and peripheral areas set the setting for arctic entrepreneurship.

The expressed views contained an aim and a volition for stronger identity development of the Sámi culture in the Sápmi, the country of the Sámi, and a shared view of the older males of being able to roam free herding their reindeers. This tradition is severely threatened by overherding, and raising costs of feeding the animals. These discourses are viewed by some of the actors as loaded intentions to, again suppress the reindeer culture. The breakeven numbers of reindeer are about 70 per family. This defensive small scale reindeer family tradition orientation was complemented by modernism orientation in accepting and utilizing all means of mechanization (from snow scooters to helicopters) possible to make the reindeer husbandry and concomitant tourism enterprising more efficient.

On identity economy

The distinct dilemma is the question related to the issue of how to combine the traditional ways of life, the cultural profile with the modern ways of life without losing what is culturally significant and important in both. This question, how to combine the best of the both realms, we regard as the core question of identity economy.

One parallel thought brings the apparent and possible need to broaden the set of variables in our models. Therefore, it is suggested that explanations of economic success might include social and cultural factors of importance. Moreover, it is suggested that performance models might include both social and cultural factors, not only as environmental exogenous variables, but as endogenous variables. This is followed here.

Due to the remote localities, and distances between the entrepreneurs, the social cohesion first seemed not to matter that much in creating business opportunities. But the more we listened, the more we grasped in tales of ordinary occurrences the underlying values which stressed individualism in action, but also strongly implied communitarian ties of social relations and implied value system that strongly affected individuals way of thinking and her/his behaviour in the indigenous community.

Specifically a female entrepreneur, an artist, whose interesting, and insightful story told of a search for freedom from those social ties and of her true identity. She told of the difficulties and reactions from her own people that followed from combining the shamanist past with the modern tourism services – drumming in meetings by the log fire, entertaining with stories of shamanist tradition and informative storytelling experiences marketed to tourists.

Her story, not reproduced here, proved of the complex issues of the female artist that created her own identity. She had started her own tourism business which was revolutionary in her community as such was usually reserved only for males. She used her culturally distinct, and for some, sacred symbols and items as anchors to create and stage tourist experiences in her Sápmiland. Her story was most illuminating of the Sámi experiences. She justified lucidly the connections between her cultural and social identity and her economic entrepreneurial behaviour. Her individual initiative and entrepreneurial action, having establish her identity, was the source of her well being.

Let us make a digression to the village tourism: It should be noted that in our studies of village tourism the importance of the social cohesion and the distinct cultural roots

also mattered very much. In most cases the economic contexts were most often the same, but there the core question was the search for and the determination of the local, authentic cultural roots. Often such a question was brought into the community by outsiders who became members in the community. In some cases the history provided ideas for new opportunities for the community to develop. The initiators were often the local entrepreneurs whose enthusiasm created common action for change.

Was this newly recreated cultural profile interesting enough to motivate collaboration in the village? And was it interesting enough eventually to create demand? Were questions to be solved over a period of time. Furthermore, would such newly found local identity become interesting enough an experience for travellers to experience? And would such a newly found and utilized identity differentiate that locality from all the other marketable touristic entities in the region, were questions of central importance?

Remote arctic surrounding and economic marginalization were the contextual forces in addition to the dilemmas of an indigenous minority. The link between the environment and the economic choices was culturally rooted, and determined much of the entrepreneurial choices and strategies, and to some extent, also part of their consumption behaviour.

Where local collaboration was based on strong cohesion in local social settings entrepreneurial dynamism, and a brighter economic future, had a chance. In addition, where some of the actors were entrepreneurs or entrepreneurially minded and innovative, and took initiative for new developments, and the other actors among the Sámi entrepreneurs or the villagers “jumped on the wagon” of an interesting initiative, positive dynamic development cycles were observed. These experiences were so encouraging, and the phenomena of significant importance in development economics, that, given the scale, a holistic description was needed (see exhibit 2).

A few examples of astonishingly successful tourist business projects were evident. E.g. Korvala village in the neighbourhood of Rovaniemi recreated the life of 1850s in the village winter life with clothing, Christmas events, food, plays and daily chores so minutiously that for a day at a time, time travelling was possible by visiting groups of foreign tourist. As an example of the scale: This village of 70 people catered daily to altogether to guest arriving with 19 full plane loads as visitors from Britain, France, Italy and other countries during four December weeks, last year.

The observations of entrepreneurs behaviours varying from those defending their cultural roots to those successfully combining the tradition, and the traditional with the modern was illuminating and interesting. Among those entrepreneurs we observed and listened to we also found family entrepreneurs, who had received no or very minor amounts of subsidies, and were most successful due to their enterprising spirit, innovative and successful combination of the tradition and the modern.

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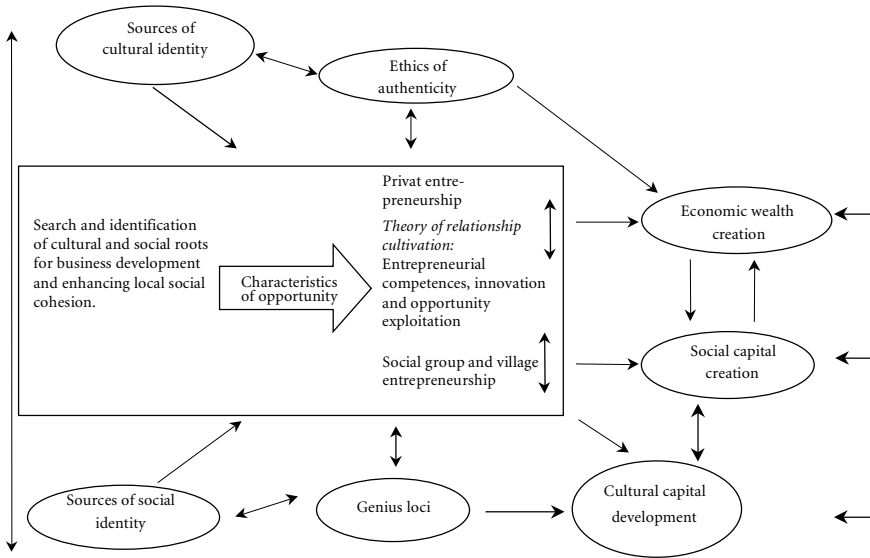


Exhibit 2: Theory of identity economy

This was the initial reason for me to accept the term of this culturally and socially anchored phenomenon as an identity economy. Culturally and socially anchored economic behaviours formed the basis for the initiative for development. It is in the entrepreneurially minded locals working together which is the basis for such an economy. Such local behavioural phenomena may be found elsewhere, too. There seems to me to be such pockets of distinctly different behaviours in the main streams of global economic behaviours. It is a variation in the theme of “think globally and act locally”.

Perhaps the concept of identity economy and ecology of survival may be the starting steps for fight against ecology of abandonment on local level. Naturally such a bottom-up view needs to be complemented with the top-down policies and instrument to bring financial resources to make above mentioned initiatives a reality.

There are several concepts in focus that we would have liked to give meaning in this context, but will not do so here, this time. The search for the balance between the waning tradition and challenges of the present day was strongly defended by most of the persons interviewed. The strengthening of the modern ways of life without losing what was subjectively considered worthy in the tradition, were of central importance, and a main approach and route to indigenous identity preservation and enhancement. It was also a newly found basis for social and economic development in villages where staging tourism experiences became a source of economic well being.

About: Entrepreneurism: A philosophy and sensible alternative for the market economy¹

Raymond W.Y. Kao, Kenneth R. Kao and Rowland R. Kao

Why Entrepreneurism?

It is 95% likely that the world's remaining oil resources will last at least another 63 years, but only 5% likely that it will last another 95 years.

The American Petroleum Institute

There is an interesting concept found in Generally Accepted Accounting Principles or "GAAP". It is the principle of the "going concern". This means that a balance sheet or operating statement can only be considered true and fair, if it applies to a business which is a going concern. If the business is not a going concern, then no balance sheet, no matter how meticulously kept, can be considered to be a true and fair representative rendering of the company's financial state. When this concept is extended to the level of our planet, if mankind consumes all of the Earth's petroleum resources, whether in the next 65 years, or the next 1000 years, then such resource exploitation, is not profitable as it cannot be considered a "going concern". We would simply be borrowing against the future to finance the present. How does this help us to attain sustainability for our economic future?

We present here some of the most serious challenges humanity has ever faced, those resulting from overrunning our planet. We often hear people speak of "the market economy". What is the market economy? In fact in this world in which we live, there is not just one market economy, but four, listed here in order of decreasing affluence:

- Western market economy
- Transition market economy
- Survival market economy, and
- Benevolent or begging market economy.

The western market economy is comprised of nations populated by approximately one-sixth of humanity, and it contains the world's most affluent societies, consuming seventy-five per cent of the world's energy. If its kind-hearted members have it in mind to bring the remaining world population to their level of "prosperity", then we shall need at least four more planets to accommodate us as we stand right now. So what are our options?

With our level of knowledge and technological expertise, we have three of them. In the first option, we accelerate the work on the American led space program, land on Mars or some other suitable planet, and in the words of Star Trek's Captain James T. Kirk, let any natives, or "aliens" know that "We come in peace." The second is that we

¹ Scheduled for publication Winter 2002 by World Scientific Publishing Pte Ltd. Singapore, New York and London.

sensibly allocate and utilize our resources, both renewable and non-renewable, and address the challenge of defining the making of “profit”. The third option is that we innovate and create new ideas and new technology, not just out of self-interest, but also for the common good.

For the time being the first option is nothing more than science fiction. While research continues on a future mission to Mars, the difference between exploration and exploitation of the Red Planet is a matter of at least several decades. We do not have the resources to either send enough of the population off-planet, or bring back enough resources to make the burden on Mother Earth more bearable. Who would be crazy enough to sell us the travel insurance? The other two options are really inter-related; to create and innovate both in self-interest and in the interest of humanity requires knowledge of what true profit is, in order to keep Earth a going concern. Taking from the future to pay for the present is undesirable, but we need to use at least some of the Earth’s resources in order to survive. How much is enough? How much is too much? Therein lies the difficulty, since greed is imbedded in human nature. If we can take, we take, and if we can grab, we grab. Can we change our natures? Possibly, but it would be extremely difficult. This is due, at least in part, because we persistently ignore the value of nature and the reality of limited resources. We take, but what do we give back to the earth? Hence, what is the future?

All humans are driven by two fundamental desires: the desire to own and the desire to create. Ownership is not just the titular holding of property – physical, intellectual or otherwise – but the right to make decisions, or to put it another way, the right of free choice. The desire to create is the desire to take what is there, and alter its form to suit our purposes, bringing into being something that did not exist before.

These desires can be twisted to make what is good, into what is evil. Vandalism and the urge to destroy are deviant expressions of the desire for ownership – if I can destroy something, then I claim mastery over it. Destruction is also a perversion of creation – for in order to create, I must change what already exists. The difference is that destruction leaves behind nothing but a vacuum that others can fill but which I do not fill myself.

These needs and desires are so fundamental that we sometimes forget they belong not only to us now but also to those yet to be born.

We are born to create. We are born with the desire to procreate, and with the desire to raise children. That is the essence of creation. To watch a child grow up and develop is surely one of the greatest joys in life. The lives of newborn babies are entirely under our control as we regulate how and when they eat and sleep. But we all watch our children eventually grow up, mature and leave home to start their own families. In this we have the ultimate expression of ownership – owning the choice to create something and let it go. Interestingly enough, human beings have found our own way to make sure that “ownership” can be “created” by our own desire, depending who is in charge. While communism claims ownership belongs to the state, capitalism on the other hand, through capital accumulation facilitates ownership by the rich.

Communism has and is failing precisely because it made the mistake of removing ownership from the individual. Capitalism will also fail, because it erroneously equates

creation with acquisition, and turns ownership over to the few. Entrepreneurism as an ideology is applicable to all economic activities. The individual is a creative and innovative agent who desires ownership, has the right to make proprietary decisions and assumes stewardship responsibility for the common good. Entrepreneurism works within the market economy system but does not replace it.

About the book

The book, *Entrepreneurism: A Philosophy and Sensible Alternative for the Market Economy* is centred on four basic concepts: Creativity, innovation, wealth and value. By wealth, we mean wealth for the individual and by value, value to society. These are definitions that the senior author first advocated in a publication on *Innovation Management* in Manchester, U.K. in 1994. In the first part of the book, we discuss the fundamental issues of self-interest and the common good: profit and cost, needs, wants and greed, values and culture. We then build on these fundamentals with applications to economic activities including the meaning of having one's own business; the two sides of family business; corporate power, its mission and management; entrepreneurship for government; and mission-based charitable organisations. The book also devotes extensive space to matters concerning "profit" and the "market economy".

The fundamental thought that sustains it may best be illustrated by a fishing story (see section I below). It puts the responsibility on those who are in the position to influence and/or make decisions that will affect others.

The book has 20 chapters in two sections. Section I explores the basics, which are then applied to economic activities in section II.

Section I: The pillars and the foundation

If I give a man a fish, then I feed him for a day. If I teach a man to fish, then I feed him for life. If I teach a man to fish responsibly, then not only do I feed him, but the rest of his village as well, for generations to come".

R.W.Y. Kao 1993

This quote exemplifies the entrepreneurial stewardship responsibility of creativity and innovation that are essential for us to be self-sufficient, but also for the common good. We can have both, but only if it is done responsibly.

Introduction: this is how we begin – chapter 1

For chapter 1 we wish to convey the idea that even though we have made remarkable progress, giving an unimaginably high living standard to some, we owe it to ourselves to take a hard look at a simple reality: how well have we managed our resources, the natural environment and the welfare of people? With this in mind, the book employs quotes from a number of different sources, leading us into inquiries about the ways we have managed the natural environment, resources, and people. The first quote is borrowed from Rachel Carson, as interviewed by CBS in 1963, and reported by *Time*, March 29 1999, page 117, and aptly expresses the main theme:

“Man is part of nature, and his war against nature is inevitably a war against himself”.

The Foundation – chapters 2, 3 and 4

In chapter 2, we show how the discipline of “Entrepreneurism” is evolved from Entrepreneurship, from a branch of business studies with a narrow focus on new venture creation and owner managed smaller enterprises, to a doctrine that recognises entrepreneurship as a way of life that takes substance from the Earth and makes it into different combinations, both to create wealth for self-interest and add value to society. It bridges the microeconomic focus on “profit-making” (for self-interest) and the macroeconomic “common good” (add value to society) that is necessary to sustain mankind. To reflect these thoughts, and in the interest of our need for the common good to be supported by all economic activities, we use the following passage as the chapter’s introduction:

In the context of idea evolution, Entrepreneurism is not a modern version of capitalism, since capitalism advocates the accumulation of private property and personal wealth through capital accumulation; while Entrepreneurism encourages the creation of wealth and adding value to society through innovation and creativity. It is an alternative to socialism on one hand, and capitalism on the other.

From chapter 2 to chapter 8, we explore fundamental issues that surround our economic welfare: The way we treat people, and our behaviour towards the natural environment and exploiting resources. The fundamental ailment that causes all these problems, has been our inability, or unwillingness to determine both human and environmental sacrifices, because the professionals who serve the business world believe they cannot be accounted for, even though they fail to recognize legitimate costs that create poverty through “accumulation of ownership holdings” and “profit-making” process. To reflect this train of thought, chapter 3 begins with the following:

The greatest challenge of the 21st century is to appreciate the nature of ownership and the nature of profit. The greatest fear for the Capitalist-based democracy is not Communism or Socialism, but poverty. The seeds of Communism did not take root in the prosperous nations of the Western world. It took root in countries where accumulation of property reached obscene levels, and poverty drove a desperate population to extreme measures. As long as “poverty” remains in the dictionary, the fear of Communism will always be there.

A large portion of chapter 3 is involved in ownership issues that extend from Maslow’s theory of needs, wherein needs can only be satisfied if the person is in possession of resources required to satisfy his or her needs. As desire for ownership expands from needs to wants, then greed, the struggle to acquire (or grab) ownership is a clear source of human conflict, which may even be a crime against humanity and nature. The consequence is inevitable poverty.

Chapter 4 explores the relationship between making profit and the common good. People may have different connotations for the common good, but we borrowed a decree from the Second Vatican Council to simplify our understanding concerning the common good:

Factors contributing to the common good are “the overall conditions of life in society that allow the different groups and their members to achieve their own perfection more fully and more easily”.

Legally making profit alone does not automatically contribute to the common good, if such profit is made by ignoring the contributions made by the natural environment and resources, at the cost of furthering poverty to humanity.

The Four Pillars – chapters 5, 6, 7 and 8

The preparation of chapter 5 was a soul-searching exercise for the authors. However, we made our attempt to stay out of the traditional view of the relationship between price and profit, by looking back at the basics of “people and society”:

In a “primitive” utopian society, there is no market economy, no poverty, no problems with wealth distribution, nor trouble with unemployment. There is plentiful individual initiative and at the same time, people work together whenever there is a need. The people live in harmony, both with Nature, and with each other. They enjoy life as it is. What are they missing? Do they miss the “dot.com’s” or automobiles, or big city buildings? Do they miss television and air travel? They have no desire to satisfy any of Maslow’s needs beyond the most basic ones, because they do not know they exist. That is, until someone from outside comes along and “civilizing” them. One need only imagine such a “primitive” society to realize that in many ways it is far more civilized than our society today.

It would be wrong to suggest that poverty is caused by civilization, but it would be fair to say that poverty is generated by greedy individuals who take advantage of the market system for selfish reasons, at the cost of people and the environment in the name of civilization. It was the World Bank that pressured the Indian Government to privatise water. Because of this, local villagers were prevented from drawing water from traditional sources in Maharashtra because it is now exclusively used by Coca Cola, who can pay for it. Is this the work of civilisation, or the price of poverty? As long as we insist that the individual has the right to accumulate infinite private property, poverty will remain with us. At the Kananaskis G8 Summit (27–28 June 2002), Russia was granted full membership with billions of US dollars as financial compensation for Russia’s cost for disarmament, and a sizable financial aid package was given to African nations, but everything that the G7/G8 has done through all their summits has come nowhere near reaching the root of the problem of global poverty. Unfortunately, poverty is not a gift from God, but is created by man. As said by the late US President, John F. Kennedy:

Our problems are man-made, therefore, they may be solved by man. No problem of human destiny is beyond human beings.

If poverty is the enemy of humanity, we have to think hard on what is the true meaning of profit, how was it made and where it came from? If we cost economic activities properly, there is no profit on a macro basis, but only residual rewards to better performance of allocating resources. It is a concept advocated some sixty years ago, however regrettably, it has not moved an inch forward since then.

In chapter 6, we continue working with the late President Kennedy’s words:

Our problems are *man*-made, therefore, they may be solved by *man*...

To solve our problems we need to begin from “man”, the individual, as decision-maker. It is awareness of the mindset of man that can make a real change and lead to the solution of problems. Hence, we explore the individual from the very basic chal-

lenges: Value, individual value, value of the organization, and entrepreneurial cultural value:

We need food to survive, real profit to support a business' well being and sustain its growth, but it is "value" that has enriched our soul, strengthened organizational purpose and made it possible to grow and offer benefit to the individual, and society.

Value is a personal, spiritual and organizational property, but more so, a public concern. Although there are value differences among people, and nations alike, it is our value in which we share and where our culture can spread and civilization can flourish.

There are two challenges. First, what do we do with the issue of individuals who take from nature because they are legally entitled, even though they may commit moral injustices? Second, in a related issue, how do we properly value all contributions, both human and from the environment and in particular from non-renewable resources? We have no excuse for not doing so, only the paper-thin argument that all contributions cannot be costed quantitatively, and so are ignored by "generally accepted principles".

In chapter 7, we focus on the cost and costing issues in some detail, especially opportunity cost and the cost to the Earth to serve our economy. Have we ever thought about how mining companies account for every cent spent on digging, drilling, executive travel, and contributions to political parties who support their way of digging and drilling, but nothing is done to account for what they have dug out of the underground? What about the damage that the mining companies do to the local economy and people once they exhaust what was in the underground? Incidentally, as CEOs so proudly announce how much profit their companies make, do they ever give a thought that our natural environment has annually contributed billions of dollars to the global economy? How much have they given back to the environment, the mother Earth? These are problems we create in the name of making profit.

Chapter 8 focuses on people issues in human institutions. Although they are related, we do not address routine matters that involve selection, training, wages, promotions, job satisfaction, and among other things, the challenges of human resources development and management, but instead concentrate on issues related to human value. How do we view people? What can be done to develop individuals to be members of a community of entrepreneurs?

Section II: The pursuit of entrepreneurial culture

There are eleven chapters dedicated to application of the basics developed from the first eight chapters in section I. Chapters 9, 10 and 11 are committed to the creation of a new venture and its development and growth; family business is also covered in three chapters, as is corporate entrepreneurship, with one chapter each for the government and mission-based not for profit organizations. We concluded the book with a recommendation to recognize the planet's contribution to humanity.

Venture creation, development and growth – chapters 9, 10 and 11

Chapter 9 begins with the following messages on new venture creation and small businesses:

The creation of a new venture is not a highway to heaven, but it is a vehicle to economic freedom; with passion, love and sharing, that makes the creation of a new venture both for self-interest and a benefit to society.

Although big is better, small is still beautiful; a bold eagle gliding in the blue sky gives you a vision what heaven can be, but it is the hummingbirds that make our Southern Hemisphere paradise on earth.

Various venture ideas were offered as well as the needed situation analysis. Several cases in the chapter are designed to provide insight challenges in the course of creating new ventures.

Chapters 10 and 11 are dedicated to venture development, growth and expansion. We borrow some simple thoughts from Confucius:

Learning without thought is labour lost; thought without learning is perilous.

To elaborate:

Learning and thought galvanize the entrepreneurial mind, and it is the planning that speaks that mind, and transforms mindset into action.” A formal plan is a guide for action. Even if it’s a simple or poor plan, it is still better than no plan at all.

As both “value” and “profit” are driving forces that can shape a venture’s development potential, we therefore made a clear distinction between value-driven and profit-driven philosophies, and illustrate how those differences affect their operational strategies. While a value-driven venture tends to be dedicated to sustainable growth, a profit-driven business focuses on short-term financial success, and more often than not on the cost, if not from long-term viability, will likely be from the common good. Criminal organizations, and legal but immoral business undertakings are cases in point.

There are a number of growth strategies that are exemplified in all three chapters, including functional areas of financing, understanding the cost of capital for short term financing and the use of ratio analysis to examine financial health. Planning and management are discussed, include marketing and the identification of measures used to avoid common pitfalls. In addition negotiation skills are part of the deliberation.

Family business, tragedy, glory and succession – chapters 12, 13 and 14

Chapters 12, 13 and 14 are about family business, causes for failure and reasons for success, with special effort devoted to the examination of succession problems. A short note serves as an introduction to each of the three chapters.

Introductory note for chapter 12:

‘Family’ is a magical word, especially in some ethnic communities. It means a great deal to people in the family. It is a social unit, an economic unit, and at times even a political unit as well. At its best, successful family businesses typify all the best characteristics of an entrepreneurial entity, motivated by love and passion and a desire to help others. On the other hand, a family business that is poorly managed, ill-founded, motivated by greed, and whose objective is only to make money, can be a tragedy and a seed bed of corruption, consequently, bankrupting both family relations and business.

Note for chapter 13:

Family is a natural human institution. Through entrepreneurial creative spirit build businesses that serve their multiple purposes of creating wealth for the individual, promote harmonious family relations and add value to society. Members of a family business who share their family value will most likely work together and stay together that will further and elevate their family value, vision, purpose that stimulate business growth and enjoy nature's gift; the beautiful relationship of human interaction. If on the other hand, due to individual's desire for a greater inter-play and the pursuit of personal interest, family business could then be the cause of family conflict, the deterioration of entrepreneurial spirit, by conflict of interest, disintegration of unity, consequently, bankrupting both family relations and business.

Note for chapter 14:

The success of family business is one where family and business can be proud of each other, with the purpose of stressing family harmony as well as achieving high level of business success.

Cases based on actual happenings are used to support the introductory notes, including tragedy for the business and family relations; the glory of a family business that the venture can be a community of entrepreneurs that serve self-interest and act for the common good; as well there is a case that reflects the successful business succession.

Corporate entrepreneurship – chapters 15, 16 and 17

Traditionally, a corporation is there to make money for their shareholders (so to speak) through providing services and/or selling goods to its customers, but a corporation can have its own life. The following speaks for itself:

We would like you to buy our products and use our services. We are here to serve you, your children, children's children and their children. When they are here, we will still be here to serve them the same way as we serve you. We pledged ourselves to this: this is our mission, our commitment, and our purpose for being in business.

Chapter 15 is devoted entirely to the challenges of what is required for a corporate entity to be a community of entrepreneurs, and what is an entrepreneurial corporation?

An Entrepreneurial Corporation: A corporate entity, regardless of its size is a community of entrepreneurs when individuals in the entity are there by their own right, working together as a body dedicated to the creation of wealth for every individual within the entity while adding value to society.

Chapter 16 is dedicated to explore the heart of the issue of corporate purpose. Would it be true that there is no corporate life beyond "Profit" and "R.O.I."?

"Profit" and "R.O.I." (Rate of return on investment) are powerful tools used to stimulate and motivate people to behave and act for their own self-interest. There is no doubt that self-interest must come first before we can have concern for the common good. The same is true in business, any business in any form. It is perfectly justifiable for any business to make a profit, except we must recognize there is no profit unless all costs are accounted for. The current practice in the determination of profit seriously overlooks the importance of legitimate costs, and consequently, misrepresents profit. Therefore R.O.I. is a major contributor to the erosion of resources for humanity of the future. The sad part of it all is that R.O.I. is like a prison that has captured business management and "B" school education in a lifelong sentence with no chance for parole. Lord help us!

Traditionally, corporate management's responsibility has been noted as a stewardship responsibility to utilize resources effectively and efficiently to achieve corporate objectives. Corporate objectives have been confined, in the traditional view, to earn required ROI for its shareholders. Chapter 17 advocates entrepreneurial corporate management

featuring assumed stewardship responsibility for all its contributors, managing the business to ensure economic sustainability both for the corporation and society. The chapter advocates corporate management's need to have an operational strategy that breaks away from the traditional "ROI" focus, but is oriented around an economic residual, sustainable both for the corporation and society, and mutually beneficial to all in its dealings. It would respect the rights of the Earth and the rights of people, empowering individuals in the corporation to make proprietary decisions and assume stewardship responsibility. Lastly, even though we cannot predict the future, we must recognise that what is in the future belongs to the future. Our stewardship responsibility does not extend us the right to steal what belongs to the future, just because we need and want them for the sake of our pleasure and enjoyment.

Can or should the Government be entrepreneurial – chapter 18

Chapter 18 addresses the government's role in an entrepreneurial environment. More often than not, governments tend to react to what they believe people want, rather than giving the people what they need by taking entrepreneurial initiatives for the common good. Unfortunately, it has been difficult to draw the line on government's entrepreneurial initiatives – just how much is for the common good? For example, is building a six-lane highway to accommodate cottage goers for the common good? It alters land use, destroys natural habitats, and encourages car use, increasing air pollution. But politicians could very well justify their actions by saying: This is what people want. All that can be said is that anyone with this mindset cares nothing about opportunity costs or the future. To their minds, the future may be important, but the future doesn't vote.

The chapter explain why it's difficult to be an "entrepreneurial government", because in the western market economy, an entrepreneurial government means government intervention, and the currently fashionable conservative view is that a government should privatize any function where a "profit" can be made. On the other hand, there can be entrepreneurs in the government who undertake entrepreneurial initiatives both for personal interest and for the common good. Private sector entrepreneurial and government entrepreneurial initiatives are compared, however, even though government entrepreneurial initiatives may be viewed as intervention in the market economy, a government must intervene into the market behaviour of any private enterprise and/or the market as a whole, if it is deemed for the common good. In this sense, it is therefore always entrepreneurial.

Entrepreneurship for mission based not-for profit organizations – chapter 19

Charitable and mission-based not-for-profit organisations (CMBO's) are not traditionally considered to be there to make a "profit", yet if this is so, a charitable organization will not grow. In fact, for any charitable organizations to develop and grown to become an "enterprise", it must generate "economic value" and individuals in the organization would therefore be entrepreneurs. The OECD considers these organizations to be job providers and contributors to the GDP just the same as other enterprises. Chapter 19 provides an account of how CMBOs fill in the cracks created by the market economy, and recognize that the benevolent market economy is here to stay, and will

grow bigger for some, and greater in number as well. They will compete for “business” just like any other business entity and need to be entrepreneurial, and therefore must act both for self-interest for individuals (not always in monetary term, but certainly for self-fulfillment and satisfaction) and add value to society.

Conclusion – chapter 20

In view of the complicated nature of the market economy in which most of us live, there is no one set solution that can reverse what has been done. Nevertheless, we must begin to seek answers to the challenges we face. Entrepreneurism attempts to address the issue based on: Creation, innovation, wealth and value. It is based on the principle of the “common good” that must be planted in our minds and transformed into action. Chapter 20 proposes an initiative to use Gross Planet Productivity as a measure along with modified GDP and GNP presentation. It is our wish to reach both the individual and the group, improving ourselves in the name of “humanity”.

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Plädoyer für eine alternative Auffassung des Unternehmers des 21. Jahrhundert

Jean-Jacques Obrecht

Der Mensch ist an sich ein Nichts. Er ist nur eine unendliche Chance. Er hat aber eine unendliche Verantwortung für diese Chance.

Albert Camus, Carnets II

Ohne Zweifel ist am Beginn dieses 21. Jahrhundert der Unternehmer die sinnbildliche Figur der menschlichen Tätigkeit geworden. Allerdings erscheinen die Ausprägungen des unternehmerischen Handelns als sehr unterschiedlich. In der weltweiten Unternehmerlandschaft findet man da ebenso den Werklohnbetrieb der italienischen industriellen Netzstrukturen, das High-Tech-Unternehmen des Silicon Valley, den afrikanischen informellen Unternehmer oder die japanischen Zulieferunternehmen und, in einer näheren Umgebung, den Weinbauer am Genfer See. Diese Vielfalt der unternehmerischen Ausprägungen liegt daran, dass das unternehmerische Handeln – im Sinne des „entrepreneurship“ – zuerst in der Hand des Menschen liegt und in einem lokalen Umfeld gedeiht, bevor es als Geschäftsphilosophie zum Ausdruck kommt.

Wenn es aber zu begrifflichen Untersuchungen kommt, wird oft diese Vielfältigkeit durch eine gewisse geistige Haltung, die in einer weltweiten Unternehmerkultur den besten Wegbereiter für einen neuen „Reichtum der Völker“ sieht, verdeckt. Zur gleichen Zeit wird die Kultur der Völker verschwiegen. Diese Geistesverfassung, die natürlich mit dem Thema Globalisierung verknüpft ist, könnte man als Entrepreneurialismus des einheitlichen Denkens ansehen.

Im Gegensatz zu dieser Ideenorientierung sollten die folgenden Überlegungen Anhaltspunkte für eine alternative Auffassung des Unternehmers bringen. Es geht um eine ethische Vorstellung des unternehmerischen Handelns in welcher die Beziehungen des Unternehmers mit seiner nicht-wirtschaftlichen Umwelt als ebenso wichtig gesehen werden wie das vom Marktdruck geforderte Effizienzstreben.

1 Anhaltspunkte für eine alternative Auffassung des Unternehmers

Die heutzutage vorherrschende Auffassung des unternehmerischen Handelns beruht auf einer zweifachen Lesung: einerseits auf dem Unternehmer mit seinen betonten Eigenschaften und andererseits auf dem zur Unternehmensgründung führenden Vorgang der, auf Grund eines unternehmerischen Verhalten, auch die Nachhaltigkeit der Unternehmung bestimmt.

Abgesehen von seltenen Ausnahmen tendieren Volks- und Betriebswirte dazu, den Soziologen die Aufgabe zu überlassen, über ebenso wichtige Themen wie den Umgang des Unternehmers mit der Gesellschaft im allgemeinen oder mit sonstigen Gemeinschaften nachzudenken. Meistens wird den Philosophen die Aufgabe überlassen, aus

ethischer Sicht einen kritischen Blick auf Unternehmertum und Unternehmenspolitik zu werfen.

Gründe, die einen anderen, einheitlichen Ansatz rechtfertigen würden, fehlen jedoch nicht. Sie hängen hauptsächlich mit der Erweiterung des Einflussbereiches des Unternehmers und der Ausdehnung des Legimitätsbereiches der Unternehmung zusammen.

1.1 Die Erweiterung des Einflussbereiches des Unternehmers

Das wirtschaftliche Umfeld, in dem sich das unternehmerische Handeln des 21. Jahrhunderts entwickelt, wird wohl ein globales sein. Das ist weithin die vorherrschende Ansicht, die mit der Schwärmerei für den Unternehmer als Hauptcharakter im wirtschaftlichen Bereich und als Wahrzeichen einer dynamischen Gesellschaft eng verbunden ist.

Zu diesem Glauben bekennen sich manche Wappenträger des Neoliberalismus. Für Jeffrey A. Timmons zum Beispiel ist der bemerkenswerte Vermögenszuwachs der amerikanischen Aktionäre in den letzten fetten Jahren allein auf den unternehmerischen Prozess zurückzuführen, wodurch er absolut gerechtfertigt wird. Auf dieser Überzeugung aufbauend erklärt er, dass nunmehr „der genetische Code des unternehmerischen Denkens für das 21. Jahrhundert und darüber hinaus eingerichtet ist“ (Timmons 1999).

Diese Sichtweise, die der einheitlichen Denkweise vollständig entspricht, verleiht dem unternehmerischen Handeln den Status eines neuen kulturellen Umfelds, das sich weltweit ausbreiten wird. Folglich hat das unternehmerische Handeln selbst keinen kulturellen Kontext mehr, nämlich insofern, als es die lokalen Kulturfaktoren der Länder und Regionen unter dem Vorwand ersetzt, dass letztere immer weniger Einfluss auf das wirtschaftliche und soziale Leben haben. Aber da das „globale unternehmerische Handeln“ das Erzeugnis einer rein instrumentalistischen Denkungsweise ist, stösst es an seine eigenen Grenzen. Es kann sich nämlich nur dort voll entwickeln, wo nicht nur die Prinzipien des freien Unternehmertums als Grundregeln des sozialen Zusammenlebens, sondern auch der Vorrang des Individuums und die Autonomie seines Willens als Grundwerte einer demokratischen Gesellschaft allgemein anerkannt sind.

Bekanntlich wird jedoch in einem grossen Teil der Welt, vornehmlich in den meisten Ländern der südlichen Hemisphäre und in Asien, der Gruppe, d.h. Einheiten, die menschliche Gruppierungen sein können wie die Familie oder grössere Gemeinschaften, im sozialen Gefüge der Vorrang gegenüber dem Individuum eingeräumt. Das Individuum richtet sein Verhalten nach jenem Verhaltenskodex aus, den die Gemeinschaft vorgibt und der ihm gewisse Gewohnheitsregeln entsprechend dem Prinzip der Heteronomie auferlegt.

Genau in diesem Teil der Welt konzentriert sich jedoch die „Ungleichheit der Welt“ (Giraud 1996). Wäre der kulturelle Kontext der betroffenen Länder eine belanglose Sache, könnte man die Werte, die mit einem unternehmenden Verhalten verbunden sind, als den „Impfstoff gegen die Armut“ (Fortin 2000) ohne weiteres in Betracht nehmen. Doch ist es gerade nicht so einfach. Dass die Kulturwerte auf gesellschaftlichen und/oder gemeinschaftlichen Ebenen als bedeutsame Einflussfaktoren auf das unternehmerische Geschehen wirken, ist doch heute mehr und mehr anerkannt. Dar-

um ist es schwer vorstellbar, wie die unternehmerischen Gene, die in den weltbesten Laboratorien gezüchtet werden, rasch genug den Genotypus der zahlreichen weniger fortgeschrittenen Länder verändern könnten, um sie aus ihren Entwicklungspannen zu befreien.

Eine Globalisierung „mit menschlichen Zügen“, wie sie immer öfter in den internationalen Instanzen angesprochen wird, sollte nicht auf die wahrscheinlich noch ferne Zukunft warten müssen, in der eine Umverteilungspolitik von den Globalisierungsgewinnern zu den Globalisierungsverlierern Einzug gehalten hat. Schon im Augenblick der Wertschöpfung sollte der unternehmerische Prozess auf gemeinsames Wohl gerichtet sein.

Um den möglichen Weg zu verdeutlichen dürfte folgendes Zitat helfen: „wir müssen nämlich lernen, diese zwei Dimensionen unseres Schicksals auf unterschiedliche Weise handzuhaben: die Einzigartigkeit, die uns definiert, und das Universelle, das uns dazu aufruft, unsere Einzigartigkeit zu überwinden. Besser gesagt, entgegen den derzeitigen Dogmatismen und Intoleranzgedanken müssen wir verstehen, dass nur die Einzigartigkeit uns den Weg zum Universellen eröffnet“ (Guillebaud 1999). Und dazu noch: „das Universelle, das ist das Lokale ohne Mauern“.

In Bezug auf unsere Problematik würde das bedeuten, dass „einzigartige“ lokale kulturelle Bedingungen nicht unbedingt alles und jedes mit einer universellen „Unternehmenskultur“ verbundenen unternehmerisches Handeln ausschließen. Bestimmte gemeinsame Werte, Haltungen und Traditionen können ein lokales einzigartiges unternehmerisches Milieu schaffen. Denn wenn es verschiedene Ausprägungen des unternehmerischen Handelns gibt, so ist das durch dessen lokale Verwurzelung bedingt. Das soziale und kulturelle Umfeld bestimmt die Verhaltensweisen der Unternehmer, die diese Verhaltensweisen in der Folge integrieren, assimilieren und interpretieren. All das findet dann seinen Niederschlag in ihrer Art, ihr Unternehmen zu gründen und aufzubauen.

Unternehmerisches Handeln ist somit als dialogischer Prozess zwischen dem Individuum *und* seinem Umfeld zu verstehen d.h. unternehmerische Eigenschaften sind das Ergebnis eines Sozialisierungsprozesses, und daher beeinflussbar. Unternehmungsgeist als eine angeborene persönliche Eigenschaft ist in dieser Perspektive eher eine Seltenheit.

1.2 Die Ausdehnung des Legimitätsbereiches der Unternehmung

Der Einflussbereich des Unternehmens hat sich auch über seinen eigenen Legimitätsbereich hinaus ausgedehnt, der wesentlich wirtschaftlicher Natur ist.

Sich auf eine Unternehmenskultur berufend, deren Ziel die Identitätsbildung einer Organisation ist, haben sich zahlreiche Unternehmen die soziale Integration zur Aufgabe gemacht. Diese Unternehmen treten als bevorzugter Ort der individuellen und kollektiven Selbstverwirklichung mittels Arbeit und den damit verbundenen sozialen Aktivitäten auf, aber auch als Ort, wo sich eine von den Verhaltensweisen des Personals auf allen hierarchischen Ebenen ausgehende erzieherische Dynamik entwickelt. So gesehen, könnte das Unternehmen darauf Anspruch erheben, eine wahre „Lebensschule“ zu sein.

Mit der Parole „das Unternehmen, eine Angelegenheit der Gesellschaft“ (Sainseaulieu 1992), zeigte sich auch eine Tendenz der Unternehmen, zu einem Ort der sozialen „Problemaustragung“ zu werden, wo sie als vollwertiger Partner auftreten, auf der gleichen Ebene wie die anderen beteiligten Bezugsgruppen, wie z.B. die Behörden, die Gewerkschaften, das Erziehungssystem, die religiösen Institutionen etc. Gebiete, wo sich das Unternehmen einen Status gesellschaftlicher Ehrbarkeit erwerben kann, fehlen allerdings nicht: der Umweltschutz, die Wahrung der Lebensqualität, das Kultur- und Sportsponsoring etc. Die Stellungnahmen zu gesellschaftlichen Grundsatzfragen haben aber schon deutlich den Willen einiger Arbeitgeberverbände, selbst den Inhalt ihrer sozialen Verantwortung zu definieren, gezeigt. Es stellt sich daher die Frage, ob eine solche Ausdehnung des Einflussbereiches des Unternehmens nicht ein Abdriften von seiner ursprünglichen Legitimität darstellt.

Die Praxis der Unternehmenskultur darf nicht die Tatsache verschleiern, dass sie insgesamt zu einer Verschiebung der traditionellen Grenze zwischen dem Privatleben der Individuen und ihrem Berufsleben führt. Nach den Worten eines Arbeitsinspektors „verlangt das Unternehmen von seinen Dienstnehmern nicht mehr nur Anwesenheit, Kompetenz, Arbeitskraft; es fordert auch eine wenn möglich begeisterte Zustimmung zu seinem Unternehmensziel und seinen Grundwerten ein. Es fordert, anders gesagt, ein persönliches Engagement ein, das sich für den Betroffenen durch eine beträchtliche Ausweitung seiner Arbeitszeit zu Lasten seines Privatlebens oder durch eine verpflichtende Teilnahme an Seminaren ausdrücken kann, die nicht ohne Einwirkung auf seine Persönlichkeit und seine Überzeugungen bleiben“ (Landier 1991).

Die öffentliche Vorführung einer Unternehmenskultur, über den Umweg des Leistungskults, führt schliesslich zu einer Schematisierung der Lebensmodelle zwischen „Gewinnern“ und „Verlierern“. Über die Medien werden so die Unternehmensleiter erfolgreicher Unternehmen zu neuen Vorbildern und zu Priestern eines neuen Kultes. Indem das Unternehmen „Leader“ produziert, produziert es Sinn für die Gesellschaft.

Die derzeitige Verschiebung zwischen dem Einflussbereich des Unternehmens und seinem Legitimitätsbereich führt so zu Problemen, mit denen der Unternehmer direkt konfrontiert ist. Die meisten Unternehmensleiter wissen, dass ihre Entscheidungen Auswirkungen ausserhalb ihres direkten Umfeldes von Kunden, Lieferanten, eigenen Dienstnehmern und allen Personen mit beruflichen Kontakten zum Unternehmen haben können. Die meisten sind sich auch der Tatsache bewusst, dass die Unternehmen insgesamt durch ihre Tätigkeit eine der stärksten Kräfte darstellen, die die Entwicklung der Zivilgesellschaft bestimmen können.

Aber die Art und Weise, wie dieses Problem behandelt wird und die darin besteht, ein wenig Ethik in das Unternehmen einzuführen, muss durchaus kritisch betrachtet werden. Das trifft auf viele firmeninterne Regelungen (Verbot der sexuellen Belästigung) oder firmeninterne Vorschriften (Ausscheiden mangelhafter Produkte) zu, die lediglich Elemente einer vernünftigen Unternehmensführung darstellen. Diese Regelungen und Vorschriften unter das ethische Banner zu reihen – wie das im Ansatz der „business ethics“ ausgeführt wird – ist das nicht eine Täuschung, die in Wahrheit die Banalisierung der Ethik zu Folge hat? Das trifft auch auf die „ethischen Kodizes“ oder „Verhaltenskodizes“ zu, die bei den grossen Unternehmen zum Gebrauch gekommen

sind. Mit der Verallgemeinerung dieses ethischen Instrumentariums kommt man allerdings auf die Frage des Legitimitätsbereiches des Unternehmens. „Wer hat – in unserer Gesellschaft – die Kompetenz, Werte zu schaffen? Mit welcher Berechtigung kann sich das Unternehmen das Recht anmassen, zu behaupten, was das Gute und das Böse ist... Haben Menschen, die im Rahmen ihres beruflichen Lebens zu Führungskräften aufgestiegen sind, die Verpflichtung, ja das Recht, im Unternehmen gültige Ethikkodizes zu unterzeichnen?“ (Etchegoyen 1991).

Zu gleicher Zeit – das kann man wegen den gegenwärtigen Begebenheiten nicht verschweigen – erweisen sich falsche Finanzberichte für die Aktionäre als ein übliches Verfahren der Geschäftsführung, frisierte Erfolgsbilanzen für die Medien als bequemster Weg zur Imagepflege.

Der Einsatz der Ethik, zusammen mit der Forderungen der Unternehmenskultur – beide in einer instrumentalischen Perspektive – ist ohne Zweifel eine fragliche Angelegenheit. Aus einer Organisation ein „ethisches Unternehmen zu machen“ steht im Widerspruch zu der Ethik, die im wesentlichen auf dem Individuum beruht.

2 Grundzüge einer ethischen Vorstellung des Unternehmers

Viele Errungenschaften der Menschheit in deren höchsten Ausprägungen haben sich auch in der Geschäftswelt eingewurzelt, meistens durch gesetzliche Vorschriften. Ihr erstrebtes Werden steht in allen Bereichen unter eindeutigen ethischen Einflüssen. Darum muss sich auch die Vorstellung des Unternehmers der Zukunft auf eine gewisse „Unendlichkeit“ berufen und der Ethik einen Platz in den unternehmerischen Grundbefähigungen einräumen.

Man würde aber in einen gewissen Illusionismus verfallen, würde man die Realität der menschlichen Aktivitäten und der sozialen Strukturen nicht in jede Überlegung ethischer Natur mit einbeziehen.

Man muss folglich zunächst die allgemeine Frage, wie sich die Ethik in die gesellschaftliche Ordnung einfügt, erörtern. Dann kann man aufzeigen, wie die Ethik die unternehmerischen Grundbefähigungen strukturiert, die für den Unternehmer des 21. Jahrhunderts unabdingbar sind.

2.1 Die Ethik in der gesellschaftlichen Ordnung

Das Wort „Ethik“ wird heutzutage umgangssprachlich mit zahlreichen Aspekten der menschlichen Aktivität (Wissenschaft, Wirtschaft, Sozialbereich) verbunden, so dass der Rang der Ethik in der gesellschaftlichen Ordnung, und selbst sein Wesen an Klarheit verlieren. Diese zwei Aspekte sollten zunächst behandelt sein.

2.1.1 Der Rang der Ethik

Das vielseitige Auftreten der Ethik – in der sprachlichen Weise – geschieht so oft, als ob der Mangel an Moral in der Wirklichkeit damit verschleiert sein sollte, um so mehr, als Ethik kein eindeutiger Begriff ist, während man mit der Moral besser auskommt, zumindest auf der begrifflichen Ebene.

Die Ethik nimmt jedoch eine höhere Rangstufe ein als die Moral, und diese beiden Rangstufen unterscheiden sich von den Rangstufen der Realität, die ihnen untergeordnet sind, wie es André Comte-Sponville brillant in einem Text aufgezeigt hat, in welchem er eine Antwort auf die Frage „Ist der Kapitalismus moralisch?“ sucht. (Comte-Sponville 1995). Die Moral ist an allgemeine Prinzipien des individuellen Verhaltens gebunden und durch den Gegensatz zwischen Gut und Böse, Pflicht und Verbot gegliedert. Für Comte-Sponville ist die Rangstufe der Ethik die Rangstufe der Liebe. Allgemeiner ausgedrückt könnte man sagen, dass die Ethik aufgrund der Grundsatzentscheidungen eines Menschen die auf den Nächsten gerichtete Finalität seiner Handlungen ausdrückt.

Aber diese beiden Rangstufen vermengen sich nicht mit den beiden anderen Rangstufen der Realität, und zwar der „technisch-wissenschaftlichen Rangstufe“ und der „juristisch-politischen Rangstufe“. Die erste „Rangstufe hat als innere Ordnung den Gegensatz zwischen dem Möglichen und dem Unmöglichen“ und die zweite „den Gegensatz zwischen dem Gesetzlichen und dem Ungesetzlichen“. Die einer Rangstufe eigene Logik im Namen einer höheren Rangstufe aufheben zu wollen, würde zu überirdische Einfältigkeit (die, wie es der Philosoph ausdrückt, eine „Tyrannei des Übergeordneten“ ist) führen. Umgekehrt, führt die Abstufung einer Rangstufe auf eine untergeordnete Rangstufe zu roher Barbarei (die eine „Tyrannei des Untergeordneten“ darstellt).

Aufgrund ihrer Natur gehört jede Organisation zur juristisch-politischen Rangstufe und alle ihre Aktivitäten zur technisch-wirtschaftlichen Rangstufe. Der ethische Raum, genauso wie der moralische Raum, kann daher nur von Individuen eingenommen werden, da nur sie allein eine Aktivität oder eine Organisation in den Dienst einer Moral oder einer Ethik stellen können. „Das Individuum“ – so sagt der französische Philosoph – „erlangt nur unter der Bedingung eine gewisse Würde, wenn es immer wieder den Abhang hinaufgeht, den die Gruppe, liesse man sie walten, unaufhörlich hinunterginge.“

2.1.2 Das Wesen der Ethik

In seiner „Kleinen Abhandlung über die grossen Tugenden“ (Comte-Sponville 1998) erläutert unser Philosoph eine grosse Bandbreite von vorbildlichen Eigenschaften, welche die „Menschlichkeitsstärke“ des Individuums bestimmen: Höflichkeit, Treue, Vorsicht, Mässigung, Mut, Gerechtigkeit, Grosszügigkeit, Mitgefühl, Mitleid, Dankbarkeit, Bescheidenheit, Einfachheit, Toleranz, Reinheit, Sanftmut, Vertrauen, Humor und Liebe.

Es wird deutlich, dass all diese Tugenden sich mehr oder weniger direkt auf den Respekt der Interessen des Nächsten beziehen. Daraus kann man die Idee ableiten, dass die „produktive soziale Interaktion“ durch die Entwicklung bestimmter Einzeltugenden, wie z.B. Grosszügigkeit oder Empathie, die Reziprozitätsbeziehungen erleichtern, verstärkt wird (Becker 1990).

Man gelangt damit so zu einer Klärung der ethischen Fragestellung, und zwar in Richtung einer Befragung des eigenen Ich in seiner Beziehung zum Nächsten. Mit Emmanuel Levinas hat sie wahrscheinlich ihre schönste und tiefste Ausprägung erfah-

ren. Für diesen Philosophen ist die ethische Forderung unendlich, insofern als sie unersättlich ist. „Zu keinem Zeitpunkt kann irgendjemand sagen: ich habe meine ganze Pflicht getan. Ausser der Heuchler.“ „Die Beziehung zum Nächsten knüpft sich nämlich wie ein Verantwortung, im sehr starken Sinn einer Verantwortung für den Nächsten“ (Levinas 1982).

Mit einer auf den Nächsten bezogenen Ethik wird man sich natürlich fragen müssen, welche Wege es ermöglichen, das gemeinsame Wohl aufzubauen und zu leben. Wie kann man die Fundamente eines gemeinsamen Wohles bestimmen? Wie kann man Vorgangsweisen entwickeln, die zur Festlegung von Verhaltensregeln führen, die die individuellen und kollektiven Interessen schützen? Die bedeutendsten gegenwärtigen Ansätze zu dieser Frage, wie diese von John Rawls, Jürgen Habermas oder Amartya Sen, geben zwar unterschiedliche Richtlinien, berufen sich auf die Anforderung, dass die Fundamente der Ethik auf dem Individuum und seiner persönlichen Freiheit beruhen. „Die Freiheit begründet die Ethik für jeden einzelnen“ (Mousse 1992). Das setzt voraus, dass jedes Individuum selbst die Fragen über die Folgen seiner Entscheidungen stellen kann und dass die Antworten nicht schon von anderer Seite vorgefertigt werden.

Die persönliche Nutzung dieser Freiheit erhält allerdings ihre Rechtfertigung durch das allgemeine Prinzip des wohlbekanntes kategorischen Imperativs von Kant: „Die Maxime deines Handelns sei so, dass du gleichzeitig wünschen könntest, dass sie zum allgemeingültigen Gesetz wird“.

Im Werk von Amartya Sen bestimmt die Freiheit, die die Individuen wirklich haben, um ein ihnen wertvoll erscheinendes Leben zu wählen, deren Fähigkeiten, dieses Lebensideal durchzuziehen. Dieser Gedanke hat eine zentrale Stellung in seiner Betrachtungsweise des Problems der sozialen Ungleichheiten und in seinen Lösungsvorschlägen zur Erreichung eines gemeinsamen Wohles unter Berücksichtigung der menschlichen Vielfalt (Sen 1993).

Wendet man eine auf solchen Fundamenten beruhende Ethik auf den zeitgenössischen Kontext an, so „ruft sie dazu auf, die Herrscher- und Untergebenenpositionen, die in den wirtschaftlichen und beruflichen Beziehungen so zahlreich vorhanden sind, abzuschaffen und zwar zugunsten einer freien und befreienden Haltung, die einer grossen Anzahl von Entscheidungen Sinn verleihen könnte. Jeder soll sich selbst so weit wie möglich als freier Mensch behaupten und, auch die anderen, seien es nun Gruppen oder Individuen, in ihrer Freiheit anerkennen“ (Mousse 1992). Die solchermassen unter den verschiedenen Berechtigungsgruppen aufgeteilte Freiheit ermöglicht eine „universelle Mitverantwortung“ und „diese Mitverantwortung zu leben kann nur über das Individuum gehen.“ (Dherse & Minguet 1998).

Die Unternehmen – nicht als Organisationen, sondern als von Personen getragene Unternehmensprojekte – stellen am Anfang des 21. Jahrhunderts eine der wichtigsten mitverantwortlichen Teilhaber dar, wenn auch nur durch den Verlust an Einfluss anderer Teilhaber, wie z.B. der Familien, des Staates oder der Kirchen. Dadurch wird die Notwendigkeit eines klaren Erfassens der unternehmerischen Grundbefähigungen deutlich, die erforderlich sind, um das allgemeine Wohl zu verwirklichen.

2.2 Die Ethik als Aufbaufaktor der Grundbefähigungen des Unternehmers

Die übliche zweifache Betrachtungsweise des unternehmerischen Handelns würde einer ethischen Vorstellung des Unternehmers nicht gerecht kommen: die Ethik wäre ein einfaches sonstiges Geschäftsführungsinstrument, das mit den persönlichen Einstellungen des Unternehmers und/oder der Führungskräfte übereinstimmt oder nicht. Werden jedoch die Grundbefähigungen des Unternehmers in Betracht gezogen, ist eine dreifache Lesung des unternehmerischen Handelns mit der Ethik als Aufbaufaktor möglich. Zuerst soll die Bedeutung einer solcher Vorstellung erläutert werden. Dann soll die Tragweite des ethischen Ansatzes dargelegt sein.

2.2.1 Die Bedeutung der trialektischen Aufstellung der Grundbefähigungen

Der übliche Ansatz führt eigentlich zu einer Dialektik des „Seins“ und des „Schaffen“, während die Ethik Fragen aufwirft, die sich schliesslich auf das „Werden“ des Unternehmers beziehen. Es handelt sich natürlich um seinen Werdegang im Rahmen der allgemeinen Gesellschaft und deren zeitlicher Entwicklung. Es geht also um eine Trialektik des Seins, des Schaffens und des Werdens, die für eine Darstellung der unternehmerischen Grundbefähigungen einen einwandfreien „Mehrwert“ fördert.

Diese Grundbefähigungen erscheinen folglich in einem neuen Kohärenzrahmen, der auf drei Bezugspunkten ruht: der *ontologische Bezugspunkt*, der den Unternehmer in seinem Sein betrachtet, der *phänomenologische Bezugspunkt*, der ihn im Verhältnis zu seinem Schaffen in Beziehung einer bestimmten Organisation ansieht und der *genetische Bezugspunkt*, in welchem der Unternehmer in seinem Werden in Beziehung zu Gesellschaft und/oder Gemeinschaft und deren Veränderungen angesprochen wird.

Die zwei ersten Bezugspunkte entsprechen im grossen den üblichen Darstellungen des unternehmerischen Handelns: einerseits die personenbezogenen, andererseits die organisationsbezogenen Aspekte. Mit dem dritten Bezugspunkt geht es um alle Verbindungen, die den Unternehmer an das allgemeine Umfeld binden, das sich aus den verschiedenartigsten Komponenten zusammensetzt. Immer schon handelte es sich um wirtschaftliche, soziale, institutionelle, politische, kulturelle und religiöse Komponenten. Heutzutage muss auch die Technologie als wesentliche Komponente berücksichtigt werden, insofern als sie die Beziehungsmodalitäten zwischen dem Unternehmer und dem Umfeld verändert. Was uns dazu führt, auch die natürliche Umwelt als besonders kritische Komponente einzuführen.

Diese Öffnung der Sichtweise bedingt auf einer allgemeineren Ebene eine Erweiterung der Interaktionsdynamik zwischen dem Unternehmer und seinem Umfeld. Diese Perspektive gehört zu einer betont unternehmerischen Logik, denn auch wenn er sein eigenes Werden gestaltet, kann es dem Unternehmer nicht entgehen, dass er nicht allein sein Schicksal bestimmt und dass sein Werden Einflussfaktoren globaler Natur ausgesetzt ist. Daraus folgt für den Unternehmer die Notwendigkeit, sich über sein unmittelbares Umfeld hinaus, auch gegenüber des allgemeinen Umfeldes und dessen Entwicklung zu positionieren.

Für den Unternehmer kommt es eigentlich darauf sich als „soziales Wesen“ zu verwirklichen. Das fordert eine gewisse Fähigkeit sich in seinen Beziehungen zur Gesell-

schaft und/oder Gemeinschaft in ihrer Gesamtheit anzusehen und unter Berücksichtigung aller Faktoren zu handeln, die diese Gesellschaft und/oder Gemeinschaft bestimmen und ihr ihre Identität verleihen. Es mag durch „Unternehmer Governance“ und durch „Unternehmer Regulation“ vollbracht werden.

Die Unternehmer Governance – der Begriff „governance“ ist hier in einem weiten Sinn angewendet – unterstreicht das Ausüben eines „unbegrenzt“ Verantwortungsbewusstsein des Unternehmers gegenüber der Gesellschaft und/oder Gemeinschaft. Sie unterscheidet sich natürlich von seinen internen oder externen vertraglichen Verantwortungen, die im Gesellschaftsleben üblich sind. Sie beruht auf das interaktive Wirken der Unternehmen im Strukturierungsprozess der Wirtschaft und Gesellschaft.

Unter „Unternehmer Regulation“ wird der Unternehmer als Impulsgeber für die Anpassung des Unternehmens an die Verschiedenartigkeit und an die Veränderungen seines allgemeinen Umfelds verstanden. Als Regulator obliegt es dem Unternehmer, bedeutsame Unterschiede und Veränderungen zu erkennen, die passenden Antworten zu finden und den Anpassungsprozess in die richtige Richtung zu lenken. Dafür braucht er einen „globalen Spürsinn“ für Umfeldbedingungen und deren Veränderungen (Gibb 1998).

Aus der ethischen Sicht dürften die Konzepte der Unternehmer Governance und Unternehmer Regulation die wichtigsten Richtlinien eines Unternehmers sein, dessen Unternehmen auf Dauer ausgerichtet ist. Es geht schliesslich um den Respekt vor dem Menschen und vor der Welt, der stark genug sein sollte, um technologische Verirrungen und Umweltkatastrophen zu vermeiden und die ungerechten schreienden Ungleichheiten im Wirtschaftsraum zu vermindern.

2.2.2 Die Tragweite des ethischen Ansatzes

Der ethische Ansatz entspricht einer aktuellen Fragestellung, die alle Unternehmen, unabhängig von ihrer Grösse betrifft (Harvey, Van Luijk, Corbetta 1991), auch wenn durch die Medienberichterstattung die öffentliche Aufmerksamkeit eher auf die Leiter der grossen Unternehmen gelenkt wird. Doch erweist sich die Bedeutung der Grundbefähigung des Unternehmers als „soziales Wesen“ in unterschiedlichen Weisen, je nach den Umfeldbedingungen der Unternehmen. In dieser Hinsicht stehen die kulturellen Bedingungen vermutlich im Vordergrund und zwar ist die Berücksichtigung der Unterschiede zwischen Individuen-Kulturen und Gruppen-Kulturen besonders angebracht.

In dem westlichen Teil der Welt, da wo der Kult des Individuums die Grundregel des gesellschaftlichen Lebens darstellt, geht es um etwas mehr soziales Bewusstsein zu fördern.

Die Veränderungen in den institutionellen, gesetzlichen und rechtlichen Rahmenbedingungen, die wir derzeit in diesem Teil der Welt erleben und die unter dem Motto der Entregulierung der Marktwirtschaft bessere Entfaltungsmöglichkeiten bieten sollen, können nur dann zu Ergebnissen führen, wenn in den Marktmechanismus eine retroaktive Vorrichtung eingebaut wird. Diese Vorrichtung kann aber, wenn sie nicht staatlicher Natur ist, nur ethischer Natur sein.

Die „Ethikkodizes“, die in zahlreichen grossen Unternehmen eingerichtet wurden und über die nunmehr die „responsability managers“ wachen, die so zu einem neuen Aufgabenfeld gekommen sind, können als eine Ausprägung unternehmerischer „governance“ gesehen werden. Dies aber nur, wenn sie nicht einen simplen „Kommunikationstrick“ darstellen, der der Banalisierung der Diskussion innerhalb des Unternehmens über seine Kultur entgegenwirken soll. Wenn diese neuen Formen „massgeschneiderter Unternehmensverfassungen“ Ausdruck einer unternehmerischen „governance“ sein sollen, so erfordert dies eine tiefgreifende Bewusstseinsweiterung der Unternehmensleiter. Die angesagten ethische Verpflichtungen können nur dann einen berechtigten Sinn gewinnen, insofern die zukunftssträchtige Themen wie der Umweltschutz nicht zu bequemen Mitteln kaufmännischer oder politischer Einflussnahme gemacht werden. Ethik hat keinen Selbstzweck.

Der Übergang vom Lokalen zum Globalen aufgrund des Zurückweichens der nationalen Grenzen und aufgrund der immer zahlreicher werdenden gegenseitigen regionalen Abhängigkeiten stellt auch eine gewisse ethische Herausforderung für den Unternehmer dar. Er ist immer mehr mit den Auswirkungen der kulturellen, religiösen, politischen und institutionellen Unterschiede des allgemeinen Umfelds konfrontiert, die sich auf der Ebene der einzelnen Länder und ganzer Weltregionen zeigen. Der Unternehmer, dessen Unternehmung sich weltweit ausdehnt, muss diese Unterschiede nicht notwendigerweise ignorieren, ausser wenn er bedenkt, dass die Globalisierung, die ein historisch irreversibles Phänomen darstellt, die Banalisierung der am Ultraliberalismus gemessenen Marktspielregeln erfordert (Forrester 2000).

Ausserdem kommt es durch die Veränderungen in der allgemeinen Umfeld zu Situationen, die die Unternehmen zwingen, sich anzupassen. In unserer Zeit stimmt das vor allem für den Technologiebereich und die natürliche Umwelt. Der rasante Aufschwung der neuen Informations- und Kommunikationstechnologien sowie die Verschlechterung der natürlichen Umwelt, die sich in naher Zukunft noch verschlimmern könnte, betreffen natürlich alle, aber an vorderster Stelle die Unternehmen. Denn sie sind die hauptsächlichen Nutzer von Technologien, die nicht immer sauber sind.

In vielen südlichen und östlichen Teilen der Welt ist oft die Entwicklung des unternehmerischen Handelns mit der Bezwingung der Armut verbunden. Doch setzen sich, nach einer noch weit verbreiteten Ansicht, die mit Gemeinschaftstraditionen verbundenen kollektiven Werte dem Entfalten des Unternehmungsgeistes entgegen und verhindern jeglichen Ausweg aus der hoffnungslosen wirtschaftlichen Lage.

Aus mehr und mehr Berichten ergibt es sich aber, dass in gewissen Ländern alternative Ausübungen des unternehmerischen Handelns in Schwung kommen. Obwohl sie sich in Hinsicht auf sehr wichtige Punkte vom westlichen Archetyp unterscheiden, werden doch die dem dialektischen Modell entsprechenden individuellen Werte meistens hervorgehoben. Man sollte sich aber ebenfalls befragen, ob durch die kultur- und traditionsbewusste Strukturen nicht mögliche Bedingungen herauskommen könnten, die so viel mehr günstiger wären als in der westlichen Welt für das Gedeihen eines alternativen Unternehmerstyps, der für das gemeinsame Wohl besser ausgerichtet wäre.

So hat man in Bezug auf das unternehmerische Handeln von einem „Individualisierungsprozess afrikanischer Art“ berichtet (Marie 1997) der durch die Umgestaltung der

Gemeinschaftssolidaritäten dem Individuum auch im allgemeinen Leben mehr Freiheit verleiht.

Wegen dem von der Armut angetriebenen wirtschaftlichen Zwang, fühlt sich eine immer grösser werdende Menge von Afrikaner veranlasst, auf sich selbst zu zählen, den Raum ihrer eigenen Initiativen zu erweitern, ihre Gemeinschaftsbeziehungen für persönliche Ziel zu benutzen und in mehr oder wenig hybride Kompromisse zwischen persönlichem Vorhaben und gemeinschaftlicher Verpflichtung einzugehen. Das unternehmerische Individuum befindet sich in einer Lage von schöpferischer Spannung zwischen einem lebensnotwendigen Individualismus (die Aussichten des Unternehmens zu bewahren erfordert, dass es vermeidet, Verwandte zu beschäftigen; die Zukunft der Kinder zu sichern erfordert, dass es dem beharrlichen Druck der Ältesten widersteht usw.) und der Ethik der Solidarität (die sich vom Familienkreis, vom Dorf, vom Stamm und Rasse auf die gesamte Gesellschaft ausdehnen kann).

In einem ähnlichen Zusammenhang wurde das Beispiel des chinesischen Familienbetriebs hervorgehoben, der von einem eigenartigen „Geist des chinesischen Kapitalismus“ Zeugnis ablege (Redding 1993). Mit Rücksicht auf unsere Abhandlung sollte man unterstreichen, dass dieser sich zum grössten Teil in die Ethik von Konfuzius einwurzelt wo das Grundprinzip des „für den Nächsten existierenden Menschen“ den Hauptsatz seiner Weltanschauung darstellt.

Urbegriffe der konfuzianischen Ethik

Nach dem Grundprinzip des „ren“ gestaltet sich jedes Individuum in ein Netz von Beziehungen mit dem Mitmenschen, das sich in die kosmische Harmonie einfügt. Die Gegenseitigkeitsbeziehung gründet aber überhaupt nicht eine Gleichheitsbeziehung, in welcher der Nächste auf gleichem Fuss stehen würde.

Menschlich zu sein besteht nicht in der Pflege von unbestimmten humanitären Gefühle, doch in dem Wahrnehmen einer Verantwortung gegenüber sich selbst und dem Nächsten, die durch pflicht- und hierarchiegemässe Beziehungen zum Ausdruck kommt. Darum ist die kindliche Liebe die Haupttugend in der Sozial- und Morallehre des Konfuzius.

In der konfuzianischen Ethik gründet das „ren“ nicht nur die Beziehungen im Familienkreis als Vorbild aller gesellschaftlichen Organisationen, es kann sich auf jegliche Gemeinschaft ausdehnen, auf der Ebene eines Landes oder der Gesamtheit der Menschen. Das Grundprinzip ist ein Leitfaden für ein globales Menschlichkeitspotential.

Nach A. Cheng: Dictionnaire d'éthique et de philosophie morale. P.U.F., 2001

Für die im Ausland niedergelassenen chinesischen Unternehmer stellt die Auswirkung dieses ethischen Grundsatzes eine grosse Kraft dar. Inmitten der chinesischen Gemeinschaft erlaubt es das Entfalten von Vertrauensbeziehungen, wo die Einrichtungen und gesellschaftliche Strukturen wie das Recht, die normaler Weise die Redlichkeit des Handelsverkehr garantieren, nicht vorhanden sind. Gleichzeitig bewirkt es organisatorische Strukturen paternalistischer Art, die sich in gewissen Kontexten bewähren, auch ausserhalb des chinesischen Milieus, wie zum Beispiel in vielerlei afrikanischen Gemeinschaften.

Doch scheint es, dass diese verschiedenartige Gestaltung des unternehmerischen Handelns die Betrachtungsweise der Kommentatoren der westlichen Welt nicht genügend beeinflusst hat, um sie zu einer Abweichung von dem Muster der dialektischen Unternehmer-Unternehmungs-Beziehung zu veranlassen. Die nicht-individualistischen Werte mögen gewiss in Betracht gezogen sein, aber nur im Rahmen eines Regi-

sters, das zusätzlich auch eine soziale Taste haben mag. Für die Gesellschafts- und Gemeinschaftsbereiche benötigt es keine besondere Grundbefähigungen des Unternehmers.

Die kollektiven Werte, die mit Volkskultur und Geschichte verbunden sind, könnten aber ebenfalls in Afrika und anderswo einen fruchtbaren Mutterboden für das Aufgehen von neuen echten unternehmerischen Tugenden begünstigen. Damit werden hier die gesellschaftliche und/oder gemeinschaftlich ausgerichtete Grundbefähigungen des Unternehmers, die den trialektischen Ansatz kennzeichnen, angesprochen.

Aus diesen Werten, die sich sehr lebhaft in gewissen Ländern ausprägen, mögen sich Bestandteile ergeben, die das Verhalten des Unternehmers als „soziales Wesen“ orientieren könnten. Die Volkskultur von Madagaskar ist auf Werte aufgebaut, die diesem Land zu eigen sind und die das alltägliche Leben steuern. Vielzitierte Sprichwörter geben ihr einen lebendigen Ausdruck. Der bedeutsamste allgemeine Begriff ist das „fihavanana“ das eine Form von „soziales Bündnis“ darstellt. Es besagt mehr als die Blutsverwandschaft und stützt sich auf ein tiefes Zugehörigkeitsgefühl zu einer Gemeinschaft und/oder Gesellschaft. Da wo der Geist des „fihavanana“ herrscht, ist die Eintracht sehr stark: Einigkeit beruht dann auf gegenseitigem Respekt, Toleranz und Beistandbereitschaft. Dazu unterstützen weitere traditionelle Werte wie Solidarität, Ehrlichkeit und Verantwortlichkeit das allgemeine Zusammenhalten.

Nach Madegassischen Forschern haben diese kulturelle Werte einigermaßen ihren Einfluss verloren. Doch sind die Schlussergebnisse nicht eindeutig. Obschon für die KMU-Führungskräfte die Interessen der Unternehmung im Vergleich zu den Werten des „fihavanana“ den Vorrang haben, sind die grundlegenden traditionellen madegassischen Werte, die sich auf Familie, Religion, Solidarität und gegenseitigen Beistand berufen, nicht zurückgeworfen (Rasolofoson 2001).

Allerdings kann man das Nachgeben des „fihavanana“ auf den „Mythos des vazaha“ zurückführen (Rasamoela 2002). Es handelt sich hier um eine Vorstellung des Fremden („vazaha“), dem heldenhaftige Eigenschaften zugeschrieben sind und die aus der kolonialen Zeit stammt, wo der französische „vazaha“ der unbestrittene Vektor des wirtschaftlichen Fortschritts war. Heute hat dieses mythische Bild die Akzeptanz der Führerschaft des Fremden im allgemeinen Sinn zur Folge, wobei die herkömmlichen Werte im Hintergrund geschoben werden. Wäre das ein Individualisierungsprozess madegassischer Art und Weise?

Eine übereilte Stellungnahme zu dieser Frage ist jedenfalls zu vermeiden. Es darf aber bemerkt werden dass im grossen Teil die Elite der Madegassen die Auswirkungen des „jeder für sich“ befürchtet, weil die Kluft zwischen Armut und Reichtum dadurch verschlimmert würde.

Volkstümliche Sprichwörter von Madagaskar

Zum Thema des „fihavanana“

„Trano atsimo sy avaratra, ka izay tsy mahalan – kialofana“ – Wenn es regnet, kann man immer bei dem Nachbarn Unterkunft finden, sollte zuhause das Dach nicht halten.

„Tanan – kavia sy havanana, ka izay didiana maharary“ – Wenn eine Hand verletzt ist, erduldet auch die andere den Schmerz.

„Raha maharary ny vava diaa misafasofo ny tananana, ary raha may ny tanana dia mitsotsoka ny vava“ – Wenn man einen wehen Mund hat, ist die Hand da um ihn zu streicheln; und wenn man sich eine Brandwunde auf der Hand zuzieht, ist der Mund da um sie anzuhauen.

Zum Thema der Solidarität

„Ny mitabe tsy lanin'ny mamba“ – Krokodile mögen Menschen, die den Fluss massenweise überqueren, nicht fressen.

„Ny akangamaro tsy vakin'amboa“ – Ein Hund kann eine Schar Perlhühner nicht durchdringen.

Zum Thema der Ehrlichkeit, Verantwortung und Pflicht

„Ny marina toy ny tsiriry anaty arefo, tsy maty fa malazo“ – Die ehrlichen Leute sind wie Kräuter inmitten den Binsen; sie mögen verwelken aber sterben nicht.

„Ny adidy tsy an'olon – dratsy“ – Verantwortungsbewusstsein und Pflichtgefühl sind keine Angelegenheiten der schlechten Menschen.

Nach R. Randrianaryvony, Diss., I.N.S.C.A.E., Antananarivo, 2002.

In Madagaskar steht somit der Unternehmer am Scheideweg. Er ist vermutlich der Versuchung einer individualistischen Richtung des unternehmerischen Verhaltens ausgesetzt. Das wird um so mehr der Fall sein, dass er seinen Betriebswirtschaftslehrgang in einer Universität oder Schule der westlichen Welt absolviert hat. Zugleich kann er die kulturellen Werte seiner Umwelt nicht ignorieren. Durch das Bewusstsein dieser tiefgreifenden Werte dürften die Unternehmer von Madagaskar in grösserem Ausmass als in der westlichen Welt ihr soziales Wesen entwickeln. Bestimmte Bedingungen sind aber erforderlich.

In diesem Land, wo die Kirche nach wie vor einen grossen Einfluss auf der Religions-ebene ausübt, sollte sie weiter imstande sein, ihre Rolle als Wachposten im wirtschaftlichen und sozialen Bereich zu bekleiden. Die webersche These wäre damit aktuell: ein ethisches, aus religiösen und kulturellen Werten bestehendes Fundament ist die Vorbedingung der Legitimierung des unternehmerischen Handelns und seiner Förderung. Im vorliegenden Fall sollten die Werte des „fihavanana“ den ethischen Bestand bereichern.

Doch müssen in Madagaskar, wo die Wechselfälle der politischen Situation zu einer sehr starken Beschädigung der Wirtschaft beigetragen haben, die öffentlichen Behörden sich als treibende Kraft einstellen, d.h. dafür zu sorgen, dass der Unternehmungsgeist gefördert sei und zugleich die soziale Bindungskraft bewahrt sei. Das setzt allerdings voraus, dass diese Behörden selbst gewisse herkömmliche Tugenden pflegen.

In den Verhältnissen all dieser Entwicklungsländer, wo die aus der Volkskultur stammenden Werte das gemeinschaftliches Leben und das gesellschaftliches Werden noch stark prägen, könnte der Unternehmer, der einer auf den Nächsten ausgerichteten ethischen Vorstellung entspricht, eine grössere Zukunft haben als der Unternehmer des „dialektischen Modells“. Die Bedingung ist, dass er als Träger sozialer Werte allgemeine Anerkennung erreicht so dass er durch die Tragweite seiner Figur das nachgeahmte Vorbild des Unternehmers der westlichen Welt überstrahlen würde.

Ganz offensichtlich steht das Erziehungs- und Ausbildungssystem im Vordergrund. In der Ausbildungszeit des möglichen Unternehmers geht es um eine gleichgewichtige Verteilung zwischen den Lehrgängen zu errichten, so dass – kurz gesagt – die Bewusstseinsbildung für den Verstand und den Sinn der sozialen Umwelt mit Rücksicht auf die

ursprünglichen Werte als ebenso wichtig behandelt wird als das Erlernen des Unternehmensplans.

In den Entwicklungsländern kann sich in Wirklichkeit das „authentische Wachstum“ einer „neuen Ethik“ nicht enthalten (On'okundji Okavu Ekanga 1999). Das setzt voraus, dass das schnelle Erreichen materiellen Wohlstands nicht unbedingt den Vorrang hat und das im Gegensatz zu dem Entrepreneurialismus des einheitlichen Denkens eine authentische Figur des Unternehmers auftaucht. Ausserdem dürfte das auch für den Teil der Welt gelten, wo der Wohlstand zwar höher ist, wo aber das allgemeine Wohl so oft den Sonderinteressen unterlegen ist.

Der Unternehmer des 21. Jahrhundert steht vor einer „unendlichen Chance“. Er hat jedoch – um teilweise den Wortlaut des französischen Schriftsteller A. Camus wieder aufzunehmen – eine „unendliche Verantwortung für diese Chance“, im Dienst zu Gesellschaft und Menschheit zu sein.

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Wertewandel bei Unternehmern – Schlagwort oder Realität?

Hans Jobst Pleitner und Martina L. Jakl

Einführung

Der nachgerade sprichwörtliche Wandel in unserer Zeit erfasst, so wird von Kommentatoren argumentiert, so gut wie alle Lebensbereiche und reicht sogar bis in tiefere Schichten der menschlichen Psyche hinein. Selbst fundamentale individuelle Wertvorstellungen scheinen Veränderungen zu unterliegen. Der Wertewandel ist demgemäss zu einem der populären Schlagworte in Wissenschaft, Medien und öffentlicher Diskussion geworden. Von einem Verblässen traditioneller, gemeinschaftsorientierter Werte zugunsten einer egozentrierten Grundhaltung ist etwa die Rede.¹ Und der Schritt scheint klein zur Annahme, namentlich in der westlichen Welt manifestiere sich ein Werteverfall, der schliesslich die „Grundfesten“ der Gesellschaft zu erschüttern vermöge. Die Popularität einer solchen Argumentation kann an Buchbestsellern wie Ulrich Wickerts „Der Ehrliche ist der Dumme“² abgelesen werden, die über Wochen Spitzenreiter der Nachfrage bleiben. Gleichzeitig nimmt aber die Relevanz von Auswahlkriterien, wie es Werte sind, als Orientierungshilfen im Optionen-Dschungel zu, wie es Peter Gross in seinem Buch zur „Multioptionengesellschaft“ beschreibt.³ Es spricht also auch einiges dafür, dass wir in den letzten Jahren eher eine Wertebelebung als einen Werteverfall registrieren dürfen.

Was trifft nun zu, und wie schlagen sich die Veränderungen in der besonders menschengepägten Welt der kleinen und auch der etwas weniger kleinen Unternehmungen („KMU“) nieder? In den folgenden Überlegungen soll der Frage nachgegangen werden, ob überhaupt und in welcher Weise sich der Wertewandel in KMU und dort insbesondere im Selbstverständnis der Unternehmer bemerkbar macht. Gesucht werden mögliche Antworten auf diese Fragen in den für die Schweiz erzielten Resultaten der über mehrere Jahre hinweg durchgeführten Interstratos⁴-Erhebungen, die sich auch mit der Messung von Einstellungen befasst haben, und in den Ergebnissen einer speziellen Erhebung unter Jungunternehmern in der New Economy der Schweiz.

Werte in der Forschung

Die Wertediskussion hat zwar in der Wirtschafts- und Sozialforschung seit langem ihren festen Platz; der Begriff „Wert“ ist aber durchaus nicht allgemeingültig definiert. Will man sich ihm in einer Umschreibung annähern, so darf von einer übergeordneten Kategorie zu den Einstellungen eines Individuums gesprochen werden, aus denen sich

1 So bspw. bei Duncker 1998, S. 15

2 Wickert 1998

3 Gross 1994

4 Internationalisation of Strategic Orientations of Small and Medium European Enterprises

Verhaltensweisen ableiten lassen.⁵ Der vielzitierte Soziologe Rokeach, der sich eingehend mit dem Zusammenhang zwischen Werten und Einstellungen befasst hat, definiert dementsprechend – vereinfacht – Werte als eine beständige Überzeugung, dass eine bestimmte Verhaltensweise einer entgegengesetzten Verhaltensweise vorzuziehen ist und Einstellungen daraus abgeleitet werden können.⁶ Einstellungen, wie sie in den Interstratos-Projekten erhoben wurden, können demnach als untergeordnete Kategorie zu Werten gesehen werden. Einstellungen können so einen Rückschluss auf die Werthaltung des Individuums erlauben. Ein Individuum vertritt eine beschränkte Anzahl an fundamentalen Werten, hat hingegen eine fast unbeschränkte Anzahl an Einstellungen.⁷ Diese sind von ihrer Grundtendenz her eher als diffus einzustufen, haben aber grossen Einfluss auf das Verhalten der Unternehmer im Alltag; sie sind nicht Leitlinien des Verhaltens an sich, sondern vordringlich objektbezogen.⁸ Werte können trotzdem wie Einstellungen grösseren Änderungen unterliegen, sei es aus der persönlichen Situation des Unternehmers heraus oder dank einem gesellschaftlichen Phänomen, das mit dem Schlagwort wertepträglicher Wandel belegt werden kann. In der Literatur werden dazu drei verschiedene Thesen diskutiert: die These vom Werteverfall, die These der – eindimensionalen – Wertesubstitution sowie die These einer – mehrdimensionalen – Werteverchiebung. Bei der These vom *Werteverfall* geht es zugleich um ein zunehmendes Wertevakuum wie um Unsicherheiten hinsichtlich zentraler und verbindlicher Werte, vor allem auch in der Arbeitswelt. So wird etwa argumentiert, traditionelle Werte wie Pflichterfüllung seien obsolet geworden. Die These der *Wertesubstitution* geht z.B. davon aus, dass eine Ersetzung von materialistischen (wie Einkommenserzielung, Besitzausweitung) durch postmaterialistische Werte erfolgt, insbesondere in der jüngeren Generation. Als neuste Entwicklung darf die These einer mehrdimensionalen *Werteverchiebung* gelten, wo entgegen der Substitution Werte nicht verloren gehen, sondern sich lediglich in der Gewichtung verändern. Einer der prominenten Vertreter dazu im deutschen Sprachraum, Klages, geht in einer Vierfelder-Matrix von einer Verschiebung von Pflicht- und Akzeptanzwerten hin zu Selbstentfaltungswerten aus.⁹

Relevanz von Werten für KMU

Wenn vom Wertewandel die Rede ist, stellt sich in unserem Arbeitsgebiet die Frage, inwieweit dieser speziell auf den Unternehmer in KMU bei der Ausübung seiner Tätigkeit Auswirkungen hat. Damit erhält die Wertediskussion eine ökonomische Dimension. Das Wirtschaftsverhalten von KMU ist stärker durch die konkrete Führung des Unternehmers geprägt als in Grossunternehmen, deren Auftritt weniger durch einzelne Führungspersönlichkeiten bestimmt wird; charismatische Einzelkämpfer und „lonely wolves“ sind hier eher die Ausnahme. Dadurch gewinnt der Einfluss von persönlich

5 vgl. Wiswede 1991, S. 134

6 vgl. Rokeach 1973, S. 5

7 vgl. EIASM 1987, S. 3

8 vgl. Wiswede, S. 135. Dies zeigt sich auch im Sprachgebrauch: Einstellungen sind im Gegensatz zu Werten immer auf etwas bezogen.

9 Klages 1984, S. 17 ff.

bestimmten Werten auf das konkrete Führungsverhalten vor allem in KMU Relevanz, indem sich dort die Auswirkungen der Werthaltung des Unternehmers unmittelbar im betrieblichen Alltag zeigen.

Was bedeutet nun der Begriff „Wert“ in Zusammenhang mit KMU? Wenn wir uns Werte als „innere Führungsgrößen des Tuns und Lassens“¹⁰ vorstellen, determinieren sie zweifellos die Aktivitäten eines Unternehmers. Das Bild des Unternehmers in der Gesellschaft wird bspw. in Erhebungen des Demoskopie-Instituts Allensbach zum Berufsbild jedes Jahr neu erhoben; seine Wertvorstellungen werden dagegen weniger hinterfragt. Die Interstratos-Erhebungen haben nun diese Lücke geschlossen und gleich über ein Zeitpunktergebnis hinaus die Entwicklung der unternehmerischen Wertvorstellungen über mehrere Jahre hinweg anvisiert. Gegenstand der Untersuchungen sind sowohl direkte wie indirekte Einflüsse von Werten bzw. Einstellungen auf die Entscheidungen und Massnahmen der Unternehmer.¹¹ Es versteht sich, dass das Verhalten der Unternehmer daneben von konstitutionellen und kontextuellen Merkmalen beeinflusst wird.¹² Aber eben: Werte dürfen als massgebliche Determinanten des unternehmerischen Verhaltens gelten. Sie prägen bereits die Neigung, ein Unternehmen überhaupt zu gründen, wie dies etwa Sternberg in seinem Bericht zum Projekt „Global Entrepreneurship Monitor“ für Deutschland exemplarisch dargelegt hat.¹³

Die Ergebnisse der Interstratos-Erhebungen im Zeitablauf

Die Interstratos-Untersuchungen (und schon vorher [1985] die Stratos-Studien zur Erfassung der „Strategic Orientation of Smaller Enterprises“) hatten, wie angedeutet, das Ziel, die strategische Ausrichtung der KMU wie die Werthaltungen der Unternehmer zu erforschen. Sie wurden als abgestimmte Längsschnittstudien für die gleichen güterproduzierenden Branchen in verschiedenen Ländern durchgeführt und ermöglichten so den Längs- wie den Quervergleich.¹⁴ Die Fragen, die den Wertvorstellungen bzw. Einstellungen gewidmet waren, wurden nach sechs Dimensionen gruppiert.¹⁵ Für unsere Auswertung halten wir uns an die Kategorisierung von Fröhlich und Liechtenstein:¹⁶

- Zur Rolle des Staates und der Berufsgemeinschaften
- Veränderungsbereitschaft
- Planung/Organisation

¹⁰ Klages 1984, S. 9

¹¹ EIASM 1987, Haake 1987, Fröhlich, Pichler 1988.

¹² vgl. Haake 1987, S. 78

¹³ vgl. Sternberg 2000, S. 26 ff.

¹⁴ Interstratos: 5 Erhebungen in gut 2 500 KMU (Schweiz davon 440) von 1991 bis 1995 in acht Ländern (Belgien, Finnland, Grossbritannien, Niederlande, Norwegen, Österreich, Schweden, Schweiz) und zusätzlich eine Erhebung 1999 in der Schweiz und in Deutschland. Branchen: Bekleidung/Textil, Elektronik, Holz/Möbel, Metall/Maschinen, Nahrungs-/Genussmittel.

¹⁵ 1) Unternehmerisches Selbstverständnis, 2) Unternehmer- Mitarbeiter-Verhältnis, 3) Organisationsgrundsätze, 4) Veränderungsbereitschaft, 5) Produkt-/Markt-Verhalten, 6) Verhältnis gegenüber der Gesellschaft.

¹⁶ vgl. Fröhlich, Liechtenstein 2002, S. 116

- Technologie und zwischenbetriebliche Kooperation
- Unternehmensethik und Mitarbeiterbeziehungen
- Familie und Geschäft.

Die folgenden Bemerkungen beziehen sich auf die Tabellen 1 und 2:

Bezüglich der Einstellungen zur *Rolle des Staates und der Berufsgemeinschaften* suggeriert die Auswertung der erhobenen Informationen (für die Schweiz noch eine Spur stärker als für die übrigen beteiligten Länder), dass sich die Unternehmer gegen Einschränkungen des „freien Marktes“ wehren. Bezüglich der Rolle der Berufsverbände zeigt sich kein signifikanter Unterschied im Zeitverlauf oder im internationalen Vergleich. Der plausible Aussage, dass sich Berufsverbände ausschliesslich ihren Mitgliedern widmen sollten, wird durchweg zugestimmt. Ihre Funktion innerhalb der Gesellschaft wird nicht in Frage gestellt.

Jahr	1991	1992	1993	1994	1995	1999
Der Staat sollte die Gesetze des freien Marktes nicht einschränken – nicht einmal durch staatliche Förderungspolitik	3,8	3,9	3,9	3,9	3,8	3,7
Die Berufsverbände und ähnliche Organisationen sollten sich ausschliesslich der Unterstützung ihrer Mitglieder widmen	3,6	3,7	3,6	3,7	3,6	3,6
Veränderungen in einer Unternehmung sollten unbedingt vermieden werden	1,7	1,6	1,6	1,5	1,6	1,6
Ein Betrieb sollte seine heimische Region nicht verlassen	2,3	2,2	2,1	2,1	2,1	2,1
Arbeitsplätze sollten klar abgegrenzt und bis ins Detail beschrieben sein	2,8	2,7	2,8	2,8	2,7	2,5
Unternehmer sollten eher planen als ihrer Intuition folgen	3,2	3,0	3,2	3,2	3,1	3,0
Die Firmen sollten ausschliesslich bewährte administrative Arbeitsabläufe und Produktionstechniken einführen	2,7	2,7	2,6	2,7	2,6	2,6
In Familienbetrieben sollte die Leitung in den Händen der Familie bleiben	2,8	2,8	2,7	2,7	2,7	2,9
Kleine Firmen sollten nicht zögern, mit grossen Unternehmen Geschäftsbeziehungen zu unterhalten	4,0	4,1	4,1	4,0	4,0	4,2
Die Chefs von Klein- und Mittelunternehmen sollten für die Einstellung aller Mitarbeiter persönlich verantwortlich sein	3,0	3,1	3,1	3,1	3,0	3,0
Führungskräfte sollten ihr Verhalten an ethischen Prinzipien ausrichten	4,0	4,0	4,0	4,0	4,0	3,9
Das Geschäft sollte Vorrang vor dem Familienleben haben	2,5	2,5	4,0	2,5	3,9	2,6

Tabelle 1: *Interstratos Schweiz (Mittelwerte)*¹⁷

Die Frage nach der *Veränderungsbereitschaft* soll aufzeigen, inwieweit Unternehmer eine risikofreudige und wandelorientierte Einstellung aufweisen. Sie wird mit der klaren Ablehnung der beiden Aussagen „Veränderungen sollten in einer Unternehmung unbedingt vermieden werden“ und „ein Unternehmen sollte seine heimische Region nicht verlassen“ bestätigt. Bei der Aussage zu „Veränderungen sollten unbedingt vermieden werden“ bleibt die Ablehnung über die Zeit hinweg konstant und unterscheidet

¹⁷ Skala von 1 bis 5: 1 = keine Bedeutung; 2 = schwache Bedeutung; 3 = mittlere Bedeutung; 4 = grosse Bedeutung; 5 = sehr grosse Bedeutung.

sich in der Schweiz nicht wesentlich vom europäischen Durchschnitt. Auch die Aussagen zur Internationalisierung deuten im Quervergleich und im Zeitablauf auf die Bereitschaft zur Tätigkeit jenseits der Landesgrenzen („der heimischen Region“) hin.

Jahr	1991	1992	1993	1994	1995
Der Staat sollte die Gesetze des freien Marktes nicht einschränken – nicht einmal durch staatliche Förderungspolitik	3,7	3,7	3,7	3,6	3,6
Die Berufsverbände und ähnliche Organisationen sollten sich ausschliesslich der Unterstützung ihrer Mitglieder widmen	3,7	3,7	3,7	3,7	3,7
Veränderungen in einer Unternehmung sollten unbedingt vermieden werden	1,7	1,6	1,7	1,6	1,6
Ein Betrieb sollte seine heimische Region nicht verlassen	2,1	2,2	2,2	2,2	2,2
Arbeitsplätze sollten klar abgegrenzt und bis ins Detail beschrieben sein	3,0	3,0	3,0	3,0	2,9
Unternehmer sollten eher planen als ihrer Intuition folgen	3,2	3,1	3,1	3,2	3,1
Die Firmen sollten ausschliesslich bewährte administrative Arbeitsabläufe und Produktionstechniken einführen	3,0	2,9	3,0	2,7	2,9
In Familienbetrieben sollte die Leitung in den Händen der Familie bleiben	2,8	2,8	2,8	2,8	2,8
Kleine Firmen sollten nicht zögern, mit grossen Unternehmen Geschäftsbeziehungen zu unterhalten	4,0	4,0	4,0	4,0	4,0
Die Chefs von Klein- und Mittelunternehmen sollten für die Einstellung aller Mitarbeiter persönlich verantwortlich sein	3,4	3,5	3,5	3,5	3,5
Führungskräfte sollten ihr Verhalten an ethischen Prinzipien ausrichten	3,9	3,9	3,9	3,9	3,9
Das Geschäft sollte Vorrang vor dem Familienleben haben	2,5	2,6	2,8	2,5	2,8

Tabelle 2: *Interstratos Europa (Mittelwerte)*¹⁸

Im Zusammenhang *Organisation/Planung* war beabsichtigt, durch Stellungnahmen zur Aussage „Arbeitsplätze sollten klar abgegrenzt und bis ins Detail beschrieben werden“ Hinweise auf unternehmerische Flexibilität oder Rigidität zu erlangen. Bis zum Jahr 1995 zeigen sich diesbezüglich in der Schweiz keine grossen Veränderungen; jedoch scheint die Präferenz für Flexibilität in der Schweiz höher zu sein, und sie wirkt 1999 noch ausgeprägter. Demnach sind Schweizer Unternehmer entgegen dem landläufigen Image flexibler als ihre europäischen Kollegen, sofern die Erhebungsaussage wirklich Flexibilität misst.

Für die Ermittlung der Einstellungen zu *Technologie und Zusammenarbeit* wurde zunächst die Aussage herangezogen, die „Firmen sollten ausschliesslich bewährte administrative Arbeitsabläufe und Produktionstechniken einführen“. Die stärkere Ablehnung durch die Schweizer Unternehmer scheint gehobene helvetische Technologiefreundlichkeit zu signalisieren, die ihrerseits durch eine bessere Kapitalausstattung, also bessere Ausgangsvoraussetzungen bestimmt sein mag. Was die Einstellungen gegenüber der Kooperation, insbesondere mit Grossunternehmen, betrifft, so wird der Aus-

¹⁸ Skala von 1 bis 5: 1 = keine Bedeutung; 2 = schwache Bedeutung; 3 = mittlere Bedeutung; 4 = grosse Bedeutung; 5 = sehr grosse Bedeutung.

sage, dass „Kleinbetriebe nicht zögern sollten, mit grossen Unternehmen Geschäftsbeziehungen zu unterhalten“ sowohl von den Schweizer Unternehmern als auch im europäischen Durchschnitt unisono und gleichbleibend zugestimmt, deutlicher als bei allen anderen Aussagen. Solche Kooperationen werden offenbar als normal und vernünftig betrachtet.

Hinsichtlich der *Menschenführung und Unternehmensethik* findet die Aussage, dass „die Chefs von Klein- und Mittelunternehmen persönlich für die Einstellung aller Mitarbeiter verantwortlich sein sollten“, bei den Nichtschweizer Unternehmern deutlichere Zustimmung als in Helvetien. Nach Fröhlich und Liechtenstein¹⁹ wird damit Einblick in die Delegationsbereitschaft der Unternehmer gegeben: Schweizer KMU-Chefs scheinen über die Zeit hinweg eher geneigt, selbst Rekrutierungsaufgaben zu delegieren, als ihre europäischen Kollegen. Dass Führungskräfte ihr Verhalten an ethischen Prinzipien ausrichten sollten, wird sowohl von Schweizer Unternehmern als auch im europäischen Durchschnitt klar bejaht. Ethisches Verhalten scheint demnach ein Wert zu sein, der europaweit und im Zeitablauf Bestand hat und sich somit einem generellen Wertewandel entzieht, jedenfalls wenn sich der Beobachter auf die diesbezüglichen Äusserungen der Unternehmer verlässt.

Im Zusammenhang der letzten Wertekategorie *Familie und Geschäft* zeigt sich bei den Meinungen zum Vorrang des Geschäfts vor dem Familienleben ein bemerkenswertes Bild. Die Stellungnahmen zu dieser Aussage weisen für die Schweiz im Zeitablauf erstaunliche Ausschläge auf, die dann auch im europäischen Vergleich verwundern: Die Präferenzen zwischen familiärem und geschäftlichem Vorrang scheinen sich von Jahr zu Jahr ändern zu können, eine Beobachtung, die mit dem Geschäftsgang zu erklären sein mag, dann aber eigentlich nicht nur in der Schweiz zu erwarten wäre.

Die Aussage dagegen, dass die *Leitung des Unternehmens in den Händen der Familie* bleiben sollte, findet nirgendwo grossen Nachdruck. Die Unternehmer sind offenbar nicht davon überzeugt, dass ihr Lebenswerk auf jeden Fall an einen familiären Nachfolger übergeben werden muss, und diese Überzeugung bleibt im Zeitablauf und westeuropäisch flächendeckend konstant.

Zusammenfassend lässt sich festhalten, dass sich von Einstellung zu Einstellung durchaus ansehnliche Unterschiede zeigen, dass die meisten Positionen aber, für sich betrachtet, im zeitlichen wie im räumlichen Vergleich erstaunlich konstant bleiben. Von zwölf betrachteten Items zeigt nur eines (Einstellung zu Geschäft vs. Familienleben) signifikante Veränderungen, die aber nicht in eine erkennbare Richtung zielen. Diese Feststellung läuft der These eines allgemeinen Wertewandels deutlich zuwider.

Die Einstellungen von Jungunternehmern aus der New Economy im Vergleich

Die Interstratos-Erhebungen wurden auf fünf Branchen aus dem güterproduzierenden Sektor beschränkt. Die im Gefolge der Tertiarisierung in der Wirtschaft immer wichtiger werdenden Dienstleister insbesondere aus der New Economy blieben unberück-

¹⁹ Fröhlich, Liechtenstein 2002, S. 124

sichtig. Auch waren durch den Einsatz eines Panels bei der Interstratos-Erhebung die untersuchten Firmen eher älter und etabliert. Damit gab es auf Interstratos-Basis bis anhin keine Daten oder Untersuchungen, die sich mit den Unterschieden zwischen jungen Dienstleistern und „gestandenen“ güterproduzierenden Firmen im Hinblick auf ihre Einstellungen befassen.

Jahr	Interstratos						New Economy
	1991	1992	1993	1994	1995	1999	2000
Der Staat sollte die Gesetze des freien Marktes nicht einschränken – nicht einmal durch staatliche Förderungspolitik	3,8	3,9	3,9	3,9	3,8	3,7	3,3
Die Berufsverbände und ähnliche Organisationen sollten sich ausschliesslich der Unterstützung ihrer Mitglieder widmen	3,6	3,7	3,6	3,7	3,6	3,6	3,5
Veränderungen in einer Unternehmung sollten unbedingt vermieden werden	1,7	1,6	1,6	1,5	1,6	1,6	1,4
Ein Betrieb sollte seine heimische Region nicht verlassen	2,3	2,2	2,1	2,1	2,1	2,1	1,8
Arbeitsplätze sollten klar abgegrenzt und bis ins Detail beschrieben sein	2,8	2,7	2,8	2,8	2,7	2,5	2,0
Unternehmer sollten eher planen als ihrer Intuition folgen	3,2	3,0	3,2	3,2	3,1	3,0	2,7
Die Firmen sollten ausschliesslich bewährte administrative Arbeitsabläufe und Produktionstechniken einführen	2,7	2,7	2,6	2,7	2,6	2,6	2,1
In Familienbetrieben sollte die Leitung in den Händen der Familie bleiben	2,8	2,8	2,7	2,7	2,7	2,9	3,0
Kleine Firmen sollten nicht zögern, mit grossen Unternehmen Geschäftsbeziehungen zu unterhalten	4,0	4,1	4,1	4,0	4,0	4,2	4,2
Die Chefs von Klein- und Mittelunternehmen sollten für die Einstellung aller Mitarbeiter persönlich verantwortlich sein	3,0	3,1	3,1	3,1	3,0	3,0	3,2
Führungskräfte sollten ihr Verhalten an ethische Prinzipien ausrichten	4,0	4,0	4,0	4,0	4,0	3,9	4,1
Das Geschäft sollte Vorrang vor dem Familienleben haben	2,5	2,5	4,0	2,5	3,9	2,6	2,2

Tabelle 3: Interstratos-Unternehmer und Jungunternehmer in der New Economy Schweiz (Mittelwerte)²⁰

Sind nun diesbezüglich Jungunternehmer aus der „New Economy“ aufgrund ihrer Branchen- und Alterszugehörigkeit verschieden von ihren Kollegen aus dem güterproduzierenden Sektor, wie angenommen werden könnte, oder erwecken sie diesen Eindruck? Eine weitere Erhebung, die im Jahr 2000 gezielt unter Jungunternehmern in der New Economy durchgeführt wurde, hält sich bei den Indikatoren an das Interstratos-Konzept²¹ und ist somit materiell mit den früheren Erhebungen vergleichbar, allerdings

²⁰ Skala von 1 bis 5: 1 = keine Bedeutung; 2 = schwache Bedeutung; 3 = mittlere Bedeutung; 4 = grosse Bedeutung; 5 = sehr grosse Bedeutung

²¹ Es wurden die gleichen Fragen gestellt.

bewusst nicht bezüglich der Stichprobenbildung.²² Wenn wir hier einen Vergleich anstellen, lassen sich folgende Beobachtungen machen (siehe Tabelle 3).

Im Kontext der *Rolle des Staates und der Berufsgemeinschaften* und der Frage, ob der *Staat die freie Wirtschaft einschränken* dürfe, waren die Unternehmer der New Economy bemerkenswerterweise eher für Interventionen des Staates zu haben als die Unternehmer der letzten Interstratos-Erhebung in der Schweiz im Jahr 1999. Sie wären somit im Gegensatz zu den „traditionellen“ Unternehmern mit Eingriffen des Staates eher einverstanden, zum Beispiel im Sinne einer staatlichen Förderungspolitik. Die Vermutung drängt sich auf, dass Jungunternehmer eher der Unterstützung durch den Staat (etwa mit Jungunternehmerförderungs-Programmen wie durch kantonale Wirtschaftsämter in der Schweiz) bedürfen als bereits etablierte Firmen, die lieber für sie angemessene Rahmenbedingungen vorfinden möchten und im übrigen durch den Staat in Ruhe gelassen werden wollen. Bei der Frage, ob sich *Berufsverbände und ähnliche Organisationen ausschliesslich der Unterstützung ihrer Mitglieder widmen* sollten, zeigte sich kein signifikanter Unterschied zwischen den beiden Gruppen. Beide sind in einer Mehrzahl dafür.

Was die Einstellung zum Wandel betrifft, so werden Veränderungen in einer Unternehmung von beiden Erhebungsgruppen als positiv empfunden, was sich aus der Ablehnung der Aussage schliessen lässt, dass „*Veränderungen in einer Unternehmung unbedingt vermieden werden sollten*“. Bezüglich der *Bindung an die Region* des Firmensitzes fühlen sich die Jungunternehmer aus der New Economy offenbar noch ungebundener als ihre Kollegen aus der Interstratos-Untersuchung: Mit der Meinung, eine Unternehmung solle ihre heimische Region nicht verlassen, können sie wenig anfangen, im Gegensatz zu den Unternehmern aus den traditionellen Interstratos-Branchen, die merklich bodenständiger zu sein scheinen.

Beim Komplex des *Detaillierungsgrades organisatorischer Regelungen* plädieren die Jungunternehmer für mehr Freiraum in der Gestaltung der Arbeitsplätze als ihre gestandenen Kollegen. Die „Newcomers“ scheinen – so die mögliche Interpretation – eher nach dem Resultat der Arbeit zu fragen als danach, unter welchen organisatorischen Ermöglichungsumständen dieses entstand. In der Abwägung zwischen *Planung und Intuition* setzen die Jungunternehmer eher auf die Intuition. Bewährte Abläufe und Techniken werden durch die „Beginners“ klar weniger hoch gewertet als durch Unternehmer, die schon lange im Geschäft sind.

Die nur relativ schwache Einschätzung der *Bedeutung von Familienangehörigen* für die Leitung von Familienunternehmungen, wie sie die traditionellen Unternehmer artikulieren, wird dagegen von den Newcomers geteilt. Ebenso besteht volle Übereinstimmung zwischen beiden Gruppen in der positiven Einstellung zur *zwischenbetrieblichen Kooperation* – auch mit grossen Unternehmen. Die Art der Geschäftsbeziehung wurde dabei allerdings nicht spezifiziert.

22 Kriterien für die Bildung der Stichprobe waren der Zeitpunkt der Gründung (vor weniger als drei Jahren), die Branchenzugehörigkeit (innovative Bereiche), Unternehmensgrösse (weniger als 250 Beschäftigte) und die Eigentumsverhältnisse (Führung des Unternehmens durch den Gründer bzw. das Gründungsteam). Die Erhebung war auf die Schweiz beschränkt und umfasst 196 Unternehmer.

Bezüglich der persönlichen *Rolle des Chefs von KMU für die Einstellung der Mitarbeiter* herrscht Einigkeit unter allen Unternehmern – auf mittlerem Bedeutungsniveau. Diese Einigkeit zeigt sich auch bezüglich den Anforderungen an *ethisches Verhalten*, dem durch die Bank grosse Bedeutung beigemessen wird.

Jedoch wehren sich die Jungunternehmer gegen den Anspruch vom Vorrang des Geschäftes vor dem Familienleben. Er wird deutlicher zurückgewiesen als bei den schon lange aktiven Unternehmern.

Insgesamt zeigt sich, dass für die Schweiz bei der Hälfte der betrachteten Positionen keine auffälligen Abweichungen auftreten zwischen den Wertvorstellungen der „alten“ Unternehmer in den traditionellen Produktionsbranchen und den „jungen“ Unternehmern in den neuen Dienstleistungsbranchen. Bei der zweiten Hälfte der Positionen ist das sehr wohl der Fall: Die Jungunternehmer scheinen weniger reserviert gegenüber staatlichen Interventionen (vermutlich wegen der erhofften Aussicht auf Förderleistungen). Sie fühlen sich weniger an ihre Standortregion gebunden. Sie halten weniger viel von detaillierten Arbeitsplatzregelungen, bewährten Abläufen und Techniken und von Planung im Vergleich zur Intuition. Und schliesslich scheinen sie dem Geschäft weniger Bedeutung im Vergleich zum Familienleben beizumessen.

Fazit

Der anfangs angesprochene Wandel von Wertvorstellungen in Wirtschaft und Gesellschaft wurde auf der Zeitachse überprüft, und zwar an spezifischen Positionen und für bestimmte Branchengruppen. Für die im Rahmen der Interstratos-Erhebungen für die Schweiz über eine Spanne von neun Jahren (1991–1999) untersuchten zwölf Beispiele von Wertvorstellungen (indiziert durch Einstellungen) bei etablierten Unternehmern in klassischen Produktionsgüterbranchen lassen sich gravierende Veränderungen kaum nachweisen. Das mag daran liegen, dass die Zeitspanne von knapp einem Jahrzehnt für das Aufspüren eines Wertewandels noch zu kurz ist. Bemerkenswert scheint indessen unsere Beobachtung, wonach zwischen zwei unterschiedlichen Unternehmergenerationen in unterschiedlichen Wirtschaftsgruppen („Old Economy“ vs. „New Economy“) sehr wohl – in der Hälfte der Items – registrierbare Abweichungen aufgetreten sind, und zwar für die Einstellung zum Staat, zur eigenen Standortregion, zum Umgang mit bestimmten betriebswirtschaftlichen Fragen und zum Spannungsfeld Geschäft – Familie. Nun lässt leider die statistische Basis der Erhebung 2000 (knapp 200 Befragte) keinen hieb- und stichfesten Nachweis zu.

Auch mögen wirklich unterschiedliche Einstellungen noch nicht verschiedenartige fundamentale Wertvorstellungen bedeuten. Schliesslich mögen diese Unterschiede durch Branchegebenheiten verursacht sein und insofern noch keinen Wertewandel signalisieren. Es scheint aber ebenso gut möglich, dass die Abweichungen aus dem Generationenunterschied der betrachteten Populationen resultieren. Dann läge die Schlussfolgerung nahe, dass die heute bei den jungen Avantgardisten verbreiteten Wertvorstellungen (bzw. eben Einstellungen) morgen die in der Allgemeinheit übli-

chen Werthaltungen sein könnten – womit tatsächlich ein Wandel eingetreten wäre, mutmasslich im Sinne der eingangs angesprochenen Werteverstärkung.

Um mit dieser Vermutung in der Welt der KMU zu bleiben, gehen wir auf der Basis unserer empirischen Informationen – mit allen Vorbehalten – davon aus, dass sich in Zukunft in der unmittelbaren Arbeitswelt die nachhaltigsten Veränderungen einstellen werden. Die Stellung zur Arbeit und zur Unternehmung dürfte sich im Selbstverständnis der Mitarbeiter wie Unternehmer ändern. So haben etwa die Unternehmer keine grösseren Probleme damit, ihre Firma zu verkaufen, wenn ein guter Preis winkt. Die Firma nimmt damit nicht mehr den Stellenwert ein, den sie für einen Familienunternehmer bis anhin hatte. Die Veränderung der Arbeitswelt scheint in Richtung Flexibilisierung, Individualisierung und Virtualisierung zu gehen.

Gibt man sich für einen Augenblick der Phantasie hin, entsteht folgendes Szenario für die Arbeitswelt im Jahr 2010 in typischen KMU: Das Unternehmen ist echt innovativ, ständig auf Änderungen eingestellt und international tätig. Diese Offenheit und Risikofreudigkeit spiegeln sich ebenso in der Tätigkeit der Mitarbeiter und des Unternehmers wider. Der Chef verlässt sich ebenso auf seine Intuition wie auf planerische Mittel. Die Arbeitsplätze sind flexibel den Erfordernissen der Kunden und der Mitarbeiter angepasst, Arbeitsmodelle wie Job Sharing oder variable Teilzeitmodelle sind in einem solchen Umfeld selbstverständlich geworden. Hingegen bleibt der Unternehmer, was die Delegation seiner Tätigkeit betrifft, skeptisch, und insbesondere die Rekrutierung wie die Steuerung der Mitarbeiter behält er selber in der Hand. Trotzdem genießen Familie und Freizeit einen höheren Stellenwert als heute, und der Trend zum Hedonismus wird universell.

Ein solches Szenario ist freilich an den Weiterbestand alles in allem der heutigen Umfeldbedingungen gebunden. Grössen wie sich ausbreitender Terrorismus mit Massenvernichtungsmitteln, globale Umweltkatastrophen oder wirtschaftliche Verelendung grosser Regionen würden unsere Versuche zur Abschätzung der zukünftigen Entwicklung der Werthaltungen bzw. Einstellungen hinfällig werden lassen.

Bleiben die aktuellen Umfeldbedingungen dagegen grosso modo bestehen, darf erwartet werden – diese Vermutung scheinen unsere Daten zu erlauben –, dass sich nicht alle, aber bestimmte Wertvorstellungen auf der Zeitachse als erstaunlich beständig erweisen werden, so wie es unsere empirischen Informationen über Generations-, Branchen- und Landesgrenzen hinweg tun und wie es sich beispielsweise auch für bestimmte betriebliche Erfolgsfaktoren ergeben hat.²³ Die Veränderungen im Bereich mittelständisch unternehmerischer Grundauffassungen scheinen sich also nach unseren empirischen Betrachtungen langsamer, „sanfter“ und namentlich selektiver zu vollziehen, als spektakuläre vordergründige Kulissenverschiebungen es suggerieren und als die behenden Zeitgeistkommentatoren es kommen sehen. Es dürfte sich lohnen, diese Entwicklung im Auge zu behalten.

23 vgl. Gruber 2000

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The challenge of environmental responsibility and sustainable development: Implications for SME and entrepreneurship academics

Michael Schaper

The move towards a “greener” or more environmentally-responsible framework of business operations has begun to be mirrored in the research and teaching work of many academics. However, it is suggested that the fields of entrepreneurship and SME studies have lagged somewhat behind other disciplines when it comes to including sustainable development concepts in their contemporary research agenda.

A review of the recent research shows that, compared to larger firms, most SMEs tend to be somewhat reactive to environmental issues, and limited to small-scale, ad-hoc changes in business activities. Clearly there is room for substantial improvement in the environmental performance of small firms.

It is suggested that there are four major areas in which a new agenda of sustainable development can be adopted within the fields of entrepreneurship and SME studies:

- Evaluating and measuring the environmental impact of small firms
- Understanding the role of green entrepreneurs (“ecopreneurs”) and the factors which promote or hinder their development
- The inclusion of environmental and sustainable development issues within the educational curriculum
- Developing a better understanding of how business advisory services and government policy can help or hinder the creation of “greener” businesses.

Background

In recent years there has been a noticeable growth in the adoption of the notion of environmental responsibility within the global business community. Although it would be inaccurate to claim that the private sector has totally embraced the need to become “greener”, it is fair to state that the topic is now much more prominent in business decision-making, strategic planning and performance management than ever before.

An environmentally responsible firm can be defined as one which seeks to limit or prevent damage to, or to consciously improve, the existing natural environment. Murphy et al. (1995, p.5) claims that the concept can be defined as “the practice of responding to environmental issues in a socially responsible manner,” whilst Longenecker, Moore and Petty (1997, p.558) argue that it is “the effort to protect and preserve the environment”.

On the surface level, environmental responsibility within a firm can take one or more of a variety of different actions, including steps to reduce, recycle and reuse raw materials and waste materials; minimising the impact of transportation, energy and water usage by a firm; donating or contributing to environmental groups; the adoption of a formal environmental policy (such as the ISO 14000 standard); and/or reductions in pollution by the organisation.

Environmental responsibility forms one part of the broader concept of sustainable development. Sustainability refers to the notion of ensuring that economic growth and environmental protection work together in a long-term “win-win” situation, rather than operating in competition with each other. One of the most common definitions of sustainability is that put forward by the United Nations World Commission on Envi-

ronment and Development (Brundtland Commission 1987). The Commission has described the idea of sustainable development as “development which meets the needs of the present without compromising the ability of future generations to meet their own needs”. The central theme in such a definition is the interdependence between economic growth and environmental quality, and the need to ensure that both issues are protected. Typically, sustainable development requires the balancing of three different but interrelated variables: *economic and commercial imperatives* to produce and maintain an economic system that delivers wealth and efficiently meets consumer needs; *environmental considerations*, so as to ensure that the current state of the earth’s biosphere is at least maintained and, wherever possible, enhanced; and *social justice factors*, or the protection of individual and community needs, on the assumption that the other two issues cannot be advanced if there is no motivation or incentive within the broader community to do so.

The evolution of these issues over the last forty years can be traced through a number of pronounced stages (Krupp 1992). The 1960s first saw the emergence of environmental concern as a major community issue, especially in the wealthy developed nations of Western Europe, North America and Australasia. Governments began to respond to these concerns in the 1970s with an array of policy initiatives. These included the introduction of tighter, more prescriptive laws to protect the environment and limit the actions of business, the creation of specialised administrative bodies to deal with environmental concerns, and the appointment of environment ministries and departments at the state and national level. Initially, the business sector responded by largely opposing such developments. However, in the 1980s and 1990s an increasing number of senior managers and entrepreneurs began to accept the need to adopt a sustainable framework for business practices. Whilst most simply began to accept the legitimacy of environmental issues as a stakeholder influence, others began to propound the philosophy of market-based environmentalism. This perspective argued that being “green” could in fact be a source of innovation, competitive advantage, and new business generation, and claimed that the most effective way of protecting the environment was to provide an economic incentive for doing so (Kinlaw 1993).

As a result of these activities, today there is a well-established and rapidly growing body of research into the “greening” of business. This includes regular conferences (such as the annual Greening of Business network conference), dedicated journals (such as *Greener Management International*, *Corporate Environmental Strategy*, *Eco-Management and Auditing*, and the *Journal of Cleaner Production*), academic associations (such as the Asia-Pacific Centre for Environmental Accountability), and industry groups (such as the World Business Council for Sustainable Development). Some of the academic business disciplines which have especially focused on this phenomenon include those of organisational change and development, tourism studies, economics and accounting.

To date, however, most of the work dealing with these issues has been focused on large corporations, not on the small- and medium-sized industry sector. Whilst there is a small but growing number of researchers working in the SME-environment field (a

good overview of which is provided by Hillary 2000 and Wolters 2000), the importance of small firms is usually overlooked.

This is due to a number of reasons. Perhaps the first is that the impact of larger firms on the environment tends to be more noticeable. As a result, it is easier to see, measure, understand and evaluate the impact of such large firms. In addition, larger firms tend to have more experience in dealing with multiple stakeholder pressures, and have become adept at handling the need for a “greener” business perspective. A second reason is the nature and structure of the SME sector. Most small firms are, by definition, relatively miniscule, as is their environmental impact. Their individual levels of waste and energy usage, for example, are extremely small. Moreover, many firms (especially in the wealthy developed economies) tend to be located within the services sector, and so have no obvious “dirty” industrial practices. Hence, they appear to have little, or no, environmental impact.

This assumption is not accurate. Whilst the individual impact of SMEs is small, their collective impact is substantial. SMEs typically represent about 95 % of all private sector firms in most modern nations, and so form a major portion of all economic activity. They are also a means of innovation and change within the business sector, and form an important support to the large firms which they co-exist alongside with. The impact of SMEs on the natural environment, and the ways in which they can contribute to sustainable development in the future, *do* need to be examined in more detail (Spence, Rutherford, Blackburn 1998). Although usually not given a great deal of attention, the role of small firms and the entrepreneurs who operate them is a key part of the sustainability debate.

Common issues in SME responses

In recent years, studies in a variety of countries, including Australia, Europe, the United Kingdom and the USA, have identified several trends that seem common to most SMEs (Hutchinson, Chaston 1994, Barnes 1994, Merritt 1998, Tanner et al. 1996, Gerrans, Hutchinson 1998, Tilley 1998, Petts et al. 1999, Hillary 1997). In general, most small business owner/managers believe that the environment is an important issue, and support protection of the environment *per se*. Response in favour of these propositions is overwhelmingly clear, and usually in the vicinity of 80–90%. However, awareness of formal environmental management systems, specific environmental laws and/or remediation processes is generally very poor and quite limited. SMEs are generally much less likely to embark on environmental improvement programmes than large firms, to have adopted a written environmental policy, to utilise a formal environmental management standard, or to have undertaken an environmental audit.

<i>Author</i>	<i>Year</i>	<i>Country</i>	<i>Respon- dents</i>	<i>Industry</i>	<i>Research Focus</i>
Ludevid Anglada	2000	Spain	20	Mixed	Knowledge, views and barriers regarding environmental pollution problems
Acutt and Geno	2000	Australia	137	Restuarants, cabinet makers, car repairs, hotels	Owner attitudes and compliance with state-based environmental regulations
Tilley	1998	UK	60	Engineering, services	Management attitudes and practices
Merritt	1998	UK	117	Mixed	Management views and practices
Petts et al.	1998	UK	389	Mixed	Management and employee attitudes towards compliance with environmental laws/policies
Townsend	1998	Australia	30	Manufacturing	Internal and external factors influencing adoption of more environmentally-responsible processes
Hillary	1997	UK	17	Textiles, mixed	ISO 14001, EMS
Gerrans and Hutchinson	1997	Australia	169	Mixed	Current EMS and other practices
Tanner et al.	1996	USA	105	Mixed	Waste reduction activities and barriers
Murphy et al.	1995	USA	133	Manufacturing, merchandising	Adoption of formal environmental policies
Hutchison and Chaston	1994	UK	600	Mixed	Current awareness and environmental practices

Table 1: Some recent studies into SMEs and the environment

Moreover, there is a significant discrepancy between personal viewpoints and business activity (Tilley 1998). The generally positive attitudes of entrepreneurs towards the environment do not appear to be reflected in their actual business practices. Merritt has called this paradox “...the so-called SME problem in environmental management” (1998, p.91).

Finally, where environmental programs are undertaken, they tend to be largely reactive in nature, one-off, and focus on emission reduction (“end-of-pipe treatments”) rather than on pro-active pollution prevention measures. Most small firms appear unwilling to embark on substantial changes in materials, production processes or operations management, and prefer to focus on ad-hoc solutions, such as a greater use of materials recycling (Hillary 2000).

Implications: A new research agenda?

Given the relatively poor environmental performance of SMEs, and the low visibility of sustainability issues in most SME and entrepreneurship research, it is clear that many more opportunities exist for future research and teaching within academia (Spence, Rutherford, Blackburn 1998). Some of these include:

The relationship between the environment and SMEs

A critical first issue is to evaluate the current impact of SMEs on the natural environment. What is the total cumulative impact of small firm waste output and resource usage? There have been some early attempts to quantify these impacts, but the most commonly touted figure – which claims that SMEs may collectively be responsible for as much as 70% of all global pollution (Hillary 2000) – have not been supported by any substantial quantifiable studies. What are the best means of measuring such impacts? What tools can be effectively used in such measurement? To date, most such studies in this field have been focused upon medium-sized firms in traditional manufacturing and other “dirty” industries, where environmental impacts are relatively easy to measure. A potentially valuable future line of inquiry would be to also examine the impact and role of micro businesses, given the relatively invisibility of such firms as mentioned before.

A second issue is understanding the attitudes and views of SME owners/managers towards the environment. Why is there such a discrepancy between the generally green attitudes of business owners, and the poor levels displayed by their firms? This “SME gap” or so-called “SME problem” in environmental management (Merritt 1998) needs more examination and, if possible, explanation.

Finally, there is also a need to be able to categorise and understand the processes by which small firms become “greener”. Is it possible to develop and empirically test models which show different categories or typologies of green responses amongst businesses? What are the drivers that cause firms to move from one level of “greenness” to another, and what barriers exist to such a progression? Such research will provide a better understanding of the different factors which affect SME environmental responses.

Fostering sustainable entrepreneurship

What role do entrepreneurial individuals have to play in the adoption of more sustainable business practices? Environmentally-responsible business processes often provide a range of new opportunities for entrepreneurs. It can allow some firms to gain a competitive advantage in the field of product and service innovation, in the development of new industries, in marketing the firm to customers, in winning the strategic support of government and stakeholder groups, and in gaining an advantage over existing “dirty” technologies. Like any area of potentially high reward, there are also many risks involved in such projects. Some important areas worthy of more examination in this field are:

- *The nature of ecopreneurship.* What is meant by the concept of an ecopreneur or “green entrepreneur” (Isaak 1998)? Do such entrepreneurs differ in any significant way from more conventional entrepreneurs? How can these differences be measured (i.e. on the basis of demographic features, industry concentration, or by other means)? How successful are green entrepreneurs compared to conventional ones? Is there a “typical” profile of a green entrepreneur? What are the difficulties in researching this concept? Is it also possible to define a concept of a greener “corporate

- entrepreneur” or environmental intrapreneur who acts as an advocate of sustainable change within existing large firms? What is the best way to measure “success” in an eco-friendly entrepreneurial venture (money or environmental outcomes)?
- *Policies to foster ecopreneurship.* What factors serve as either a barrier or trigger to ecopreneurial activities? What are the forces that motivate eco-friendly entrepreneurs? What are the practical steps to foster eco-entrepreneurship in new and existing firms? What steps can be taken to promote a greener perspective in entrepreneurial business operators?
 - *The link between innovation and sustainability.* Writers such as Porter and van der Linde (1995) have previously argued that the adoption of greener business practices is usually a major stimulus for innovation within a firm, giving rise to improvements in processes, production, materials usage and marketing. What is the relationship between innovation and sustainability, and what factors promote it?

Education programs

The role of universities, technical and further education colleges, professional institutes and other trainers may also be a critical future determinant in improving the environmental performance of small firms. The inclusion of environmental information within such courses can help develop a greater sense of environmental awareness amongst students, and so encourage them to apply this knowledge to improving processes within their own firm (Van Berkel 2000).

Within the training and technical education sector, the imprimatur of an external institution can also improve the legitimacy of sustainable development as an issue for SME owners. Moreover, such information is largely seen as without cost for the SME owner, since it is already included in the curriculum, rather than being made additional to it. In the tertiary sector, a number of recent studies have shown that business school students are indeed interested in environmental issues, and keen to find out more (World Resources Institute 1999, 2001; Schaper 2002). A number of universities have already begun to include sustainability issues in their courses, but these still tend to be in the minority, and only a few specifically look at the role of SMEs, entrepreneurship and sustainability¹. Likewise, some texts in small business management already make mention of green issues (see, for example, Kuratko, Hodgetts 2001, Hatten 1997, Schaper, Volery 2001), but such coverage tends to be brief.

A substantial opportunity therefore exists for academics to develop new curricula in this area, to measure student concerns about the environment, and to assess what (if any) impact such courses ultimately have on the environmental performance of students once they graduate.

¹ One is the Darden course on sustainable innovation and entrepreneurship; another is the inclusion of environmental business management in the Curtin Business School entrepreneurship degree major.

Support services & policy frameworks

As well as examining the processes that occur directly within small firms, or which are undertaken by enterprising individuals, it is also important to examine the macro-climate in which such activities take place.

A key area is the role of government regulation and agencies in facilitating the creation of environmentally responsible firms. What types of regulation will best help small firms adopt more sustainable business practices, and how can these best be implemented? As Porter and van der Linde (1995) have argued, appropriately-framed legislation is often a significant spur to improved environmental performance and innovation. Indeed, many small firms report that this is the single most critical factor in their decision to adopt an environmental improvement program, and that they would usually not do so if such legal requirements were absent (Charlesworth 1998, Petts et al. 1999). However, it is worth noting that much of the environmental legislation passed by governments in recent years has generally been aimed at large corporations. Where such laws have exempted SMEs (usually in order to spare them additional costs), it has sometimes actually reduced the pressure on them to undertake improved environmental performance and adopt “best practice” environmental techniques (Cairncross 1992). Where such laws have applied to SMEs, it has often encouraged them to focus simply on emission (waste output) reduction, rather than pollution prevention, because this is the most likely source of any penalties, and is easier to quantify (Hillary 1997, Tanner et al. 1996).

A secondary issue is the role of small business advisers in promoting “greening”. Both Tilley (1998) and Palmer (2000) have suggested that the most important consideration in improving the environmental performance of SMEs is environmental information. Such “eco-literacy” needs to be practical, easy to access, and in a form which can be applied quickly within the small firm. This, in turn, requires SME consultants and advisers who understand environmental issues and how to adopt “green” business practices within a new or small firm. However, to date many of these support agencies have ignored the environment, or only treated it as a peripheral issue. The opportunity currently exists for government and non-government agencies alike to boost environmental performance through the provision of practical, easy-to-understand knowledge for small businesses (Shearlock, Hooper and Millington 2000).

Researchers can assist in this process by evaluating what types of environmental improvement activities are most easily introduced into a small firm; through the development of appropriate training and professional development programs for SME advisers; and by assessing the impact of “green” business advice on actual business performance. Such programs are already being undertaken by some institutions, such as at Durham University (1997).

Conclusion

Whilst the adoption of “greener,” more environmentally sustainable business practices can sometimes pose great challenges for individual entrepreneurs and small firms, it

also provides opportunities for the researchers and educators working in these research fields. As this paper has outlined, the emerging new paradigm of sustainable development offers many new questions which the academic community must address – both in order for themselves to remain relevant, and in order to help the businesses and, ultimately, the planet which we all have to share.

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Industrial economy and human rights problems – present conditions of small and medium sized enterprises of Buraku and tasks through investigations into the actual conditions

Mitsuru Tanaka

1 Introduction – Fundamental understanding of industrial problems of Buraku

The genuine purpose of discrimination against Buraku (Dowa district) and Buraku people in Japan are to *divide and rule* for political reasons on one hand, an to *exploit* for economic reasons on the other. The latter are demonstrated in industrial, labour and employment practices. *Recommendations of the Cabinet Dowa Policy Council* of August 1965 recognised economic problems of Buraku in the context of *Dual Structure* of the Japan's unique industrial structure (the modernised and developed sectors on the top, and the least modernised and underdeveloped sectors on the bottom). It stated, "Industries in Dowa districts constitute the very bottom of such a structure. They are found in old sectors which are left far behind the economic development of our country.¹ The recommendations defined "weak operation in agriculture, trade and manufacturing", "unstable employment" and "unsecured traditional industries in the urban area" as industrial and occupational problems of Buraku, while listing up the butchery, leather processing, shoe-making, sundries, peddlers and brokerage as lines of businesses.² These problems can be attributable to discrimination and prejudice against Buraku."³

While the recommendations stated that economic aspects of Buraku issue, especially the industrial problems, constituted the bottom of the dual structure of industrial economy of Japan⁴, I argue that as a result of historical discrimination against Buraku they have had to accept such a position.⁵

Power holders in the feudal times intentionally set up the oppressed class, so that the above-mentioned jobs could be assigned to them. Given a humiliating social status, people in Buraku had to engage in disposal of dead cattle or other jobs as mentioned above. As a result, these industries were developed within Buraku communities.

When Japan started to walk towards a modern state, the government proclaimed the *Emancipation Edict* in 1871 to liberate the oppressed class under the feudal class system. However, at the same time, it also took away jobs from the oppressed class. With the

1 Cabinet Dowa Policy Council, 1974, p. 32

2 Op. Cit., p. 52

3 Ibid., p. 32

4 Ibid., p. 52

5 Thanaka, M.: *Nihon Keizai to Buraku Sangyo – Chushokigyo Mondai no Ichisokumen (Japan's economy and Buraku Industry – one aspect of Small Business problem)*. Kaiho (Liberation) Press (in Japanese), 1992. Tanaka M., (Ed.): *Nihon no Keizai Kozo to Buraku Sangyo – Kokuzaika no Shiten to Chushokigyo no Kadai (Japanese Economic Structure and Buraku Industry – Development of internationalisation and pressing problems for Small Business)*. Kansai University Press (in Japanese), 1996.

movement of non-Buraku big capital (factories with modern manufacturing systems supported by the government into the Buraku traditional industries which were specific and native to Buraku (small and petty industries), Buraku industries were gradually becoming less competitive, accelerating the chronic poverty in Buraku.

Participation of non-Buraku capital demonstrated how important these Buraku industries could be for the national economy. Today, the participation of foreign capital in the Buraku industries (industrial liberalisation) is getting more intense coupled with the international call for the liberation of Japan's economy.

At the same time, the essence of *Law on Special Measures for Dowa* has been set back. Buraku people engaged in these industries have been struggling and overcoming such handicaps and difficulties through different approaches. In the leather industry, for example, such approaches include self-help by transforming itself into a *cultural industry as part of the total-fashion industry*, exchange and networking with the related industries such as the apparel industry, and involvement of the government and academic circles in R&D efforts.⁶

With the opening of the 21st century, prejudice against the Buraku industries should be eliminated, and people in the country are urged to understand the Buraku industries from the international perspective.

2 Buraku industries and business enterprises

Buraku industries should consider themselves as well-established small and medium industries in production areas (SMIs). Despite the fact that they have played an important role by engaging in production of the necessities for consumers inside/outside the country and supporting their modern life, they have been looked down and placed at the very bottom of the industrial structure of the country.

2.1 Problems as small and medium enterprises (SMEs)/petty enterprises

Buraku industries generally belong to the group of SMEs/petty enterprises in terms of their sizes and types. They share the same characteristics and problems as all the other SMEs in the country have. These problems include: smallness in the size of production system, organisation and management; production of various kinds in small quantities; labour intensiveness; difficulties in financing; subcontracting, cottage industries and family businesses; dependency on wholesalers; too many participants – excessive competition leading to poverty; cooperative, organisational and industrial reorganisation.

Considering characteristics of the geographical distribution of the industries, they are also identified as traditional SMIs in production area.

With the shifts of the industrial structure, small and medium industry was also compelled to change structurally, and the conditions supporting its existence or the factors causing changes themselves were subject to variations. These factors of change are:

6 Tanaka, M.: Buraku Sangyo no Genjo to Kadai (Reality and pressing problems of Buraku industries), in: Kenkyusyo, T.: Newsletter of the Buraku Liberation Institute of Nara Prefecture. No. 31. Buraku Liberation Institute of Nara Prefecture, 1998.

- a) Technical innovation
- b) Structure of demand
- c) Labour force
- d) Progress of internationalisation, etc.

They have operated in the following manner:

- a) Due to the progress and general diffusion of technological innovation, new materials and substitutes were developed, and the mechanisation of work and, consequently, mass-production of standardised articles were made possible.
- b) Living standards were elevated with the high-pitched growth of the economy, and changes in the composition of demand took place due to the changing way of life.
- c) As the labour shortage became apparent, small and medium industry was losing its basis of low-wage employment structure and labour intensive method and means of production. Above all, it was subject to the influences from the tendency of a young labour force fresh from school to concentrate into the rapidly growing types of large enterprises.
- d) With the intensifying international exchanges, foreign products have been entering domestic market, for instance. In particular, the products of developing countries are catching up with those of Japan with accelerating pace by taking advantage of a cheap and abundant labour force which itself has been hitherto the characteristic merit of Japan's small and medium industry.

To be sure, these factors of change have also a favourable side for small and medium industry. Some instances might be cited as follows:

1. Technological innovation promotes the mechanisation of production techniques, modernisation and realisation in small and medium industry.
2. As for changes in the demand structure, the rise of living standards stimulates the expansion of small and medium industry by way of increasing demand for high-grade articles.
3. With the increasing international exchange, raw materials for instance can be more readily obtained.

Moreover, the development of transporting machinery and progress of the so-called distribution revolution reduce the cost of transportation and make it easy to connect producers with consumers.

However, the possibility of survival and growth is opened up only for those among small and medium enterprises, which can adapt themselves skilfully to and cope positively with the changes in the social and economic environment.

The above observations are also true for the Buraku industries.

2.2 Problems of enterprises in production areas as typical SMEs

Many Buraku industries are identified as typical enterprises in production areas, or SMIs in production areas. Generally speaking, enterprises in production areas are gaining more focus as the *White Paper on Small and Medium Enterprises* defined it as "one of the typical forms of existence of SMEs in Japan".

When classifying by the category of production area, there are about 3 000 and 5 000 production areas throughout the country. According to the MITI/Small and Medium

Enterprise Agency, those production areas which have annual output in an amount of more than 50 billion Yen are considered to be major production areas.⁷

SMEs in production areas can be defined with the following characteristics:

- Concentration of those having the same physical conditions in a certain geographic area
- Production of the same products, mainly consuming goods as local specialities
- Dependency on local communities in procuring raw materials and labour force
- Traditional production skills, and labour intensiveness
- Relevance to a local agricultural structure
- Smallness and pettiness in business size
- A wide market
- Historical and traditional grounds.⁸

It should be noted that typical Buraku industries bear all the above requirements.

Development of Buraku industries to be *SMEs in production area* has taken one of the following paths:

- Growing on the basis of traditional technologies and/or skills
- Shifting products along with changes in available raw materials and life style of consumers
- With participation of new entrepreneurs who previously worked in the same industry and mastered skills.⁹

In addition, figure 1 shows industrial and economic results of the *Survey on Actual Conditions* of Dowa districts recently done by the government.

As a classical interpretation/definition of SMEs in production areas, I am quoting the following description of A. Marshall about the origins of “localised industry”:

- Physical conditions such as the character of the climate and soil etc.
- The patronage of courts
- The deliberate invitation of rulers.¹⁰

Here, the third condition of Marshall’s definition should be noted. To apply it to the Buraku context, most of Buraku industries as *SMEs in production areas* were deliberately introduced into Buraku by the feudal government during the Edo era for the purpose of dividing and ruling the people and exploiting them economically under the humiliating class system.

7 Small and Medium Enterprise Agency of MITI: *Small Business in Japan – White paper on Small and Medium enterprise in Japan*. 1994, p. 92

8 Tanaka, M.: *Chiiki Sangyo to Chushokigyo* (Local industry and small and medium enterprises), in: Fujita, K., Tekeuchi, M. (Eds.): *Chushokigyo ron* (Theories of small and medium enterprises industries, new edition). Yuhikaku (in Japanese), 1972, p. 146

9 Prime Minister’s Office: *Dowa Taisaku no Genjo* (Reality of Measures for Dowa). 1973, p. 143

10 Marshall, A.: *Principles of Economics*, 9th (Variorum) ed. With Annotations by Guillebaud, C.W., Vol. 1, Text, Macmillan and Co. Limited for the Royal Economic Society, 1961, p.268–273

Categories	male		female	
	Dowa district	National	Dowa district	National
Total number of employees	47.613	28.776	34.783	26.980
Agriculture, forestry and fishery	7.8%	5.9%	7.4%	7.3%
Mining	0.5	0.1	0.1	0.0
Construction	24.8	13.3	6.5	4.0
Manufacturing	18.5	24.7	24.6	22.3
Electricity, gas, fuel, and water works	3.9	0.9	1.9	0.2
Transport and telecommunication	8.7	8.5	1.5	2.4
Wholesale, retail and food services	10.4	18.8	20.5	26.9
Finance and insurance	0.7	2.5	2.4	4.0
Real estate brokers	0.6	1.1	0.4	1.2
Services	12.8	19.1	22.3	29.5
Public service	10.6	4.2	11.2	1.5
Unidentified	0.7	0.7	1.1	0.7

Source: Ishimoto, K.: *Outline of Buraku Survey Findings and Changes in Buraku Life: Analysis of Government Survey of Buraku Life in 1993*, in: *Buaku Kaiho Kaikyū (The Bulletin of Buraku Liberation)*. Buraku Liberation Research Institute. No. 104, June 1995.

Figure 1: Number of employees by industry (% of total)

2.3 Characteristics and problems specific to Buraku industries

Buraku industries are marginalised from the basic social systems of the today's capitalist society, and based on contradictions caused by the marginalisation.¹¹

Here, typical and traditional Buraku industries include glove-mitt making, shoe-making, and meat industry. Dr. Ueda points out the apprenticeship or the disciplinary relationship between masters and disciples lying in Buraku industries. He notes that such an apprenticeship was originated from discriminatory conditions that Buraku industries have been placed under. He then suggests that Buraku industries can sustain and develop themselves while overcoming difficulties brought about by the discriminatory conditions through modernisation of industries, and raising awareness and organisation among Buraku labourers, or residents. Based on these analyses, he raises specific proposals and recommendations for administrative measures.

Meanwhile, Buraku industries have made progress in improving the old-fashioned apprenticeship and modernising the operation through continued efforts.

In short, Buraku industries are not merely SMEs/petty enterprises, nor SMIs in production areas. Rather, they should be identified as SMEs/petty enterprises in Buraku, a community under many years' discrimination, or as industries closely connected to the Buraku problem. Buraku industries are typically SMIs in production areas including leather processing, meat-packing, processing of waste articles such as automobiles, production of footwear such as leather shoes and chemical/vinyl sandals, production of leather sport goods such as gloves and mitts for baseball, bamboo crafts, and production of artificial pearls. Each industry has a production relationship consisting of sub-contracted workers manufacturers, waged workers, and side-workers. They sometimes

11 Ueda, K.: *Buraku Sangyo no Shakaigakuteki Kenkyū (Sociological Study of Buraku Industries)*. Akashi shoten (in Japanese). 1885, p. 3–6

take the form of company or union. Blood relationship, marital relationship or sharing same villages as home-towns have played an important role in forming such production relationships. These have contributed to build communal foundations among Buraku communities.

It is also typical among Buraku industries that both managers and employees did not actively choose their current occupations. Rather, they have been excluded from the mainstream of production activities of the country because of discrimination, thus having no other options. It is also one of characteristics of Buraku industries that they are subject to influx of major capital and commercial capital, and vulnerable to economic fluctuations, thus being unable to make long-term prospects in unstable positions.¹²

It should be reiterated that Buraku industries are not merely SMEs/petty enterprises nor SMIs in production areas, but they are SMEs/petty enterprises in Buraku which have been placed under “ideological discrimination” and “practical discrimination”.

¹² Akisada, Y., Katsura, M., Murakoshi, S. (Eds.): *Shinshu Buraku Mondai Jiten* (Concise Encyclopedia of Buraku Issues). Buraku Liberalisation Press (in Japanese). 1999, p.415

Ecopreneurship: Rationale, current issues and futures challenges

Thierry Volery

There are limits to resources but none to human creativity.

Introduction

Entrepreneurship is widely acknowledged to be the engine of economic growth. It was Schumpeter (1934) who argued convincingly that the innovations made by entrepreneurs are the strategic factors in economic development and the central factors in the trade cycle. Yet, mounting evidence in the natural environment has suggested over the past decades that growth does not go hand in hand with the preservation of nature. Increasing pollution levels, loss of biodiversity, land degradation, and climate change are only a few examples of this. This suggests an increasing need for environmental responsibility in entrepreneurship or, in other words, ecopreneurship.

The issue is not entirely new. In the late 1980s, the World Commission on Environment and Development (WCED 1987) led by Gro Brundtland developed the concept of sustainable development in an attempt to reconcile economic growth with environmental and social issues. At the Rio Earth Summit in 1992, the agenda for sustainable development as stated in Agenda 21 (1992) related two sets of issues. On one hand, there are problems of affluence that arise from the material consumption and production processes of developed, industrialized nations. On the other hand, problems of poverty beset the people of the poorest nations. Sustainable development seeks to resolve the environmental problems of affluence and the social problems of poverty within a transformed approach to the process of development.

By nearly universal agreement, these grand aspirations have fallen flat in the decade since the summit. Little headway has been made with environmental problems such as climate change and loss of biodiversity. Such progress as has been achieved has been largely due to three factors: more decision-making at local level, technological innovation, and the rise of market forces in environmental matters (The Economist, 2002a). Entrepreneurs play a central role in the two later factors: they identify opportunities and bring new technologies and concepts into active commercial use (Shane and Van-kataraman 2000).

We suggest in this article that there is a growing number of opportunities in ecopreneurship, which is fuelled by both the consumers' and authorities' demand for "green products". Therefore, there is not always a conflict between business and ecological goals, albeit the situations where it is difficult to allocate property rights – such as with public goods – remains problematic. The article is divided into four sections. The first section presents an overview of the limits of current production systems and builds a case for environmental responsibility. The second section details the inherent problems of public goods. The third section outlines the entrepreneurial opportunities linked to sustainable development. The fourth section presents a typology of ecopreneurs.

The case for environmental responsibility

There is increasing evidence to suggest that major changes in the global and industrial system are needed if the world is to achieve a sustainable state before the middle of this century. Indeed, our economic subsystem has already reached or exceeded important “source and sink limits” (Constanza et al. 1997, p.8). Problems are particularly acute with sink limits. Those limits – contrary to source ones – are global, not open to substitution, and involve common property where markets fail.

- *Finite resources.* Human societies and the business which operate within them are substantial consumers of natural resources. Both organic (such as fish and flowers) and non-organic stocks (such as minerals or gas) are limited in their capacity, and are a finite resource. Once consumed, many of them cannot be recreated. Without sufficient resources, firms cannot service consumers and so generate a profit. Therefore, organizational survival requires biological survival (Barnes 1994, Arber, Speich 1992).
- *Growing population.* The world population is poised to expand by 50% by 2050 and with it comes an extraordinary growth in consumption (WBCSD 2002). In emerging countries this expansion of population has been doubled by fast growth in income. This has allowed people to expand their consumption of everything to meat and dairy products, computers, cars, and refrigerators. Although part of this consumption is essential to relieving poverty in many nations, the high consumption of the world’s affluent consumers can have a negative impact on ecosystems disproportionate to their numbers. Industrial countries overconsume per capita, consequently overpollute, and so are responsible for by far the largest share of our approach to the limits.
- *Natural resources degradation.* Today’s economies act as a linear system: most materials and energy are taken from the natural environment, put to a brief useful life, and then become waste in the atmosphere, on land, or in water. As a result, pollution take a large toll on human and ecosystem health. In many cities, levels of SO₂, NO₂ and suspended particles exceed healthy limits recommended by the World Health Organization. The CO₂ released from burning coal, oil and natural gas is accumulating in the atmosphere, leading to greenhouse gas accumulation and potential climate change.
- *Biodiversity loss.* The scale of human economy has grown so large that there is no longer room for all species in the ark. The rates of takeover of wildlife habitat and of species extinction are the fastest they have ever been in human history and are accelerating. According to Goodland (1991), the world’s richest species habitat, tropical forest, has already been 55% destroyed, and the current rate of loss exceeds 168 000 square kilometers per year.

For some, the doom and gloom is widely exaggerated. Lomborg (2001), for example, suggested that known reserves of fossil fuel and ore have risen. Agricultural production per head has risen; the numbers of people facing starvation have declined. The threat of biodiversity loss is real but exaggerated, as is the problem of tropical deforestation. And pollution diminishes as countries grow richer tackle it energetically. Although there is

still much to be done in order to document the state of the ecosystem, a major risk is often skated over. The possibility that some environmental processes involve irreversible “triggers”, which, once pulled, lead to sudden and disastrous deterioration (The Economist 2002b). For example, climate scientists believe that too much warming could lead to irreversible bad outcomes such as the collapse of the mid-Atlantic “conveyor belt” (an ocean current that warms Europe). The science here is thin: nobody knows what level of greenhouse gases in the atmosphere would trigger such as calamity. But the risk argues for caution.

Although there is not yet a scientific consensus on the extent of the needed changes, it is clear that they will involve significant technological elements, as well as major investments. Entrepreneurs, as catalysts for change and innovation in society, will play a central role in the shift from a techno-economic “trajectory” based on exploiting natural resources – soil, water, biodiversity, climate – that, once lost can never be replaced, to one that could lead to a future that preserves and conserves these resources. Never has there been such an opportunity and imperative for innovation that meets the needs of consumers without damaging the planet’s natural resource base.

The road to long-term sustainability will require more eco-efficiency – a management strategy that promotes environmental and economic performance. The World Business Council for Sustainable Development (WBCSD), which first coined the concept of eco-efficiency, defined it as “The delivery of competitively priced goods and services that satisfy human needs and bring quality of life, while progressively reducing ecological impacts and resource intensity throughout the life-cycle, to a level at least in line with the earth’s estimating carrying capacity.” (WBCSD 1997, p.3).

The problem with public goods: Valuation and externalities

Ecology and economy have often been seen as conflicting, because the prevailing view is that there is an inherent and fixed trade-off between the two. On one side of the trade-off are the social benefits that arise from strict environmental standards. On the other side are enterprise’s private costs for prevention and cleanup – costs that lead to higher prices and reduced competitiveness. This antagonism stems firstly from the fact that the ecosystem components (air, oceans, topsoils, wild species) are public goods, which makes them particularly difficult to value and lead to sub-optimal global consumption. Secondly, since the consumption of these public goods can create some externalities.

Valuing environmental goods is a daunting task because they are a subset of a general class of goods called “public goods”. The distinction between public goods and private goods has nothing directly to do with whether they are publicly provided, although it turns out that they will have to be. Rather, being a pure public good hinges on two critical properties: (1) a public good is non-rivalrous in consumption (e.g. your breathing of clean air or looking at a scenic view, does not affect my ability to do so), and (2) a public good is also non-excludable in consumption (e.g. we cannot be prevented from seeing the view or breathing the air).

Two important problems stem from those properties. Firstly, it will never be profitable to produce public goods privately, because the producer who incurs the cost of production cannot prevent the consumer from using the good freely. Therefore, the government must be in charge of supplying public goods (e.g. clean air or police protection). Secondly, how is the government to decide how much to provide? Samuelson (1954) suggested that governments should be guided by what people would be willing to spend on public goods if those could be bought in a market. One difficulty is discovering what people would be willing to spend.

Not only it is difficult to value public goods, but their consumption can create externalities, also known as spillovers or neighbourhood effects. Externalities are any cost or benefits of production and exchange that are not taken into account by those creating the costs or benefits. Examples of positive externalities include the benefits to a passerby of a beautiful garden on a busy street, or a safer neighbourhood for others that results from some residents hiring private security patrols. Examples of negative externalities include an unmowed lawn in a suburban neighbourhood, or automobile exhaust.

Hardin's (1968) classic paper on the tragedy of the commons (more accurately the tragedy of open-resources) is an illustration of externalities: it refers to the lack of incentive to husband resources (like fish in open water) that are owned by everyone, and thus by no one (until they are caught). Externalities lead to "social traps" (Costanza, Perrings 1990). In this situation, individuals (or firms, or countries) pursuing their own private self-interest in the absence of mechanisms to account for community and global interests, frequently run afoul of those larger goals and can often drive themselves to their own demise. For example, overfishing in open water is a social trap because by following the short-run economic road signs, fishermen are led to exploit the resource to the point of collapse. Here again, as Pigou (1920) demonstrated, the intervention of the State is needed to devise policy instruments such regulations and taxes that can restore economic efficiency and increase global welfare. Still other approaches are currently being explored, such as tradable permits and quotas.

Sustainable development and new entrepreneurial opportunities

Considering the apparent antagonism between environment and economics, there seems to be no painless pathway to sustainable growth. Ayres (1997, p.26) remarked that, "assuming technological and economic feasibility, it is difficult to conceive a painless (or near-painless) development trajectory such that each incremental socio-economic change leaves every politically powerful interested party better – or, at no worse off – than before." In other words, there are hardly any "win-win" solutions or "free lunches" in the economic world of profit maximizing and perfect information.

Similarly, Walley and Whitehead (1994) remarked that the current talk of win-win solutions are cheap, while environmental initiatives are not, because of four main factors:

- Easy environmental problems have been fixed.
- As environmental challenges become more complex, costs are rising.

- Costs are destined to increase even more, especially since the increase in regulations shows no signs of abating.
- New policy instruments such as tradable permits, pollution taxes, and quotas require in-depth cost-benefit analysis and complicate the manager's decision.

While these hurdles must be acknowledged, we nevertheless argue that there will be an increasing number of “green” entrepreneurial opportunities in the future because of several factors.

The nature of homo economicus and market failures

First, the homo economicus – entrepreneurs, consumers, and citizens – is not as blind to the necessary conditions for social behavior as suggested by critics of economics science. In mainstream economics, to say that people are rational is not to assume that they never make mistakes, as critics usually suppose. It is merely to say that they do not make systematic mistakes – i.e., that they do not keep making the same mistake over and over again. And then when economists talk of self-interest, they are referring not just to satisfaction of material wants, but to a broader idea of “preferences” that can easily encompass, among other things, the welfare of others (The Economist 1998). This implies that the homo economicus may not be so oblivious to environmental concerns as critics of the dismal science often suggest.

Furthermore, entrepreneurs are constantly finding opportunities, including environment-related ones, for making extraordinary profits. If no profitable opportunities existed, there would be no entrepreneurs. Since there are many entrepreneurs, it follows logically that many more such profit opportunities exist. In recent years, since environmental concerns have become pressing, surprisingly many profitable opportunities have been found to reduce environmental pollution. Indeed, contrary to neo-classic economics teachings, (free) markets are characterized by a constant disequilibrium, which allows the emergence of extraordinary profits. The entrepreneurs who improve their technology, organization and processes, and innovate are the catalysts of this disequilibrium.

Such imbalance in the market are not only the result of the creative destruction of entrepreneurship. They originate also in numerous “market failures”. For example, industry and consumers have not always chosen the optimal energy technologies, even at present prices. Entrenched oligopolies or monopolies, established regulatory bodies, institutional separation between decision-makers and final consumers who pay the costs, lack of technical information are the most likely failures (Ayres, 1994).

The push factors: Regulations, costs of waste disposal, and scarcity of natural resources

A variety of “push” factors can trigger environment-related business opportunities. Among those, Porter and Van der Linde (1995) argued that properly designed environmental standards can induce innovation that may partially or more than fully offset the costs of complying with them. Such “innovation offsets” can not only lower the net cost of meeting environmental regulations, but can even lead to absolute advantages over firms in foreign countries not subject to similar regulations. For example, the Clean Air Act created a massive new market in the 1990s. US industry, especially pe-

troleum refiners, vehicle makers, power utilities, and manufacturers spent billions of dollars yearly on improved air-pollution-control systems. Similarly, the Clean Water Act and the Safe Drinking Water Act boosted demand for wastewater treatment technologies. Regulations like these mean opportunities for entrepreneurs.

Similarly, the cost of waste disposal forces companies to innovate in order to reduce the quantities of waste generated by their products. Product disposal costs have increased significantly in recent years as landfill and incineration capacity is being depleted. Purchasing programs favor products that are reusable or that have reused content. At the same time, some natural resources have become scarcer and more expensive. Hence, business strategies built around the radically more productive use of natural resources can solve many environmental problems at a profit. (Lovins et al. 1999) Start-ups, which have a more efficient production process – consuming less raw material or less energy – enter the market place with a competitive advantage. This is a good “win-win” solution, whereby profit maximizing entrepreneurs try to economize on their scarcest resources.

The pull factors: Consumers’ demand and green partnerships

Yet another source of opportunities for environmental-friendly goods and services comes from the market place. Clancy (1991) remarked in the early 1990s that consumers said they were willing to spend up to 10 percent more for products which are environmentally safe. The recent scandals in the food industry (e.g. mad cow disease, dioxin contaminated chickens, contaminated mineral water and Coca-Cola) have also made consumers more aware of the environment and what they eat.

The ever increasing demand for ecological goods and services has largely been fuelled by some companies having established what amounts to a complete “green philosophy”. The cosmetic industry is perhaps the epitome of this new approach that covers the ingredients, production, packaging, advertising, and general image. Green became first a marketing tactic, then with time it evolved into a philosophy, with nearly every public act of the company closely geared to saving, nurturing or restoring the environment. Sponsorship of programs to plant trees, clean up streams, restore to pristine beauty parks all were taken on by some cosmetic companies (e.g. The Body Shop, Redken, Borlind and others).

Over the last two decades, a variety of interorganizational partnerships and networks have been formed to raise consciousness, share best practice, and co-ordinate action. Examples of such networks include the Social Ventures Network, Business for Social Responsibility, and the World Business Council for Sustainable Development. There have been instances, too, of companies working jointly with non-profit organizations to promote environmentalism and business. Ben & Jerry’s and The Body Shop, for example, work with Cultural Survival in their rain forest ventures. Yet another example of green partnership is the China Energy Technology Program devised between ABB and the Alliance for Global Sustainability to develop cost-effective and efficient power generation in China.

Toward a typology of ecopreneurs

We distinguish between two categories of ecopreneurs. The first category, we shall call “environment-conscious entrepreneurs”, are essentially those who are well aware of environmental issues, but they are not in the environmental marketplace. Such entrepreneurs typically pursue business-centered opportunities which have an environmental dimension. In doing so, they strive for eco-efficiency – producing better goods and services while using fewer resources and generating less impact, thereby improving both their environmental performance and bottom line. We can find this type of entrepreneur in virtually all industries, although the most prominent are found in the cosmetics, chemical, car manufacturing, transportation, petroleum and mining industries.

The opportunities available can lead environment-conscious entrepreneurs to independent start-ups (e.g. The Body Shop, Ben & Jerry’s, Patagonia – see case 1) or to various forms of corporate venturing initiatives, such as new divisions, new subsidiaries, joint-ventures or spin-offs. For example, Cargill and Dow Chemical chose to set-up a joint-venture, Cargill Dow, to manufacture and market polymers for producing fibres and packing materials that are derived entirely from annually renewable resources). More broadly, we consider environment-conscious entrepreneurs to be the individuals who develop any kind of innovation (product, service, process) that either reduces resource use and impacts or improves cost efficiencies while moving towards a zero waste target.

Case 1: Patagonia

At Patagonia, a visitor’s first impression blurs myth and reality. Tucked behind the company’s main building like a well-preserved shrine stands a corrugated-tin shed, in which Yvon Chouinard began, back in 1957, forging mountain-climbing hardware for his friends. Chouinard developed a new kind of piton to handle the climb’s crux, a hairline crack. The new piece of hardware, which he dubbed a Realised Ultimate Reality Piton (RURP), was key to the advancement of climbing. Between first ascents in Yosemite Park, Chouinard began selling hand-forged chrome-moly pitons from the back of his car. In 1970 he and Tom Frost started the Great Pacific Iron Works – which would later become Patagonia Inc. and Chouinard Equipment (now Black Diamond).

A mountain climber by calling and an entrepreneur, it appears, by accident, Chouinard has made building a company look easy. With Patagonia’s sales as much as doubling yearly in the 1980s, Chouinard, you’d think, was a driven man with a shrewdly devised business plan. Not to hear him tell it. “I’m a craftsman who had a better idea of how to make things,” he says. “It so happened people wanted them.” To Chouinard, however, business seems an afterthought; saving the world has become his primary mission. For him Patagonia exists to serve as a model for corporate responsibility. Chouinard first became interested in the environment in the 1970s through the Ventura River. A young man stopped by the offices to make a pitch. He called himself, ambitiously, “Friend of the Ventura River”, and his plan was to restore the filthy trickle near the company headquarters to its former, wild self. Chouinard, who is also a fisherman, saw that he had to become involved to try to save this river. His environmental activism became stronger in the 1980s, as climbing had become trendy and attracted too many irresponsible climbers who were harming the mountains.

Today, Patagonia’s staff numbers more than 1 000 world-wide, with sales exceeding \$200 million. Alpinism remains at the heart of the company’s business that now makes clothes for paddlers, anglers, endurance athletes and others who aspire to move more freely through the natural world. Although Chouinard stepped down as CEO, Patagonia remains committed to grassroots environmental activism. The company defines itself as “Environmentally conscious makers of quality outdoor clothing”. Its main environmental projects and achievements are as follows.

Environmental grants. Since 1985, Patagonia donated 10 percent of their annual profits (or 1 percent of sales, whichever is greater) to over 1 000 grassroots environmental groups – \$17 million in cash and an-

other several million in gear. Grants target primarily innovative groups overlooked or rejected by other corporate donors. The company privileged activists who take radical and strategic steps to protect habitat, wilderness and biodiversity at the grassroots level.

Cleaner and socially responsible production. In 1991, Patagonia started a comprehensive environmental review to examine all of the methods and materials used in its clothing. As a result, it introduces cleaner production components and processes. For example, in 1993, the company began using fleece made entirely of post-consumer recycled fleece spun from recycled soda bottles throughout its very popular line of jackets and vests. In the same year it announced that it had given up using any cotton other than organically-grown. The production staff regularly travel to every production location in the U.S. and abroad to manage the traditional agenda of the business such as quality control, delivery schedules and cost negotiations, as well as to observe the working environment. In addition, the company funds independent ethical audits of every production facility. These audits include an examination of issues such as wages, hours of work and age of workers, among other criteria.

The Patagonia Environmental Internship Program. This program allows employees to take paid leave for up to two months to work full or part-time for the non-profit environmental group of their choice. More than 150 employees have interned for organisations around the world since the program began in 1993.

Conservation and restoration – The Patagonia Land Trust (PLT). This is a non-profit organisation focused on buying, protecting and restoring grasslands, forests and coastal lands in the Patagonia region of South America. Established in 2000, PLT has already protected over a quarter of a million acres in Patagonia, and seeks funds to save at least a million acres more over the next five years.

Source: Patagonia

The whole issue of product recovery management (PRM) is a good example of a domain, which spans all manufacturing industries, where numerous opportunities have emerged for environment-conscious entrepreneurs. PRM encompasses the management of all used and discarded products, and materials that are produced by a manufacturing company (Thierry et al. 1995). In doing so, the company recovers as much of the economic (and ecological) value, thereby reducing the ultimate quantity of waste. Recovery options include repair (restoring a product to working order), refurbishing (replacing and upgrading some modules), remanufacturing (replacing worn-out components by new ones), and recycling (reusing materials to produce new products or parts). The manner in which opportunities are pursued varies greatly. It may be rational for a firm to engage itself in recovery activities, or alternatively, to sub-contract those activities, or to encourage corporate spin-offs to assume the responsibility (Guide, Van Wassenhove 2000).

The second category of ecopreneurs, called “green entrepreneurs”, are those who are both aware of environmental issues and whose business venture is in the environmental marketplace. Such entrepreneurs pursue environmental-centered opportunities which show good profit prospects. Green entrepreneurs are found in the environmental industry which is traditionally divided into five categories: (1) recycling or disposal of solid waste, (2) remediation of polluted areas, (3) air pollution control, (4) water treatment, and (5) engineering and consulting services (Fischetti 1992).

As more and more entrepreneurs consider first the environment rather profit, more categories can be added to the environmental industry. Consider farmers who engage in the production of products through the use of ecological principles (respecting the natural capacity of plants, animals and landscapes). Organic agriculture (also called biological or ecological farming) dramatically reduces external inputs by refraining from the use of chemical fertilizers, pesticides and drugs. This is a fast growing industry. According to Yussefi and Willer (2002) the world retail market for organic food

and beverages increased from an estimated US\$10 billion in 1997 to an estimated US\$17.5 billion in 2000. In 2002, more than 17 million hectares are managed organically worldwide. But perhaps the best, and to some extent, most extreme examples of green entrepreneurship are those in the conservation and restoration of flora and fauna. Earth Sanctuaries (see case 2) illustrates perhaps the world's most audacious attempt yet to marry stock-market capitalism with back-country conservation.

Case 2: Earth Sanctuaries

When Earth Sanctuaries Ltd listed on the Australian Stock Exchange in May 2000 it offered a new twist to conservationists: here was the world's first company to list on a stock exchange with conservation as its primary business and profit as its motive. It was a tiny company – the initial public offering raised just A\$ 12.1 million – with a pioneering idea. No longer did people have to donate money if they wanted to save endangered species; instead, by funding private reserves open to paying visitors they could invest it to the same end.

Earth Sanctuaries makes money from tourism, merchandise sales, and educational and conference revenues derived from the land, as well as through the sale of outsourced consulting and contract services for wildlife and conservation management. John Wamsley, founder and managing director of Earth Sanctuaries, believes that when it comes to the conservation business, the company can do as good as or better than government and non-profit organisations. "Conservation is about the only thing still operating world-wide on a socialist model," says Wamsley. "These days, you won't be able to save anything unless you do it in a proper commercial environment, with proper dollar values on things."

Wamsley has always had a concern for the native wildlife he grew up with as a child. In the 1970's he set up a private wildlife sanctuary on a property in outer Adelaide, called Warrawong. He fenced off the area, removed the introduced animals (such as cats and foxes) in the area, and gradually restocked it with the native wildlife and plants that had existed there before European settlement. Today, Warrawong is thriving. It is the home of many rare and endangered species found only in a few places in Australia, and the only facility outside of a zoo to have successfully bred platypus in captivity. It also boasts accommodation facilities and a plant nursery, and has been the recipient of numerous tourism awards over the years since it opened to the public.

Under Australian accounting rules, Earth Sanctuaries can list wildlife and other conservation holdings as "Self-Generating and Regenerating Assets" – just as if they were wheat crops, apple trees, or cattle. Using this quirk of accounting standards, a single "endangered" platypus is worth A\$ 5 500, while a "vulnerable" long-nosed potoroo is worth A\$ 2 750 and a "rare" southern brown bandicoot just A\$ 1 375. As the company breeds the animals successfully, it can claim growth in its animal stock as part of its revenues. But in some cases that alters the company's financial profile considerably, even though gains are unrealisable because there is no legal market for the threatened species. To address this problem, the company has begun campaigning for change in the law that would have allowed it to export animals to zoos.

Up until 2002, the firm owned or managed ten different properties spread through South Australia, New South Wales, and Victoria. After a company restructure in 2002, the firm scaled down to three properties open to the public (Warrawong, Little River near Melbourne, and Hanson Bay on Kangaroo Island). These are open to the public, and are profitable.

Source: Donnan 2002, Earth Sanctuaries Ltd; Schaper and Volery 2001, p. 198f.

If one considers that the role of the entrepreneur is to monitor the environment for opportunities, Casson (1999) identified two types of environmental shocks generating opportunities: shocks that generate opportunities for establishing new markets tend to persist for considerable time, while shocks to already existing markets tend to be more transitory. The latter are handled by routine procedures typically set up by large firms, while small entrepreneurial firms are often better at responding to new market opportunities, especially if they require new organisational forms. Most green entrepreneurs have responded to new market opportunities, establishing start-ups and creating a new environmental industry. A similar phenomenon took place in the Internet business,

where small entrepreneurial firms have been key players – introducing breakthrough innovations.

As figure 1 shows, the two types of ecopreneurs we identified – environment-conscious and green entrepreneurs – nevertheless share common features. Firstly, they both strive for sustainable development, although it is the environmental responsibility – rather than social responsibility – that is emphasized here. Secondly, they innovate to create marketable solutions to sometimes conflicting demands of consumers and environmentalists. In doing so, ecopreneurs often capitalize on recent technological advances in areas such as nanotechnology, information technology, biotechnology, and alternative energy technology, which have the potential to contribute markedly to sustainability (Roome and Park, 2000).

Consistent with Mirvis (1994), we single out three common characteristics among eco-entrepreneurs. Firstly, they strive to develop healthy products using natural ingredients, environmentally safe and sustainable sourcing, packaging and disposability. Secondly, they are constantly implementing healthy production processes in their quest for continuous improvement in minimizing their consumption of resources, reducing environmental burdens and limiting concomitant risks and liabilities. Cleaner production, eco-efficiency, environmental life-cycle accounting and audits are part of this quest. Thirdly, ecopreneurs exhibit healthy values. To focus exclusively on market opportunities, technological innovation and profit, risks missing the guiding and cohering roles that values play in their environmental and social agendas. This invites a look at (among other things) the vision of the entrepreneur, the corporate culture, the employees' motivation and involvement in community environmentalism.

Conclusion

The rise in world affluence holds promise for better lives and also comes with significant risks to ecosystems if prevailing patterns of production and consumption persist. The need to reduce energy consumption, pollution and wastes create new opportunities for entrepreneurs to introduce innovation and set up new business ventures. Happily, there are signs of an emerging bottom push for greenery. Even such icons of western consumerism such as Unilever and Procter & Gamble now sing the virtues of “sustainable consumption”. It would be naive to label such approaches as expressions of “corporate social responsibility”. Rather, this new approach is probably for the most part a green marketing technique, and companies embrace greenery because they see profit in it. In other words, consumers are more and more demanding for healthy products.

It remains, however, difficult to reconcile ecology and economics when property rights cannot be allocated. In this situation, governments must intervene to regulate. Today, governments are adopting market-like schemes to get prices right, in addition to traditional regulations. Amongst those schemes, resource-based taxes and exchangeable permits are seen as a method of internalization of environmental damage costs. This is certainly painful for some companies, but it also provides new opportunities for entrepreneurs who can develop more efficient products, services and processes.

ENVIRONMENT-CONSCIOUS ENTREPRENEURS

- Aware of environmental issues, but
- Not in the environmental marketplace

Opportunity

- Business-centered with environmental dimension
- Origin: Shocks to already existing markets
- Mode of exploitation: corporate venturing initiatives (new division, new subsidiary, joint venture) or de novo start-ups

Industry

- All industries, especially
- Cosmetics
- Chemicals
- Energy
- Mining

GREEN ENTREPRENEURS

- Aware of environmental issues, and
- In the environmental marketplace

Opportunity

- Environment-centered with profit prospects
- Origin: Shocks that generate opportunities for establishing new markets
- Mode of exploitation: in general, de novo start-ups

Industry

- Typically, the “environmental industry”:
- Recycling and disposal of solid waste
- Remediation of polluted areas
- Air pollution control
- Organic agriculture

COMMON FEATURES

- Strive for sustainable development
- Innovate to create marketable solutions to sometimes conflicting demands
- *Healthy products*: use of natural ingredients, environmental safe sourcing and packaging
- *Healthy processes*: cleaner production, eco-efficiency, environmental audits
- *Healthy values*: vision, corporate culture, social responsibility agenda, involvement in community environmentalism

Figure 1: Types and characteristics of ecopreneurs

This paper distinguished two types of ecopreneurs: environment-conscious and green entrepreneurs. Both types differ essentially along four characteristics: the emphasis they give to environmental vs. business considerations, the origin of the entrepreneurial opportunity, the mode of exploitation of the opportunity, and the industry in which they evolve. However, both types of eco-entrepreneurs share some common characteristics (sustainable development agenda, healthy products, healthy processes and healthy values). We focused essentially on the need for sustainable development and on opportunities for ecopreneurship. In doing so, we ignored the personality of the entrepreneur. This is certainly a limitation of the paper, because, as Bruyat and Julien (2000, p. 165) suggested “we will not understand the phenomenon of entrepreneurship if we do not consider the individual (the entrepreneur), the project, the environment and also the links between them over time.”

It is perhaps the personality of the entrepreneur that generates what Scott and Rothman (1994) characterized as “companies with a conscience”. This might well give companies a competitive edge firstly by timely identifying and exploiting “green opportunities”, and later by maintaining the enterprise ahead of “me too” competitors. It seems worthwhile, then, to study whether and how products, processes and the personality of the entrepreneur interconnect over time in corporate culture. This could teach us more

about environmentalism and about deeper interconnections between nature and humankind.

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A test of the appropriateness of alternative strategic management paradigms in the context of high growth ethnic and non-ethnic family firms

David Watkins, Ajay Bhalla and Steven Henderson

Discussions of entrepreneurial family firm strategy are traditionally framed in a classical strategic management framework that does little to acknowledge the growing doubts about the veracity of that literature. Moreover, the family of the firms in question is frequently assumed to be Anglo-Saxon by default, unless family businesses of an ethnic minority are the subject of the research. This paper attempts to balance the debate by testing the affinities of ethnic and non-ethnic family firms to alternative theories of strategic management.

In the study reported, research propositions were generated from the contrasting strategy paradigms of Whittington's (1993) characterisation of the strategy literature. This identifies four schools of thought, defined as: *classical, evolutionary, processual and systemic*. To these four categories was added a fifth: the Resource Based View. The family business literature predominately takes an approach that Whittington recognises as classical, based upon deliberate strategic analysis, planning and implementation to maximise performance.

The study draws upon a sample of 71 fast growing family firms of both Anglo-Saxon and South Asian origin, competing successfully in the food and drink, clothing, and services sectors. All firms are located in Great Britain. A series of statements developed from the central premises of each school of strategy formed the basis of a questionnaire sent to fast growth family firms. Questionnaires were filled in by the CEOs of all the responding firms and in-depth interviews conducted with 40 of them to add richness to the study and aid in the evaluation of the quantitative data.

One way ANOVA was conducted to determine the affinity of family firms to each school of thought, and find differences in affinity between ethnic groups. A hierarchical cluster analysis was used to group the entrepreneurial family firms by particular schools.

The findings suggest that ethnic origins of the family firm have a significant degree of influence in determining the dominance of a particular strategy paradigm in a firm. However, successful, fast growth family firms are not singularly associated with any recognisable strategy school – classical or otherwise. This finding raises concerns about the appropriateness of advice associated with greater use of strategic planning frequently given to SME and family business managers, and the thrust of the dominant stream of research in the SME literature.

Introduction

In recent years, we have seen the increasing co-evolution of family businesses studies within the broader canvas of entrepreneurship research. For some, this has never been an issue since it is argued that the development of a family business originates with an entrepreneur and thus is a natural extension of entrepreneurship (Ucbasaran, Westhead, Wright 2001, Hart 1994). Research in the domain of family businesses has been reported to be in evolutionary phase (Harris, Martinez and Ward 1994), largely because of the exclusion of family firm from mainstream business school research (Litz 1997). Nonetheless, there is a growing interest in the field as is demonstrated by its embodiment within the mainstream entrepreneurship research and the steady increase in number of publications in the mainstream journals (Dyck, Mauws, Starke, Mischke 2002, Tsang 2002, Romano, Tanewski, Smyrniotis 2001, Sharma, Chrisman, Pablo, Chua 2001). This increase is consistent with the number of publications, which rose sharply to 680 during the 14 year period between 1986 to 1995, as compared to 188 between

1971 and 1985 as reported by Sharma, Chrisman and Chua (1996). The inventory of the work done in the area has been published in the form of literature reviews aiming to provide directions for future research addressing specific topics, (e.g. Sharma et al. 1997, 1996, Harris et al. 1994, Wortman 1994). These authors highlight the need to explore family business strategy by developing a robust conceptual framework or ideally by conducting a sound empirical studies based on such a framework. Although, some sound empirical studies have been conducted in recent years taking family firm as a unit of analysis (Tsang 2002, Gomez-Mejia, Nunez-Nickel, Gutierrez 2001, Mishra, McConaughy 1999), there is still a dearth of empirical studies exploring the strategy processes of family firms (Kelly, Athanassiou, Crittenden 2000).

The current research borrows a robust conceptual framework from the field of strategic management and attempts to apply it in the context of family businesses. The recognition of the influence of family concerns and preferences on the strategy content and process also necessitates an assessment of the cultural background of the owning family, which plays an important role in shaping the strategy process. Accordingly, this research adds the dimension of ethnic origin to the proposed research framework by attempting to identify differences relating to strategic management between ethnic (South Asian) and non-ethnic (Anglo-Saxon) family businesses. Clearly, if consistent differences emerge this is strong additional evidence for the basic premise that cultural influences are determinants of strategic management in the target group of high growth family firms, and this opens up the possibility of widening the debate to include discussion of the relative influence of different kinds of family structures.

The paper begins by reviewing the literature on strategy formation in family firms, introduces recent debates concerning the impact of ethnicity. Then recent taxonomies of strategic management and developing the Whittington (1993) framework adopted in the study. This framework is used to generate hypotheses about strategic management in entrepreneurial family businesses and the influence of ethnicity on seven critical dimensions. These hypotheses are then tested, and the results discussed.

Definition of entrepreneurial family business

The entrepreneurial family business is defined in this paper as a business which has:

- a) been started by an individual or individuals belonging to a single family
- b) in which the family has a continuing investment in the expectation of obtaining profit, and
- c) is currently being managed by them.

This definition is influenced by that provided by Drucker, who identified entrepreneurship with management itself. "Central to business enterprise is... the entrepreneurial act, an act of economic risk-taking. And business enterprise is an entrepreneurial institution." (1970, p.10). Associating family business with entrepreneurship is still contentious. However, as the authors follow Hoy and Verser (1994) who have argued that entrepreneurship is not restricted to a single act but is instead, "a label we attach to a multidisciplinary field," one which they state encompasses family business. Hart and Stevenson (1994) argue that the development of a family business originates with an

entrepreneur and is naturally an extension of entrepreneurship. This has affinity with an earlier example of entrepreneurship provided by Poza (1989) as “organisational initiative” in the family firm.

The ethnic dimension

The importance of studying the ethnic dimension in the family firm is of even greater importance in the western world, where ethnic firms operate alongside and in competition with their western counterparts. Studies investigating the term ‘ethnic entrepreneurship’ stress the importance of family as a source from which to gain competitive advantage over the enterprises owned by the host country’s community (Aldrich et al. 1984). The importance of family as a source of capital in influencing ethnic entrepreneurship is also well documented (Ward 1983, Herbert, Kempson 1996). The interest generated as a result of the rapid expansion of the Asian-owned small businesses in Britain has led to a steady output of publications in the field in the last ten years (see: Basu, Goswami 1999, Basu 1998, Crick, Chaudhary 1998, Ram, Deakins 1996, Ram, Hillin 1994, Crick, Chaudhary 1995, Waldinger et al. 1990). Basu (1998) whose research was based on survey of 78 small Asian-owned businesses in south-east Britain, regards the significance of close family and community networks as influencing entrepreneurial success by providing informal sources of cheap finance and market information (cf. Light 1984). Therefore one can suggest that there are strong links existing between investigating family businesses in generic terms and ethnic enterprises (McGoldrick, Troast 1993). Ethnicity can therefore be recognised as a source of competitive advantage or disadvantage and a variable in understanding how strategies are created by firms.

This study distinguishes South Asian family business from the dominant Anglo-Saxon ones. There are two main categories of British South Asians: those who came to Britain from East Africa, and those who came from the Indian sub-continent (Gidoomal 1997, Jones, McEvoy, Barrett 1994). Much of the literature on Britain’s South Asian communities and enterprises further indicates differences between the various sub-groups in terms of religion, language, class and caste (Jones et al. 1994). However, in this research we have discounted these differences and used the term ‘South Asians’ similar to that used by Basu and Bose (1999) and others (Basu 1998, Ram, Hillin 1994, Khan 1988) due to the commonalities they share with respect to their social and value systems governing their economic activities. The word *Anglo-Saxon* has been used to refer to native English speaking, white and notionally Protestant culture of Britain.

Strategy and family firms

Compared with the development of strategic management frameworks, family business strategy research is relatively underdeveloped and few studies have been attempted (Gomez-Mejia et al. 2001, Wortman 1994) to explore its wider dimensions. Increasingly, studies have been conducted to establish the correlation between formal business planning and success amongst the family firms (Upton, Teal, Felan 2001, Aram, Cowen

1990) and potential research suggested in the framework of strategy content and process (Sharma et al. 1997, Harris et al. 1994, Wortman 1994). The current research does not challenge the use of such a framework but proposes to elaborate the debate by the application of a taxonomic framework that has drawn influences from a wider range of strategic paradigms.

Management researchers have also tended to ignore the role of tribal, and more specifically familial, factors that characterise the vast majority of firms (Litz 1997) and influence the way that their strategies are founded, whereas it is a key focus of this study. The significance of *family* influence within the family *firm* necessitates the consideration of ethnicity of members of firm since family values and behaviours are strongly influenced by this variable, which is largely ignored because of the dominance of North American cultural values and assumptions in contemporary management research (Boyacigiller, Adler 1991). However, differences is the way that ethnic firms manage their firms are found frequently (Iyer, Shapiro 1999). In his 1997 paper, Litz reviews Kotkin's (1992) study, which highlights the role of ethnic ties among communities such as Chinese, Japanese and Indians, where 'family is the firm'. The significance of these ties in the form of a clan-based organisational paradigm is evident in one of the Kotkin's interviewees, Indian executive Rakesh Kaul:

In the West we have been living under the technocratic imperative. We have believed in the supremacy of the individual ego. We forget that there are things bigger than the individual-such as the family, the tribe, company-and relationships which extend beyond the contractual to charismatic.

Kaul, cited by Kotkin 1992, p. 123

Developments in taxonomic frameworks in strategic management

In any given area of study, taxonomic attempts are known to demonstrate the progress and order of knowledge that has been generated in a given period of time (Carper, Sneizek 1980). The relative success and salience of any attempt to develop a taxonomic scheme depends largely on the choice of the principles of classification to which the knowledge in a field is subjected, principles that ensure that the resulting categories are mutually exclusive and homogenous (Chrisman, Hofer, Boulton 1988). The field of strategic management has been characterised by a number of attempts to classify the production and understanding of developed in the field.

Rouleau and Seguin (1995) identify three types of classification attempts relating to the development of knowledge in the area of strategy. Firstly, the most commonly used framework is characterised by the distinction drawn between strategy 'content' and 'process', and notable attempts have been made by Schendel and Hofer (1979), Fahey and Christensen (1986) and Huff and Reger (1987) in reviewing research using these distinctions. The second taxonomic approach, according to authors, is based on the elements that are used to define the stages in strategy formation, that is, strategy formulation and implementation. This is represented by the attempts made by Huff and Reger (1987) and Montgomery (1988) in classifying authors according to these elements. The third type of classification attempt is identified by the scholarly work of

writers such as Montgomery (1988), who has aimed to relate authors in the area of strategy to various management theories (e.g. decision theory, game theory) to demonstrate the varied nature of theories used in strategy field. Rouleau and Seguin (1995) contest the credibility of the fundamental bases used for these classification attempts, and argue, for example, that Montgomery (1988) has used theories which are based on the same concept of action, which has its origins in neo-classical liberal economics. This defies the principal of ordering knowledge to address the fundamental theoretical debates relating to the nature of individual and collective action – a key part of the purpose in making a taxonomy. Rouleau and Seguin (1995), however, credit Mintzberg (1990) for his comprehensive classification attempt to integrate strategy literature, which forms part of the corpus of various disciplines in the form of schools of thought in strategy, as exhibited in figure 1. His attempt goes beyond the traditional classification of content/process or formulation/implementation.

Schools of thought	Process of strategy formation
1. Design	Conceptual
2. Planning	Formal
3. Positioning	Analytical
4. Entrepreneurial	Visionary
5. Cognitive	Mental
6. Learning	Emergent
7. Political	Power
8. Cultural	Ideological
9. Environmental	Passive
10. Configurational	Episodic

Source: Mintzberg 1990, p. 108

Figure 1: Strategy formation according to different schools of thought

Although, Mintzberg's classification of the strategy literature into the schools' framework is plausible, it is not based on fundamentals relative to the idea of strategic choice (Rouleau, Seguin 1995). This drawback has led us to base our work on a development of that of Whittington (1993), who presents a simpler, two by two matrix model to study the prime variables associated with strategic choice, as shown in figure 2.

Whittington's perspective on strategic management and the development of research hypotheses

Whittington (1993) proposes four generic approaches to understanding strategy by arranging the strategy literature into four different 'schools' of management thought differentiated by two variables – strategic goals and strategic processes. These are plotted in the form of orthogonal axes as shown in figure 2. The horizontal axis reflects the debates about characterising the strategy process as either set of deliberate acts, or alternatively, as a process that emerges by chance, irregularity and political machination. The vertical axis measures the intended outcome of the strategy making as either profit maximisation, or a combination of other goals such as market share, competing stakeholder interests, company image and so on.

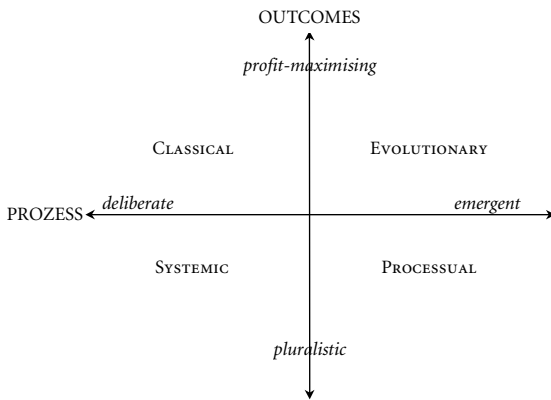


Figure 2: Four different schools of management thought

The strategy literature has been increasingly influenced by the resource based view, which does not comfortably fit into any one of the four schools derived above. Since this approach is also appearing in the family business (Habbershon, Williams 1999, Manikutty 2000) it is treated as a distinct school in this study.

The origins of the 'Classical' school can be traced back as far as 500 BC in the writings of China's oldest military classic – *The Art of War* by Sun Tzu – with its claim that the highest form of leadership is to overcome the enemy by *strategy*. Sun Tzu provides a concise exposition of planning, organisation, tactics and the seizure of opportunities Whittington (1993) credits the work of Chandler (1962), Ansoff (1965), Sloan (1963), and Porter (1980, 1985) with establishing the classical school as the dominant paradigm.

Assuming managerial activity as *rational*, these writers categorised as 'classicists' regard profit maximisation as the supreme goal of business, with this to be achieved through *deliberate* planning. The environment surrounding the organisation is believed to be dynamic but essentially predictable and controllable. Creating a perfect environmental fit between opportunities and organisational resources is thus the primary objective of the strategy process. Consequently, the strategic planning process is seen as being based upon setting clear objectives, environmental scanning *via* prescribed tools and matrices, leading ineluctably to the formulation and implementation of superior strategies that are rewarded by above average financial performance. This prescriptive process was developed without any reference to cultural issues surrounding the management, and is believed by most adherents to the school to have universal application. In particular, the classical school predicts that high growth family firms which differ only as regards the ethnicity of the top management should develop and implement strategy in the same way. Limited number of studies, however, have been conducted to investigate the similarities and differences amongst the strategy planning practices of specific immigrant family businesses and other family businesses. In one such study, Nam and Herbert (1999) report differences in strategic planning practices of Korean

family businesses and non-ethnic family businesses. In line with this assumption, Hypotheses one suggests likelihood of differences between ethnic groups:

H1: Anglo-Saxon family firms will have a significantly different affinity to South Asian family firms toward the propositions of the classical school.

The second approach to strategy is termed as '*Evolutionary*'. Whittington (1993) relates the work of prominent writers such as Hall and Hitch (1939), Alchian (1950), Hannan and Freeman (1988), Henderson (1989) and Williamson (1991) to the evolutionary school. Evolutionists believe that environmental changes are too fast to be predicted in advance: thus rational long term planning for an unknown future becomes a futile exercise. A *Darwinian* process of natural selection is the guiding principle and *efficiency* and day-to-day planning regarded as essential ingredients for success. Accordingly, management is characterised by discretionary production, replication, and optimisation of strategic fit with the environment in the short term. The accumulation of these decisions and actions over a period of time would approximate a long term strategy. Since market forces practically eliminate the scope for strategic choice, the effect of ethnicity in family firm strategic decision making should be minimal, leading to the development of the following null hypothesis:

H2: Anglo-Saxon family firms will have not have significantly different affinities to South Asian family firms towards the propositions of the evolutionary school.

The third approach to strategy is described as '*The Processual School*'. According to Whittington (1993) this emerged in 1970s with writers such as Pettigrew (1973, 1985) and Mintzberg (1973, 1987). This school was greatly influenced by the earlier work of Cyert and March (1963) and Simon (1957, 1979). Cyert and March (1963) do not believe in the idea of rational economic man or markets being responsible for profit maximisation: 'satisficing' rather than 'profit-maximisation' is what firms do. These authors argue that strategies and change are greatly influenced by, and are the result of, wide ranging political activities within the organisation. Strategy accordingly may not precede action but may only *emerge* retrospectively. Rejecting the logic of long term planning, Mintzberg (1987) characterises strategy as a *craft*, and argues that strategists need to retain the closeness and the awareness to adapt quickly to the market place. He also avers that, there is no one *best* way to make strategy, claiming: "Effective strategies can show up in the strangest places and develop through the most unexpected means." (Mintzberg, 1987) Consequently, Whittington (1993) argues that according to processualists, "the idea of environmental scanning, portfolio analysis, and other techniques used to arrive at strategic decisions by classical theorists are inappropriate."

The arguments of the processual school rest on the premise that strategy formation is a cognitive process, which takes place in the minds of the various individual actors. The emergent strategy observed is thus the sum of all their individual efforts, both positive and disruptive, since included in the processualists notion of strategy are constituents such as power and politics: these are equally responsible for shaping observed strategic processes inside the organisation and its behaviour in its external environment (Mintzberg, Ahlstrand, Lampel 1998). Studying strategy from a processual perspective

in the context of ethnic family firm managers, one would recognise that there is a higher cultural resistance towards opening up the family firm to outside directors to exercise increased degree of control and power (Ram, Hillin 1994). Dutta (1997) offers this as one of the reasons for Indian family businesses being less active in the globalisation process as compared to their western counterparts. More likely, they are represented by internal family or friends, this being due to their belongingness to the same community, caste and value system as that of the family and its patriarch (Ram 1994). We thus formulate the following hypothesis:

H3: Anglo-Saxon family firms will have significantly different affinities to South Asian family firms towards the propositions of the processual school.

The fourth generic approach to strategy described by Whittington (1993) is 'Systemic'. He describes the 1990s as the key period for the influence of this approach, with the earlier work of Grannovetter (1985) and Marris (1964) being regarded as the key texts. Systemic theorists agree with classicists about the importance of forward planning and working efficiently to achieve results. However, they disagree with classicists that the rationales underlying strategy are same in each and every context. Classicists have not given serious thought to operating in different cultures. According to Whittington (1993), the systemic school conveys the message that managers are not isolated individuals interacting in purely economic dealings, but people rooted deeply in densely *interwoven social systems*. In reality, people's economic behaviour is embedded in a network of social relations that may involve their families, the state, their professional and educational backgrounds – and even their religion and ethnicity (Whittington 1992). Systemic theorists believe that firms differ and perform in line with the social and economic environment which they operate in. Accordingly, strategy formulation is a process of social interaction based on the beliefs and understandings shared by the members of an organisation (Mintzberg et al. 1998), leading us to posit the following hypothesis:

H4: Anglo-Saxon family firms will have significantly different affinities to South Asian family firms towards the propositions of the systemic school.

The quest for competitive advantage has long been a central tenet of the field of strategic management (Porter 1985), and within this field, the Resource Based View (RBV) has emerged as a promising new framework for analysing the sources and sustainability of competitive advantage (Barney 1991, Dierickx, Cool, Barney 1989). This can be classified as a fifth approach in addition to the four posited by Whittington (1993). To summarise Mckeirnon's (1996) views on RBV, the roots to the literature on the "importance of internal resources for a firm" can be traced back to as early as 1937, when Coase's writings on 'The Nature of Firm' were published. Coase raised the important question of: "Why do firms exist?" His argument was that, "by forming an organisation and allowing some authority to direct the resources, certain marketing costs are saved." Other prominent economists such as Penrose (1959) and Williamson (1975) acknowledged the importance of firm-specific resources in their research. The link from economics to strategy was, however, made by Wernerfelt (1984), who could be regarded as

the originator of the RBV in the strategy literature. Utilising Porter's positioning framework to outline the theory, he developed a resource portfolio designed to deliver different options for diversified firms.

Lately, Hamel and Prahalad's (1990) work on 'core competences' and Grant's (1991) contributions on establishing an *integrating* framework regarding RBV have been most influential in the establishment of the school as challenging for the position of the dominant strategy paradigm when discussing large corporations (McKiernon 1996). Grant (1991) believes those capabilities referred as 'core competences' by Hamel and Prahalad (1990) are the main source of competitive advantage. This notion of identifying types of resources and competences that lead to superior profits can provide us with new insights over and above the traditional product perspective to develop a firm's competitiveness (Mintzberg et al. 1998). Links between the core competences and routines that support competitiveness in a ethnic business network were investigated Greene (1997). Similarly the development of informal networks among immigrant East African Asian communities (Basu 1998) in Britain and Hong Kong led them to overcome financial, capital and market entry barriers in the 1970s and 1980s (Gidoomal 1997). Therefore, one can deduce the following hypothesis based on the expectations raised by the resource-based school:

H5: Anglo-Saxon family firms will have significantly different affinities to South Asian family firms towards the propositions of the resource based view.

The five schools described here each contain a set of assumptions that scholars make about how firms should, or do, make their strategies. All are logically consistent, and partially supported by fieldwork. If entrepreneurs hold views about their own strategy processes that are consistent with the views held by scholars, then each entrepreneur should have greater affinity toward the assumptions made by one school above and beyond all others. This observation leads to hypothesis six:

H6: Associated with each of five schools of strategic thought there will be the presence of clearly defined and internally consistent groups of entrepreneurial family firms exhibiting an affinity to one particular school of thought.

The separateness and internal consistency of the groups of firms will be tested over a range of operational variables such as the ethnic origin of the controlling family, the present generation running the firm, industry sector, age, and turnover. Earlier studies have identified differences in strategy orientations on the basis of ethnic origin (Basu, Goswami 1999, Basu 1998, Ram, Hillin 1994, Pardesi 1992) and generation running the family business (Garcia-Alvarez, Lopez-Sintas 2001).

Methodology

Sample

The unit of analysis for the study was an industry as defined by the four-digit Standard Industrial Classification (SIC) codes. To test the hypotheses, data were collected within three industrial sectors – wholesale Food and Drinks (UK SIC codes 5139, 5134, 5137),

software consultancy and supply (UK SIC code 7220), and outerwear clothing (UK SIC code 1822). These sectors were chosen because both Anglo-Saxon and South Asian family firms are well represented, (Basu 1998, Metcalf, Madood, Virdee 1996); and the sectors are relatively mature, providing a stable setting for analysis. The fast growth family firms were initially identified using three growth measures – sales turnover, return on capital, and total number of employees (Birley, Westhead 1990). For this study, fast growth family firms were considered those having achieved a continuous sales growth and return on capital employed growth of twenty five percent over the last three years. Given that they were operating in mature industries, the implication is that all firms included in the sample were successful ones. Other measures, such as number of employees were not used in the final selection of the sample since sales and RCI growth could equally be a result of increased efficiency in the use of labour (Hoy, McGougall, Dsouza 1992).

Data collection

Using the FAME (Financial Analysis Made Easy)¹ database and regional directories maintained by local Training and Enterprise Councils², a final list of 301 fast growth family firms was compiled from three geographic regions in UK – West Midlands, London, and the South East. A four-step approach was used to solicit responses. First, all 301 firms were sent an initial letter introducing the study, its potential value, and the importance of the firm's participation. Ten days later, these firms were contacted through telephone in an attempt to convince them to fill out the initial questionnaire and provide an interview. 95 of the companies agreed to participate, and were thus sent a questionnaire with another covering letter and a prepaid envelope. Two weeks later, a further copy questionnaire and cover letter was sent to the non-respondents. In all four steps, the participating firms were assured of strict confidentiality. A total of 76 questionnaires were returned, of which 71 were usable, leading to a response rate of 25.2%. The first wave yielded 62 questionnaires (81.5%); the second wave yielded 14. Finally, these firms were contacted by telephone to set a time for an interview. Over a period of 8 weeks, 40 firm CEOs were interviewed.

Instrument

A research instrument was developed to serve as the basis for the data-gathering phase of the study. A search of the strategic management, family business and ethnic enterprise literature revealed a number of dimensions that can be used to measure the typological orientation of family firms. In relation to ethnic firms, three dimensions were found to be particularly interesting: *the role of women*, *the role of networks* and *religious affiliations* with respect to decision making. The literature review also indicated a need to develop new items and scales for the specific domain of this exploratory study. The

1 FAME is a national database containing the information on approximately 270 000 major public and private British companies. It contains descriptive information and up to 5 years of financial information.

2 Training and Enterprise Councils (TEC) are regional bodies promoted by British government to assist local businesses and communities in the form of providing advice and work-based training.

content validity of individual scales across seven dimensions (considered to measure typological orientation) for this research was initially evaluated by reviewing the wording and content of statements in a focus group discussion comprising 7 managing directors of family firms, and correspondence with 6 leading academics in the field. Pre-tests were also conducted to identify any residual problems with scales and the data collection procedure, which led to some changes in the questions to make them more specific prior to their inclusion in the final instrument. Statements generated from the central ideas of each school were applied to each of the seven dimensions. Respondents indicated their affinity to each statement by indicating a score on a Likert type scale. Below we show the three of the seven dimensions.

- *Attitudes towards growth*, which are considered as (1) expansion and diversifying into areas providing maximum return as *per* classical school; (2) survival and growth by keeping costs under control as *per* evolutionists; (3) satisficing the shareholders and expanding in small steps, *vide* processualists; (4) developing competencies for long term growth rather than short-term profit maximisation as *per* resource based school; (5) and expansion or diversification as dependent on luck and God's will.
- *The role of formal planning in the business*, considered to be: (1) a necessity by classicists; (2) as *per* evolutionists, it is market forces not formal planning which determine success; day-to-day planning, however, does have a role to play; (3) processualists trust experimenting with alternatives before coming up with a decision; strategy to them is emergent and not planned; (4) resourcists highlight the importance of long-term vision and preparing the business slowly by developing strengths; the role of formal planning is considered to be vague and ill-defined; (5) systemicists place their faith in decisions based more on intuition and luck than formal planning.
- *The role of family in decision making process*, regarded as: (1) for classicists, family and business are two separate entities and decisions should be taken in a purely professional manner; (2) evolutionists are clearly inclined towards the dominance of market forces as opposed to family's involvement; (3) processualists place trust in exercising power and control by employing family members; (4) resourcists consider the family as a source of knowledge gained and nurtured over long period of time; and, (5) finally, systemicists believe in the family as a source of trust, and adhering to the underlying family values of one's culture.
- Similarly, statements were developed for 4 other dimensions: role of *religious affiliations* in the business, the appointment of *non family directors*, the role of *women* in the family business (Salganicoff 1990), the role played by *ethnic networks and alliances*.

Table 1 shows the results of coefficient alpha and standardised Cronbach alpha, which were computed to test the reliability and internal consistency of the scales developed across the five schools of strategy thought. It can be seen from the table that there is little difference between alpha and the standardised alpha (which compensates for the effects of the number of scale items), thus lending credence to reliability of constructs. The scores for four schools of thought are within the acceptable range and greater than the suggested cut-off level of 0.60 (Churchill 1979). The exception is the evolutionary school, which has low alpha, although further tests show that it contains one item, which if removed, would enhance the overall reliability by 3.57%.

<i>Variables</i>	<i>Number of items</i>	<i>Cronbach alpha</i>	<i>Standardised Cronbach alpha</i>
Classicists	7	0.617	0.623
Evolutionists	7	0.583	0.590
Processualists	7	0.624	0.602
Resourcists	7	0.589	0.597
Systemicists	8	0.724	0.708

Table 1: Reliability Analysis-Results of Cronbach Alpha

Other variables were used for gathering information about the respondent: Ethnic origin identified by country of birth and origin; Age of respondent, measured in number of years; Age of family firm, measured in number of years; Level of education attained; Family stake in the business, measured as percentage; Occupation before entering family business; Generation running the business at present; Reasons for entering family business.

Thus the Likert type scale allows a numerical estimate of each respondent's affinity towards each school on the seven dimensions selected in the study. The relative affinities toward each school of Anglo-Saxons and South Asians towards each school can be estimated by comparing the mean scores of the two samples.

Data analysis

To determine the extent of the differences between Anglo-Saxons and South Asians across the five schools of thought (hypotheses 1–5) a one-way ANOVA test was conducted. Interviews were also conducted to address the issue of triangulation and gather as much rich information as resources permitted during the study period. As the returned questionnaires were received before conducting each interview, responses were analysed in advance. These responses were found to be consistent with the discussion in the later personal interviews.

Hypothesis six was tested by conducting Ward's minimum-variance clustering procedure, subjecting underlying strategic variables to identify groups of family firms. Cluster analysis has been identified as more useful than other multivariate techniques in developing empirical taxonomies and as an appropriate technique for classifying businesses by strategy (Lassar, Kerr 1996, Robinson, Pearce 1988, Harrigan 1985). The major advantage of cluster analysis is its ability to treat strategy as a holistic construct (Lassar, Kerr 1996, Davis, Schul 1993). The use of Ward's method has been considered as the best of the hierarchical cluster routines for uncovering group structures in data sets (Punj, Stewart 1983). Based on the standardised five strategy variables, Ward's method calculated the Euclidean distance measures and minimised the multivariate, within sum of squares. Secondly, analysis of variance was used to identify significant differences between the clusters across the five variables. To evaluate significant differences between pairs of clusters, a *post hoc* procedure (Duncan's multi-range test) was applied, which has been considered as an appropriate tool by strategy researchers for similar purposes (Taggart 1998).

One must not overstate the benefits of using cluster analysis, as it also has certain drawbacks. The main problem according to Ketchen and Shook (1996), is cluster analysis' reliance on the researchers' judgement in setting the clusters. The pursuit of between and within-methods of triangulation; i.e., the application of multiple techniques to a single research problem can surmount this problem, according to authors.

Therefore, this research established the validity of results by using a between-linkage method to cluster cases apart from Ward's method, thus establishing between-methods triangulation. Within-method triangulation, which argues for examination of a single research issue using multiple approaches, was established by conducting ANOVA (Anderberg 1973) to test hypotheses one to five.

The research method and the responses limit the study in three ways. First, in order to achieve a clear test of the influence of ethnic origin on strategic choices of family firms, the sample was limited to fast growth firms in four industrial sectors, where South Asian firms were actively concentrated. It is possible that characteristics of this industry limit its generalisability to other settings. Secondly, the sample size was only 71 family firms (South Asians n=39, Anglo-Saxons n=32). If the response rate had been above the achieved level, higher alphas could have been obtained, and the number of firms in clusters three and four expanded.

Thirdly, questionnaires and in-depth interviews were used for the data collection process. Longitudinal research in studying the strategic choice process of a selected number of family firms would complement the current study based on quantitative results gathered from postal questionnaires, and the results so far obtained would seem to justify the expenditure of more research effort in this area.

Findings

Hypotheses H1 to H5 aimed to explore the differences between Anglo-Saxons and South Asians in relation to five schools of strategy. They were tested using one way.

	Mean Squares				Ethnic Origin			
	Df	Sum of Squares	Between	Within	F-Value	1-2	1-3	2-3
Classical School	70	1408.65	386.93		3.64*	n.s.	n.s. (0.09)	n.s.
Evolutionary School	70	68.36	219.73		0.31	n.s.	n.s.	n.s.
Processualist School	70	711.54	126.48		5.62**	n.s.	*	*
Systemic School	70	1681.51	172.03		9.77**	n.s.	**	**
Resource Based School	70	1235.23	155.03		7.94**	n.s.	*	**

n. s.: not significant; * p < 0.05; ** p < 0.005; *** p < 0.001, Ethnic Origin: 1 = Indian (Hindus, Sikhs), 2 = Muslim, 3 = Anglo-Saxon

Table 2: Analysis of Variance (ANOVA) between Ethnic Origin of family members and Schools of thought on strategy

Table 2 displays the results of ANOVA, which was conducted to test hypotheses 1 to 5. Hypothesis one posits that family firms controlled by Anglo-Saxons are more likely to a

have different affinity to the propositions of the classical school to those managed by South Asians. The ANOVA statistics provide support for this hypotheses ($F=3.64$, $p<0.05$), as significant differences were established amongst the two groups using the significance level of 0.05.

Hypothesis two, posits that family firms controlled by Anglo-Saxons and South Asians are not likely to have a different affinity to the propositions of the evolutionary school to those managed by South Asians. This hypotheses is accepted ($F=0.31$, $p>0.05$), as no significant differences were found between the two groups.

Hypothesis three posits that family firms controlled by Anglo-Saxons are likely to have a different affinity to the propositions of the processual school to those managed by South Asians. This hypothesis is accepted ($F=5.62$, $p<0.05$), as significant differences between South Asians and Anglo-Saxons ($p<0.05$) were found.

Hypothesis four posits that family firms controlled by Anglo-Saxons are more likely to have a different affinity to the propositions of the systemic school to those managed by South Asians. This hypothesis is supported ($F=9.77$, $p<0.05$) as the ANOVA test indicated significant difference amongst South Asians and Anglo-Saxons.

Hypothesis five posits that family firms controlled by Anglo-Saxons are more likely to have a different affinity to the propositions of the resource based view to those managed by South Asians. This hypothesis is supported ($F=7.94$, $p<0.05$) indicating significant differences amongst South Asians and Anglo-Saxons.

In general, the results of these analyses suggest significant differences between the affinities of South Asians and Anglo-Saxons for particular ways of thinking about strategic management.

The main research proposition of hypotheses six is that the presence of groups of family firms characterised by the dominance of behaviours associated with a particular 'school' of strategic thought, and it is important to review the results of cluster analysis carefully to avoid wish-fulfilment (Taggart 1998). Accordingly, as mentioned earlier, *two* methods of clustering (Ward's and between-linkages) were used. Inspection of the dendrogram in both methods suggested a three cluster solution, which was subjected to further ANOVA and Duncan multiple-range tests across the five strategic schools to ensure the validity of these results. Table 3 reports the profile of the three clusters derived from cluster analysis of family firms on these five strategy variables.

Results show that the cluster means are significantly different from the total sample means. Support for hypothesis six is based on the interpretation of the pattern of scores for each cluster. Cluster one consists of 41 family firms; the score pattern suggests that their orientation is to adhere to the resource based school of strategy, although subscription to the classical school is also strong. Cluster two consists 19 firms and demonstrates the orientation of firms towards processual school along with resource based view and systemic school. Cluster three consists of 11 family firms that clearly have an affinity to the classical school of strategy, although the resource based view also shows a clear, if secondary, presence. ANOVA, which was used to determine the adequacy of the clustering results, tests the between-group variability for each of the strategic variables separately. Results indicated distinct strategic groups. The Duncan multiple range tests also supported the categorisation. Clusters differed significantly from each other

in terms of the schools of strategy. The evolutionary school proved non-significant in distinguishing three clusters and the resource based view was not a distinguishing factor for clusters one and three.

Strategy variable	Duncan's Multiple-Range test ANOVA						F-value
	Cluster 1	Cluster 2	Cluster 3	1-2	1-3	2-3	
Classical School	113.82	91.95	131.80	**	**	**	23.73**
Evolutionary School	86.01	86.30	81.21	n. s.	n. s.	n. s.	0.51
Processualist School	97.50	110.36	88.27	**	**	**	20.69**
Systemic School	81.59	101.54	70.51	**	**	**	38.29**
RBV School	120.77	109.97	128.18	**	n. s.	**	8.48**
Observations	41	19	11				
<i>Composition of Clusters</i>							
South Asians	17	19	3				
Anglo-Saxon	24	0	8				
<i>Business Generation</i>							
First		29	18	8			
Second		8	1	2			
Third or higher	4	0	1				
<i>Sales and Age of Firms</i>							
<i>Means</i>							
Sales Turnover (in £m)	10.75	9.06	15.13				
Age of Business (yrs)	21.32	17.16	26.00				

*p < 0.05, **p < 0.001, n. s. not significant. Sample means are standardised for the purpose of testing

Table 3: Cluster analysis: Means of three-cluster solution

The analysis up to this point has defined three well-defined groups of firms that show significant differences in terms of the five schools of strategy. While this matches the part of the requirement of H6 for the groups of firms to be clearly defined, the result also means that this hypothesis cannot be accepted because no one school was responsible for this distinction amongst the three clusters. For example, the resource-based school was strongly accepted in all three clusters.

Discussion and implications

Results of hypotheses one to five suggested that family firms controlled by Anglo-Saxons and South Asians differ with respect to their orientation towards four out of five schools of strategy, which can also be related to the way cluster memberships were formed. In general, these findings suggest that strategic choice (Child 1972) is determined to some extent by ethnic origin, and may provide a useful basis for understanding important aspects of strategic concepts with respect to varied cultural dimensions.

Hypothesis six proposes that groups of firms can be clustered together, exhibiting dominance of one out of five schools in the thinking of entrepreneurs. However, the results demonstrate affinities to two or three schools can be held by the CEO of a family firm at the same time. This constitutes a rejection of H6, but the result is interesting

and worthy of further interpretation. A group of firms is located in each of the three clusters. No one school dominates any cluster, thus overruling the need for naming them. The score patterns as displayed in table 2 suggest that every firm can relate to the way in which the RBV theorises its behaviour, but the same cannot be said of the evolutionary school, where firms related to the implications of the theories with less affinity. By implication, it would seem that the firms, being family controlled, are more likely to take account of the opportunities afforded by their resources and internal capabilities, than those implied by the market, irrespective of the ethnic origin.

Evidence from tables 2 and 3, support distinctions between Anglo-Saxons and South Asians. This is apparent from the existence of significant differences among cluster 2, which constitutes 19 South-Asian firms and the other two clusters, where there is a mixture of firms controlled by the two ethnic groups. This finding also supports hypothesis five that predicted these differences.

The score pattern in cluster 2 suggests that South Asian firms are respond more favourably to descriptions of their behaviours rooted in the processual and systemic schools, than descriptions from the classical school compared to the firms in other two clusters. Therefore these firms are more likely to follow the process of experimentation and learning, than planning. In addition, they are likely to interpret managerial actions less as the product of deliberate human actions, and more as the result of God, fate, luck or history (cf. Boyacigiller, Adler 1991). These firms are also likely to discount the principles of managerial rationality and profit maximisation. Firms in this cluster are also likely to be first generation family businesses, and as evident from table 2, have smaller turnovers and are younger relative to the firms in the other two clusters. Conversely, firms in cluster three, seventy two percent of which are controlled by Anglo-Saxon families, are more likely to demonstrate their orientation towards the classical school, thus exhibiting their preference towards the explicit and deliberate conception of long-term goals, and the logical cascading of actions and resources from original objectives in the classical school. These firms are likely to be older and have higher turnovers as compared to firms in the rest of the two clusters. Adherence to the tenets of the classical school may in this sense be seen as a tendency to identify increasingly with the values, and adopt the behaviours, of diversified-ownership joint-stock corporations over time. This seems to lend some support to the view that management becomes more 'professionalised' over time, perhaps as older managers and inheriting generations interact more with the management education industry and take on board the models which are 'sold' to them.

The above results have three implications. Firstly, taxonomic models explaining strategy processes such as that of Whittington (1993), which identifies four different variables exploring strategic choices, are not acknowledged by practising managers *per se*. The notion of imposing an orderly logic, developed from theory, on the managerial typological perceptions therefore does not stand. The dominance of a particular school depends upon a number of unexplained factors including family situations and time, where there is may be a shift from one school to the another.

Secondly, the direct relationship between the application of the classical strategy school and the resulting increase in performance (Bracker, Pearson 1986) is problem-

atic. The current research, which examines successful fast growth family firms solely, exhibits no clear dominance of the classical principles of strategy as real family members go about the process of developing and implementing strategy (or not...). One can argue that this is because of the very nature of family firms, where family interests and values over-ride rational decision making and profit maximisation principles. However, with the possible exception of the cluster of older, Anglo-Saxon run firms noted above, no one alternative conceptualisation of the strategic management process available in the general strategy literature appears to properly represent the reported affinities. Our findings thus demonstrate that the special effects of family connections and their influence on family firms present a particular challenge to the strategic management fraternity, since none of the leading theories appears wholly consistent with the results obtained.

Thirdly, within the specific context of fast growth family firms, managers' typological orientations towards making strategic choices vary to a certain degree according to their ethnicity. One might have expected these differences to fade away with the arrival of second generation South Asians in family firms, or with the closer integration of immigrant and host communities. Contrary to this, family structures in South Asians' firms still remain intact, leading to both competitive advantage and disadvantage according to circumstance. But again, no single conceptualisation of the strategic management process adequately captures the variations implied by the empirical data. Thus it is not *just* that family firms construe strategy in ways which are different to non-family businesses, and that current theory is inadequate; we also have to deal with the issue of *different* family structures influencing strategy formulation and implementation in even the more entrepreneurial, growth oriented of family firms. In just the same way that it is wrong to indiscriminately lump together family and non-family firms rather than seeking out and theorising the differences, it seems that more attention should be paid to the nature of the specific 'family' itself in family business research than is typically the case.

Bibliography

The bibliography of this paper can be found on the Internet:

http://www.igw.unisg.ch/rencontres/watkins_bibliography_2002.html