

# The relationship between entrepreneurial characteristics, firms' positioning and local development: an empirical survey\*

## **Abstract**

This paper aims to explain how the presence of entrepreneurs' specific subjective characteristics can influence a firm's strategic orientation and, as a consequence, local development. By analysing several subjective characteristics taken from a sample of 101 successful entrepreneurs from southern Italy, certain issues emerge regarding the link between the economic performance of the ventures launched in this area and the weak level of growth. The research approach makes use of the Global Entrepreneurship Monitor conceptual model which summarizes the major causal mechanisms affecting national economic growth.

**Keywords:** entrepreneurship policies, personal traits, motivation, entrepreneurial experiences.

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## **The entrepreneur and firm performance**

The majority of recent theories in the business and managerial economic literature assumes that the economic performance of small and medium-sized firms depends largely on the entrepreneurs' (or *team's*) capacities (Covin and Slevin, 1995; Storey and Westhead, 1996). Even so, economists still do not fully understand the relationship between entrepreneurs and firm performance.

As is well known, the entrepreneurial process is the result of a complex interaction between individual, social and environmental factors. Taken separately, neither the personality of the entrepreneur nor the structural characteristics of the environment can, on their own, determine a firm's performance (Bouchikhi, 1993; Dyer, 1994).

In order to provide an example of the relationship between entrepreneurs' subjective characteristics/traits and firm performance, an empirical investigation was carried out. The paper discusses the initial results of a semi-structured questionnaire administered to 101 entrepreneurs (data collection took place in 2005) during a face-to-face interview. The sample consists of entrepreneurs managing firms in Campania, a region of Southern Italy characterized by low levels of economic development.

To achieve a more homogeneous sample as well as to minimize the possibility of including the so-called *self-employed* and/or *small business owners*, the selected sample consisted of entrepreneurs who had already been running a firm for ten years or more. Moreover, only successful entrepreneurs operating in *traditional sectors* whose firms have more than 10 employees were included.

These choices reflect the aim of the study which seeks to explain why economic performance in Southern Italy remains weak: GNP is stationary, local unemployment remains very high, firms are unable to grow, the productive system is still specialized in the so-called traditional manufacturing sectors, and the percentage of internationalized enterprises remains lower than in other western countries. This is still the current situation despite the fact that a wide range of facility laws and incentives have supported business start-up and the development of local firms for many years.

By way of contrast, the empirical evidence gathered over the past two decades in many other areas reveals the existence of a positive and strong relationship between measures designed to stimulate entrepreneurship and economic performance in terms of employment creation, growth, firm survival, innovation and technological change, productivity and exports (Thurik and Wennekers, 1999; Audretsch and Thurik, 2003). For this reason, entrepreneurship is increasingly considered as a fundamental renewable resource for local economic development (Aldrich and Martinez, 2001; Audretsch, 2002).

Although there is increasing evidence that the national level of entrepreneurial activity has a statistically significant association with the national level of economic growth, various authors who have studied Global Entrepreneurship Monitor (2002; 2003; 2004) argue that,

the precise nature of the causal mechanism has yet to be determined. As regards Southern Italy, a possible explanation of the weak impact of entrepreneurial activity on local performance is that entrepreneurs generally lack sufficient subjective characteristics to ensure the successful start-up or running of firms operating in other more innovative and predictable sectors of future growth.

As is well-known, the latter types of firms are often associated in developed countries with a higher probability of providing a clear and stable contribution to local growth. From this perspective, the paper seeks to contribute to the identification of a method for selecting the most suitable people for running ventures that strengthen local economic development as well as evaluating their eligibility for economic incentives and support.

The paper is organized as follows: in § 2 the sample is briefly analyzed; § 3 presents the results that emerged from the research regarding certain personal characteristics/traits, and § 4 includes final comments and policy implications.

### **The empirical survey**

Many leading economists (Brockhaus, Cooper, Kilby, McClelland, Rotter, Timmons, Vesper) have long argued that the subjective characteristics of entrepreneurs, and especially their motivation and work experience, are relevant factors in the study of entrepreneurship, since they lie behind the supply side of entrepreneurial activities. These aspects are believed to be decisive in determining the “quality” of entrepreneurs, and therefore the firm’s ability to achieve significant levels of performance. Consequently, they have to be closely identified for formulating public policies designed to promote entrepreneurial activities. Apart from the biographical characteristics of the entrepreneurs, this survey is specifically designed to investigate their *personal traits, skills, experience, motivation* and the *external barriers and perception of opportunities*.

In order to obtain a more homogeneous sample which is representative of the local economy as well as to minimize the possibility of including simple *self-employed* and/or *small business owners* - as meant by Carland *et al.*, (1984) - the study included entrepreneurs who had already been running a firm operating in traditional manufacturing industries (food industry, textile and footwear sectors, equipment and other goods) for at least ten years (on average, the firms considered are 32 years old). Furthermore, no micro-firms with fewer than 10 employees were included. 52.5% of the firms have stable staff numbers ranging from 10 to 20 units, but only 10% have over 50 employees.

The main legal form was the limited company, which represented 70% of the total. The sample does not include joint-stock companies which, instead of a single entrepreneur, frequently consist of an entrepreneurial *team* following the intentions of the stake/shareholders.

Since the paper seeks to understand the link between firm performance and local development, only entrepreneurs managing firms with positive results were considered. Although 50% of entrepreneurs admit that they had undergone a negative trend in their own market sector, particularly those most exposed to competition from imitators aided by lower costs of production, none of the entrepreneurs believe they have performed worse than the market average in recent years (increasing market trends vs. stable/decreasing turnover). Indeed, 30 entrepreneurs state they have achieved an *overperformance* compared to market trends (decreasing market trend vs. stable/increasing turnover).

The entrepreneurs (90% of whom are male) involved in running/setting up a venture had an average age of 32 years old, with a concentration of 59% aged between 24 and 36. The main qualification among those interviewed was the secondary school diploma (60.4%), while 27% had a degree or post-graduate qualifications. The level of education is, on average, higher for those who have taken over a firm more recently.

21% of the firms operate mainly in the local regional market, 50% in the Italian market and 17% in the international market. 36% produce goods for the final market, 31% are essentially subcontractors, while 23% operate to an equal extent in the final market and as subcontractors.

It is interesting to point out that the entrepreneurs who had set up their own firm (founders) almost precisely equaled the number of entrepreneurs who had not (non-founders) (50 vs. 51 cases). In 36% of cases, the firm was set up as the original idea of the entrepreneur himself; 14% of entrepreneurs admitted that the firm was the result of the idea of a partner, 27% the result of the ideas of various people while 23% of the ideas stemmed from a joint decision.

### **The subjective characteristics of entrepreneurs**

As regards *personal traits* believed to be associated with firm performance in the business and managerial economic literature (see, for instance, McClelland, 1961; Rotter, 1966, Timmons, 1978), a three-step question was submitted to the interviewees. For the first question, the interviewees were asked which trait was most evidently possessed by each entrepreneur, secondly which trait they believed to be most significant for entrepreneurs while the third question addressed which subjective trait each interviewee would have liked to improve.

With regard to the first question, most of the interviewees (25%) chose the item *strategic decision-making abilities* out of a list of 10 of the personal traits considered to be the most investigated, followed by *creativity* (13%) and by the *need for achievement* (10%) (**Table 1**). Since the interviewees could give up to three answers, as a total of the three options, the most frequently chosen personal trait was *attitude to change*.

The importance attributed to *strategic decision-making abilities* is confirmed by the second step question regarding the ideal main personal traits for entrepreneurs. Interestingly, 53 indicated this trait as their first choice, followed at a considerable distance by *attitude to change* (16) and *creativity* (9). As a total of the three options, it is possible to confirm which of the above traits were most frequently mentioned by entrepreneurs. The convergence of answers with respect to these two questions might suggest that entrepreneurs mentioned their own personal traits as those any entrepreneur should typically have either because they are not aware of their own limits or, unconsciously, because they do not recognize to have any.

As far as the third step question is concerned, entrepreneurs did not show a desire to improve their own personal traits in 29 cases while, in a further 18 cases, they preferred not to give a reply. Only 15 and 5 entrepreneurs, respectively, expressed the wish to improve a second or third personal trait as well. On the whole, this is a weak result since it implies that interviewees underestimate their deficiencies in carrying out their own activities or are even unaware of them and/or overestimate their capacities. This is the case despite the fact that the complexity of entrepreneurial function presupposes a broad spectrum of personal qualities.

Using a similar criterion to that used for personal traits, the interviewees were asked to indicate the main *skills* that they possessed and which skill they would most like to acquire. Out of a list of 10 skills considered to be typical of the entrepreneur in the specific literature (see, for example; Boyd and Vozikis, 1994; Kolvereid, 1996; Autio *et al.*, 1997) the interviewees replied that the skills that an entrepreneur should possess are, in order of importance, *technical/technological skills* (32), followed by *managerial skills* (22) and by *marketing skills* (14). Instead, by taking into account the total of the three options for possible replies, the most frequently cited were *managerial skills* (**Table 2**). Some scholars (Brandstatter, 1997; Lazear, 2003) argue that people with balanced skills and with a background in a greater range of different roles are more likely than others to become entrepreneurs.

The principal tasks undertaken directly by the entrepreneurs within the firm regarded *marketing*, while the interviewees were least involved in R&D. Only 22 entrepreneurs declared that they essentially fulfilled just one business function, while 17 of them stated that they fulfilled almost all of them.

However, it should be noted that 95% of entrepreneurs frequently consulted business functional foremen before taking decisions. 90% of entrepreneurs made use of external consultants, especially in the areas of *accounting and finance* and, much more rarely, for purchases and the entire sphere of *production*.

These aspects indicate a general “openness” of entrepreneurs towards the outside world and show that decision-making power is not excessively centralized. Open-minded

entrepreneurs are used to performing different roles simultaneously, but they require constant support from other employees and frequent consultation with them.

However, it should be noted that the entrepreneurs who inherited their firm are characterized by a more open-minded approach. Moreover, the frequency rate of consultation with other employees and external advisors increases from generation to generation. On the contrary, founders have a more individualistic and autonomous approach. It may be argued that while they are more “jealous” of their own “creature”, the priority for open-minded entrepreneurs is to continue the dynasty.

As regards the desire to strengthen or acquire other skills, a high rate of failure to reply can be observed, as in the case of the question related to personal traits: 30. Among those who answered, there was a concentration for the item *information technologies* (34%). 34 and 13 interviewees respectively expressed the desire to improve a second or third skill.

It is therefore to be presumed that, in general, the entrepreneurs in the sample do not perceive the need to increase their skills and knowledge. This circumstance may reveal either the lack of an *entrepreneurial culture* or a high *self-efficacy* (Bandura, 1977). In addition, this result is consistent with the low participation of interviewees in special training courses; indeed, only 13% of entrepreneurs stated they had taken part on one or two occasions in such courses. Nevertheless, the results seem to conflict with the need to increase individual knowledge in order to set up new businesses and/or to enter business sectors. This need was particularly strongly felt to be required for firms operating in traditional sectors facing strong competition, such as those included in our sample.

With regard to the variable *previous experience* - that with accordance to scholars (see, for instance, Katz, 1992; Gibb, 1997; Erikson, 2003) is the most powerful way of learning, and a crucial factor to make entrepreneurial choices and achieve significant business performance - 33 of the interviewees stated they did not have previous working experience (students and unemployed). 24 stated they had already been entrepreneurs/traders while 5 had had professional occupations (**Table 3**). It should be noted, however, that 12 of interviewees have experience of similar importance (*several occupations*).

According to Gartner *et al.* (1994: p.632) “experience should not be considered in some broad manner, like prior industry experience, but as specific kinds of experience that entail aspects of the functions of a business”. From this perspective, previous experience is important regardless of the sector which it has been gained in.

52% of the interviewees believe that their own *previous experience* has only had a small influence on their decision to become entrepreneurs. By contrast, 45% attributed importance to this item (**Table 4a**). The second half of the sample includes many of those who stated they had had direct previous professional experience (they had already been entrepreneurs or traders). Indeed, 15 out of the 24 interviewees with previous experience attribute a significant

or decisive importance to this aspect, while only 6 out of the 33 unemployed and students believed that previous experience was relevant. Thus, these findings confirm the importance attributed in the literature to previous experience.

With regard to the importance of *family influence* upon their decision to become entrepreneurs, half the respondents believe that the family has only a slight influence; by contrast, the other half of the sample consider family influence to be relevant or decisive (**Tab. 4b**). The judgment of the latter group is not affected by previous occupational status whereas, based on what had previously emerged with regard to personal experience, it was expected that the highest percentage of replies would have come from interviewees who already had a background as entrepreneurs or traders.

42% of interviewees considered that previous *family business experience* strongly influenced their decision to become entrepreneurs; however, 25 % of interviewees gave no reply (**Table 4c**). Only 5 interviewees also mentioned the importance of family experience of a *non-entrepreneurial* nature; 14 entrepreneurs also acknowledged that they had benefited from the contribution provided by partners and other non-family members.

With regard to *family business experience*, it should be noted that 75 entrepreneurs declared that their family had previous business experience, of which 53 were in the same business field; in 73 out of 75 cases, these experiences had a positive outcome. Furthermore, 88% of the interviewees who declared they had previous entrepreneurial experience had been born into an entrepreneurial family environment, while 58% were the children of entrepreneurs. Being the child of an entrepreneur is often considered to be the main variable that influences the *expectancy* of starting-up a firm.

By combining the data regarding experience, it can be noted that the 75 interviewees who had previous *family business experience* (as well as those who recognize the importance of *family influence*) attribute little significance to *personal experience*. As expected, these entrepreneurs attribute greater importance to *family business experience*, whereas a direct association between these people and those who consider *family influence* to be relevant does not emerge. Similarly, there is no significant link between interviewees who have had *personal business experience* (and vice versa, those who lack such experience) and those who believe (or do not believe) in the influence of *family business experiences*.

However, 52% of interviewees state they have received some *moral and/or economic support* of a significant nature from relatives while setting up or taking over the firm. Almost all of those who received such support recognize its importance, attributing a high degree of significance to *family influence*.

Among those entrepreneurs who have received significant support from their family, the percentage of those who consider *family business experience* to be significant is also high. Nevertheless, they attribute lower influence to *personal experience* than those who have received little support.

The picture that emerges therefore suggests the importance of such experience as a whole for those that have benefited from it. In particular, the importance attributed to *family influence* is higher than *personal experience*, partly because almost 75% of the interviewees were born into an entrepreneurial environment. Respondents with largest amount of *personal* and *family experience* also seem to have greater *mind-openness*, which is typical of the proactive entrepreneur. Indeed, direct or non-direct experience increases entrepreneurs' level of *self-efficacy* and skills (Erikson, 2003).

In this situation, it follows that a background in *business* and *entrepreneurial culture* has a greater importance than other elements of learning. Specifically, *personal experience* or *family experience* end up becoming the primary, if not the sole, source of knowledge.

When asked to choose from a list of 10 items concerning *motivation*, regarded as the most common in the economics literature (see, for example, Naffziger *et al.*, 1994; Orhan and Scott, 2001; Carter *et al.*, 2003), entrepreneurs defined *dissatisfaction with previous employment* as the main motivation (30). This is followed by 14 of those who had encountered a previous situation of *family financial difficulty*, the *desire to be "your own boss"* (11) and *inheritance/legacy or marriage* (9) (**Table 5**).

Considering the three possible options as a whole, *dissatisfaction with previous employment* is confirmed as the most frequently mentioned motivational factor, followed by *ambition* and the *desire to pursue and/or exploit one's own ideas and skills*. Almost all interviewees also gave a second or third motivation in their replies, confirming that factors influencing the decision to become an entrepreneur include individual, psychological, social, and economic features (Henderson, Robertson, 1999).

Using the terminology of the Global Entrepreneurship Monitor, a comparison of the choice of the first motivation given by the interviewees shows a marked prevalence of *necessity entrepreneurs* over *opportunity entrepreneurs*: 58 as opposed to 39.

This result is consistent with the current economic situation and employment scenario for southern Italy; the unemployment rate is about 20%, compared to 9% at a national level. Furthermore, entrepreneurs operating in traditional industrial activities are more frequently considered as *necessity entrepreneurs* as opposed to *opportunity entrepreneurs* (GEM, 2003).

The interviewees were also asked to give a general assessment of the numerous laws encouraging entrepreneurship. This aspect is closely linked to motivation given that, according to a widely felt opinion (Storey, 1991; 1992), the presence of real and financial external supports represents a factor encouraging the decision to devote oneself to business ventures. This stimulus may even substitute the spontaneous tendency to decide to become an entrepreneur.



About half the interviewees really believed that the presence of incentives had a significant or decisive influence on the decision to set up or take over a firm. The other half of the sample felt that the presence of incentives had only a slight or moderate influence.

Nevertheless, the replies given by these interviewees do not correspond, as expected, with those who declare no previous *personal* or *family experience*, nor any form of *family support*. The presence of incentives is more important in the opinion of those interviewees with previous *professional experience* or direct *entrepreneurial experience* (those who had already been entrepreneurs, traders, professionals and managers) (20 out of 34) rather than for students and unemployed (12 out of 33): these are the main targets addressed by facility laws.

As regards their knowledge of the current facility laws, 42% of interviewees stated they were well aware of them. Therefore, only the minority of entrepreneurs believe it is advisable to be informed about these incentives. Knowledge of facility laws is higher among those who stated they had previous *family business experience*, while it does not appear to be linked to the *previous occupations* of the interviewees.

Among those (88 people) who stated they had knowledge of facility laws, only 17% regarded them as “useless”, while the same proportion (17%) considered them to be “adequate” for their intended purpose. The remaining percentage of entrepreneurs believed there was “room for improvement”, underlining the *excessive bureaucracy*, followed at a considerable distance by the uncertainty of the *time for receiving funding* and by many other criticisms ranging from *rigidity of the requisites for entitlement* to the *lack of flexibility* of the legislation.

Apart from the formal judgment, as many as 73% of entrepreneurs acknowledged that they had made use of at least one form of state incentive. Among the remaining 27%, about half admitted they had presented an application but that it had not been accepted. Only 10 interviewees stated that they had not made an application because they had no need for any type of support.

This result shows that entrepreneurship in Southern Italy has been launched on foundations which have been “distorted” by the excessive presence of incentives. Their presence is considered to place a significant share of risk-taking related to entrepreneurial activities on the public sector, rather than encouraging a latent propensity to engage in entrepreneurship, thus bypassing the obstacle of the lack of starting capital.

The final section of the questionnaire concerns specific questions aimed at understanding the subjective *perception of the external environment* in terms mainly of obstacles and opportunities. This is an aspect believed to be important for comprehending many strategic decisions made by entrepreneurs (GEM, 2003); since entrepreneurial attitudes influence the perception of the external context, this perception can therefore determine the orientation of a specific firm (Neck et al., 1999). Specifically, attention was paid to entrepreneurs’ inter-

organizational and personal relationships, given their theorized association with business performance (Granovetter, 1983; Ostgaard and Birley, 1994; Hansen, 1995).

As shown below, 59% of the entrepreneurs attributed little or no importance to *fortune/chance* while 55% attributed little or no importance to *political connections* (Table 6). The majority of entrepreneurs who attribute “little significance” to *fortune* and/or *chance* report an increasing sales turnover. It borders on the pathological that when things are going well, people tend to attribute the merit to themselves while, vice versa, they tend to place the responsibility for negative trends on external factors. On the other hand, as many as 80 interviewees attributed great importance to *personal non-political connections*. It is worth pointing out that, in general, the higher the support received and the influence exerted by their family, the higher the importance attached by entrepreneurs to political and non political relationships. This is likely due to the fact that these entrepreneurs make leverage on existing relationships established by their families over the years.

More specifically, with regard to the relationship with other external parties, Table 6 also shows how the trust of entrepreneurs in others is essentially low or very low when it comes to the possibility of collaborating with *competitors* (70), *professional associations* (73%) and *Public Administration* (76%), and *banks and other financial institutions* (51%). By contrast, their trust in their *employees* (92%), *suppliers* (90) and *clients* (91) is extremely high.

There thus emerges a mistrust of the external environment which does not involve relations that have been consolidated and tested over time. The origins of this mistrust lie fundamentally in the perception of the external environment as being inadequate for the development needs of firms. This result was fully expected, and has negative effects in terms of elevated transaction costs, a weak capacity for association or cooperation, and general difficulties in the relational system.

The reasons underlying this negative perception of the external environment and general obstacles to the running of business ventures are linked to *poor infrastructure, bureaucratic obstacles* and *crime*, followed by *difficulties in interacting with public administration, access to loans* and the lack of availability of *skilled labor*. The item *crime* was the most frequently given reply by those who opted to provide more than one motive.

As regards the specific obstacles in the sector of operations, the most frequent response was the *lack of a skilled labor force* (14%) followed by *infrastructural weaknesses* (13%), *bureaucratic obstacles* (13%) and *crime* (13%). Thus, it can be noted that entrepreneurs mainly perceive exogenous obstacles they are not able to cope with (a situation consistent with the low importance attached to the personal trait “*internal locus of control*”).

The overall level of mistrust towards the external environment is confirmed by the 64% who did not give a reply to the question regarding those local factors that provide the greatest stimulus to business activity in Southern Italy. Of the remaining 36% of those who did give a reply, the *individual capacities of human-ware* (13%), followed by the *presence of incentives*

(8%) stood out in particular. The failure to reply rose to 92% when faced with the question regarding local factors that encourage entrepreneurship in the interviewee's own field.

## Conclusions

This paper presents the initial results of a survey conducted on a sample of 101 entrepreneurs in Southern Italy. The survey aims to understand the relationship between entrepreneurs' subjective characteristics and the performance of firms; just some of the specific characteristics are investigated in terms of personal traits, skills, experience, motivation and external perceptions. Furthermore, the sample only refers to entrepreneurs operating in traditional sectors in a region traditionally lacking in enterprise culture.

Some general points do emerge, however.

Local entrepreneurs' behavior and decisions are heavily influenced by family support; the *entrepreneurial culture* of the family also tends to substitute the propulsory and protective role that it is supposed to be played by Public Institutions. **Actually entrepreneurs point out that the main obstacles to their activity are exogenous obstacles.**

The entrepreneurial decisions of local entrepreneurs are triggered both by their need to rid themselves of poverty and their feeling that they are destined to continue the family business ("*continuing the dynasty*"), the majority of them being the children of entrepreneurs. Most of the interviewees are classified as *necessity* rather than *opportunity entrepreneurs*.

They display a negative perception of the external environment that hinders both the investments designed to expand existing business and cooperative relationships (*networks*). This negative perception also discourages local entrepreneurs from improving the competitiveness of their firms, whilst it favors the tendency to remain in traditional sectors and to operate in local or domestic markets. Moreover, entrepreneurs state that they have broad skills, but they underestimate the need to increase their own knowledge and expertise.

In response to this situation, State support does not seem able to provide sufficient encouragement for the propensity of entrepreneurs to invest in innovative and expanding sectors which are less vulnerable to competition from newcomers. Nor does it provide an organic framework aimed at helping local firms or creating "new entrepreneurship", i.e. people without direct or indirect previous professional/working experience. **However, entrepreneurship should not become a prerogative associated with the allocation of public incentives, whether direct or indirect. Public incentives should be a means for fostering and strengthening the entrepreneurial will to expand the firm rather than acting as a constant substitute for entrepreneurial effort.**

To summarize, because their activity is excessively influenced by external conditions and dependent on the presence of the family, the entrepreneurs who were interviewed did not display the characteristics that would make them entrepreneurs with higher *levels of*

*entrepreneurship* (Liao et al., 2005). These circumstances, according to the managerial and economic literature, lead to a low propensity towards the enrichment of the knowledge background and end up by slowing down change and the dissemination of an *entrepreneurial culture*, as well as access to innovation, internationalization, and long-term planning. These consequences are more likely when firms are small in size, do not have a wide range of skills, and cannot afford to acquire them externally. All these circumstances negatively affect firms' performance (e.g. net income per employee, firms growth, contributions to the local economic development); this is confirmed by the fact that these indicators are, on average, lower than those of their counterparts based in Northern Italy.

These initial results seem to be consistent with recent theories according to which the development of some backward areas could be supported by reducing business turnover (i.e. a higher survival rate of the firms), as well as by encouraging firms to operate in more innovative market sectors. In order to achieve this objective, entrepreneurs should have high skills and competencies and a positive attitude to change; in the *knowledge-based economy*, where comparative advantage is based on innovation, the ability of people to generate new ideas and pursue them is a crucial driver to generate a higher level of wages and a better life standard (Audretsch, Thurik, 1999).

Moreover, to strengthen the connections between individuals and firms aimed at improving the diffusion of a business and entrepreneurial culture that does not merely stem from the family and instead of appealing exclusively to training, it would seem advisable to find new methods for transferring skills and expertise. It is also necessary to improve those personal traits which can help entrepreneurs to cope with so-called 'hostile environments'. Anyway, it seems that these objectives are not easy to be achieved; although for many decades the area investigated has been considered as a backward region, the policy measures or strategies being implemented so far have not been able to generate a radical change in its economic situation.

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**Table 1. Entrepreneurs' personal traits**

| <i>Entrepreneur's personal traits</i> | <i>1<sup>st</sup> option</i> | <i>2<sup>nd</sup> option</i> | <i>3<sup>rd</sup> option</i> | <i>Total</i> | <i>%</i>     |
|---------------------------------------|------------------------------|------------------------------|------------------------------|--------------|--------------|
| Strategic decision-making abilities   | 25                           | 15                           | 6                            | 46           | 15,2         |
| Creativity                            | 13                           | 16                           | 18                           | 47           | 15,5         |
| Need for achievement                  | 10                           | 0                            | 0                            | 10           | 3,3          |
| Human relations/Communicative ability | 9                            | 5                            | 16                           | 30           | 9,9          |
| Attitude to change                    | 6                            | 23                           | 24                           | 53           | 17,5         |
| Internal locus of control             | 6                            | 10                           | 13                           | 29           | 9,6          |
| Risk-taking propensity                | 5                            | 17                           | 0                            | 22           | 7,3          |
| Need for power                        | 3                            | 5                            | 4                            | 12           | 4,0          |
| Adaptation capacity                   | 2                            | 7                            | 8                            | 17           | 5,6          |
| Autonomy/desire for independence      | 2                            | 0                            | 0                            | 2            | 0,7          |
| Other                                 | 9                            | 0                            | 0                            | 9            | 3,0          |
| No answer                             | 11                           | 3                            | 12                           | 26           | 8,6          |
| <i>Total</i>                          | <i>101</i>                   | <i>101</i>                   | <i>101</i>                   | <i>303</i>   | <i>100.0</i> |

**Table 2. Entrepreneurs' skills**

| <i>Entrepreneur's skills</i> | <i>1<sup>st</sup> option</i> | <i>2<sup>nd</sup> option</i> | <i>3<sup>rd</sup> option</i> | <i>Total</i> | <i>%</i>     |
|------------------------------|------------------------------|------------------------------|------------------------------|--------------|--------------|
| Technical/technological      | 32                           | 6                            | 3                            | 41           | 13.5         |
| Managerial                   | 22                           | 20                           | 11                           | 53           | 17.5         |
| Marketing                    | 14                           | 14                           | 14                           | 42           | 13.9         |
| Knowledge of own sector      | 11                           | 10                           | 17                           | 38           | 12.5         |
| Team working                 | 10                           | 8                            | 13                           | 31           | 10.2         |
| Conflict-solving             | 5                            | 6                            | 11                           | 22           | 7.3          |
| Financial                    | 3                            | 10                           | 7                            | 20           | 6.6          |
| Analytical capacity          | 1                            | 11                           | 8                            | 20           | 6.6          |
| Risk measurement             | 1                            | 10                           | 8                            | 19           | 6.3          |
| Information technologies     | 1                            | 4                            | 2                            | 7            | 2.3          |
| No answer                    | 1                            | 2                            | 7                            | 10           | 3.3          |
| <i>Total</i>                 | <i>101</i>                   | <i>101</i>                   | <i>101</i>                   | <i>303</i>   | <i>100.0</i> |

**Table 3. Entrepreneurs' previous occupations**

| <i>Previous occupations</i> | <i>Occurrence</i> | <i>Previous occupations</i> | <i>Occurrence</i> |
|-----------------------------|-------------------|-----------------------------|-------------------|
| Student                     | 31                | Manager                     | 5                 |
| Entrepreneur                | 22                | Professional                | 5                 |
| White collar worker         | 12                | Trader                      | 2                 |
| Several occupations         | 12                | Unemployed                  | 2                 |
| Blue collar                 | 6                 | No answers                  | 4                 |
|                             | <i>Total</i>      |                             | <i>101</i>        |

**Table 4. Influence of personal and family experience**

| <i>% entrepreneurs</i> | <i>a) Influence of previous personal experiences</i> | <i>b) Influence of the family</i> | <i>c) Influence of family business experiences</i> |
|------------------------|--|-----------------------------------|--|
| Not at all/slightly    | 36   | 25                                | 12   |
| Fairly                 | 16   | 25                                | 21   |
| Very                   | 24   | 25                                | 20   |
| In a decisive way      | 21   | 22                                | 22   |
| No Answer              | 3  | 3                                 | 25   |
| <i>Total</i>           | <i>100</i>   | <i>100</i>                        | <i>100</i>   |

**Table 5. Entrepreneurs' motivations**

| <i>Motivations</i>                              | <i>1<sup>st</sup> option</i> | <i>2<sup>nd</sup> option</i> | <i>3<sup>rd</sup> option</i> | <i>Total</i> | <i>%</i>     |
|---|------------------------------|------------------------------|------------------------------|--------------|--------------|
| Dissatisfaction with previous employment        | 30                           | 14                           | 9                            | 53           | 17.5         |
| Insufficient family income or desire for wealth | 14                           | 8                            | 4                            | 26           | 8.6          |
| Desire to be "your own boss"                    | 11                           | 10                           | 10                           | 31           | 10.2         |
| Exploit one's own skills/ideas                  | 10                           | 12                           | 11                           | 33           | 10.9         |
| Inheritance/legacy/marriage                     | 9                            | 8                            | 10                           | 27           | 8.9          |
| Ambition  | 8                            | 10                           | 19                           | 37           | 12.2         |
| Desire to put oneself to the test               | 4                            | 16                           | 8                            | 28           | 9.2          |
| Desire to emulate                               | 1                            | 5                            | 6                            | 12           | 4.0          |
| Lack of work opportunities                      | 5                            | 2                            | 2                            | 9            | 3.0          |
| Recognition of/Desire for social revenge        | 2                            | 8                            | 3                            | 13           | 4.3          |
| Other   | 5                            | 0                            | 1                            | 6            | 2.0          |
| No answer                                       | 2                            | 8                            | 18                           | 28           | 9.2          |
| <i>Total</i>                                    | <i>101</i>                   | <i>101</i>                   | <i>101</i>                   | <i>303</i>   | <i>100.0</i> |



**Table 6. Perception of external environment**

|                              | <i>None</i> | <i>Slightly</i> | <i>Fairly</i> | <i>High</i> | <i>No answer</i> | <i>Total</i> |
|------------------------------|-------------|-----------------|---------------|-------------|------------------|--------------|
| <i>Influence of:</i>         |             |                 |               |             |                  |              |
| Fortune/chance               | 23          | 36              | 29            | 11          | 2                | 101          |
| Political connections        | 30          | 25              | 21            | 23          | 2                | 101          |
| Non-political connections    | 6           | 13              | 56            | 24          | 2                | 101          |
| <i>Trust in:</i>             |             |                 |               |             |                  |              |
| Competitors                  | 27          | 43              | 24            | 0           | 7                | 101          |
| Professional associations    | 36          | 37              | 22            | 4           | 2                | 101          |
| Public Administration        | 42          | 34              | 23            | 0           | 2                | 101          |
| Own employees                | 0           | 6               | 58            | 34          | 3                | 101          |
| Own suppliers                | 1           | 8               | 65            | 25          | 2                | 101          |
| Relations with clients       | 1           | 7               | 49            | 42          | 2                | 101          |
| Banks/financial institutions | 19          | 32              | 42            | 5           | 3                | 101          |