Enterprising Behavior of Ordinary People

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Abstract

Starting out with the idea that everybody is in principle capable of enterprising behavior, the concept of enterprise is applied to non-businessmen as well as businessmen. A random sample of people is asked to furnish an example of enterprising behavior that they have shown themselves. Further, they are asked what is enterprising about this behavior. The results show that in different realms of enterprising behavior different dimensions of enterprise are mentioned. For example, people giving an example from their leisure time regard merely being active as enterprising, employees mention risky elements in their work, business owners emphasize autonomy, and students regard it as enterprising that they work for their professional or personal development. So people can be enterprising in different areas of life and in different manners. Obtaining a domain of enterprising behaviors and dimensions is a first step in constructing a scale of “enterprising behavior of ordinary people”.

Introduction

In 1975 Nobel laureate T.W. Schultz stated that the concept of entrepreneurship should not be restricted to businessmen. He redefined the concept as the ability to deal with disequilibria and extended the notion to non-market activities such as household decisions and the allocation of time. Also Baumol (1990) asserted that in different historical times and places, enterprising behavior manifests itself by different activities. In the underlying study the above suggestions are followed. The concept of entrepreneurship is broadened to include enterprising behavior of non-businessmen as well as businessmen, which is possible because the concept of entrepreneurship is usually conceived of in psychological qualities. Lumpkin and Dess (1996), for instance, outlined the dimensions of an entrepreneurial orientation: autonomy, risk taking, proactivity, competitive aggressiveness, and innovativeness. These are qualities that can be shown in any kind of situation. Not only small-business owners or founders differ in how enterprising they are - everybody does. Children, the elderly, jobholders, housewives, students, etc. can all be enterprising.
Regarding enterprise (in order to distinguish from having or starting a business I use the verb “to enterprise” instead of entrepreneurship) as a quality that any individual can possess produces some advantages. First, one may start to establish how enterprising a certain population genuinely is, not just in starting and running businesses. Second, inquiring about enterprising behavior of a population’s members forms a step in establishing the degree as to which large firms, non-profit organizations, and government organizations are enterprising (intrapreneurship). Third, by asking all people about their enterprising behavior, one may start to track obstacles impeding people from being even more enterprising, or from being enterprising in a commercial context. Fourth, by regarding enterprising behavior as a quality of common individuals, we may examine how enterprising behavior relates to satisfaction as well as to physical and mental health. This shifts our focus from the economic effects to the psychological consequences of enterprise. Finally, by using this broadened conception of enterprise a psychological approach is adopted that disregards juridical and economical conceptions of enterprise. Therefore, one sidesteps one of the reasons why entrepreneurship researchers traditionally have had problems defining what is entrepreneurship and who is enterprising (Brazeal & Herbert, 1999; Bygrave & Hofer, 1991), which is that entrepreneurship is usually conceived of in psychological terms, while having or starting a business is basically a juridical criterion.

Method

As a first step in deriving a measure of enterprising behavior of ordinary people our purpose was to take into account all possible forms of enterprising behavior (Robinson & Bennett, 1995). Therefore, no definiton of enterprising behavior was proposed and a strictly empirical stance was taken. The respondents themselves were asked to list their examples of enterprising behavior and their judgments as to what is enterprising about these examples. In this first step of constructing a scale of enterprising behavior Gartner (1988) is followed and actual behavior is asked for. This way chances are reduced that one gets socially desirable answers or answers that reflect how people would like to behave.

A random sample of 462 persons aged between 18 and 65 were telephone-pollled in the evening hours and was asked two questions:
1. Can you give me an example of something enterprising you have done in the past three years?
2. What is, according to you, enterprising about this example?
Out of the complete sample of 462 persons, 433 gave answer to question one. Of these, 295 were able to answer question two. People also listed their age and gender.
The answers to question one were classified by the author according to the realm from which the example came forth. Categorisations of the examples were derived by a content analyses. Because actual behavior was called for, the data could be classified by a categorization based on what people do (paid work, voluntary work, start business, have business, housewife, student, retired). Examples relating to private life or to spare time activities (e.g. “preparing a trip around the world”) were classified under the heading of leisure.

The answers to question two were classified by the author according to their underlying enterprising dimension. There is a long tradition in the entrepreneurship literature of delineating entrepreneurial qualities or entrepreneurial dimensions (Lumpkin & Dess, 1996). By operationalizing these dimensions, one may measure how “entrepreneurial” a person is, and compare within the group of small business owners (are some firm owners more entrepreneurial than others) (e.g. Stewart, Watson, Carland & Carland, 1998) or in comparison with other groups (are firm owners more entrepreneurial than people in other walks of life) (e.g. Utsch, Rauch, Rothfuss & Frese, 1999).

The dimensions listed by our sample included: being active, autonomy, initiative, risk, creativity, overview/organizing, development, market orientedness, perseverance, challenge, thinking ahead, assuming responsibility, helping others, earning income, doing something unusual, working hard, opportunity recognition, and goal fulfillment. Some of these enterprising dimensions are usually associated with entrepreneurship (e.g. market orientedness, risk, initiative, creativity, autonomy), while others are not (e.g. being active, getting organized, development). Apparently, some people regard as enterprising the mere effort of doing something, the organization of doing something, or the fact that one does something for one’s development. The dimensions give an idea of the breath of meaning the verb “to enterprise” (in Dutch: “ondernemen”) has in the Dutch language. They can be taken as the attributes of enterprising ordinary people.

The dimensions reflect directly what the people themselves stated as being the enterprising aspect of their example of enterprising behavior. They are not behavioral descriptors given by the author. In most cases, the dimensions were taken verbatim from the research interviews. In other cases the author judged what the underlying dimension was. An answer like “that you have to do and discover everything by yourself” would be classified under “autonomy” and an answer like “because you never know whether it will succeed” would be classified under the dimension of “risk”. In 138 cases, the people were not able to clearly indicate the entrepreneurial dimension beneath their example.
Results

Table 1 outlines the frequency distributions of the two questions. The Table only comprises dimensions stated more than 10 times. In Table 1 the columns outline the realm in which the enterprising behavior occurred. By looking at the columns and by comparing them to the average score in column 1 we can see what entrepreneurial dimensions go with the various realms differentiated.

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Insert Table 1 about here

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Of each particular realm and of each particular dimension a dummy variable was made. Then by using chi-square analyses significance tests were done whether particular dimensions occurred more often in particular realms.

A look at column 2 reveals that 109 examples referred to a leisure situation. Examples furnished as enterprising behavior by people included “going to swim every week”, “fixing the house”, or “preparing a holiday”. Examples in the leisure realm were more often related to merely being active or busy (P=17,2**), to being creative (P=23,0**), and to getting things organized (P=4,5*). Risk and initiative were stated to a lower extent.

People providing an example from their job (column 3) mentioned risk elements surprisingly often. Also the large amount of examples furnished in the job/labor realm suggests that apparently there are enterprising aspects in the jobs of a lot of people.

Firm owners (column 4) emphasized having/keeping their independence/autonomy (P=4,5*) and the risk element (P=4,6*) of running a business. Merely being active, taking initiative and keeping the overview and everything arranged were stated to a lower degree.

Persons giving an example from their experience in owning a firm aside, 23 persons mention starting a firm (column 5). As with the firm owners, the risky aspect of enterprising behavior was stated to the highest extent.
A number of people regard studying or taking a course (column 6) as enterprising behavior. When asked what was enterprising about this, they often stated that they are making an effort to develop their knowledge, their personality, or their prospects of getting a job (P=40,1**).

The people mentioning their voluntary work (column 7) often said getting everything organized and taking initiative (P=9,3**) were the enterprising elements in their examples.

Females indicating their housewife status (column 8) after being asked to give an example of enterprising behavior usually did not know what was enterprising about that status. The same holds for people who stated to be retired (column 9).

Columns 10 and 11 outline the distribution by gender. The male and female patterns do not seem to differ much from each other. However, more females furnished examples of which they stated that the enterprising element was being active, doing something, or being busy (t=2,5*). With age differences (columns 12 to 14) as with gender, there does not seem to be much difference from the average pattern.

The rows of Table 1 provide identical information, yet classified by enterprising dimension. Creative enterprising behavior (row 5) is apparently only shown in spare time or in regular jobs. An interesting row is the one second to last (row 11). These are the people who, after giving an example of their enterprising behavior, were not able to formulate what exactly was enterprising about their behavior. Housewives and retirees aside, also small business owners were often unable to say what is enterprising about their running a business. The question “what is enterprising about your enterprise” was clearly hard to handle for many of the firm owners. On the other hand, the people giving an example from their spare time seemed to have less problems in delineating what was enterprising about their behavior (P=9,2**). Also young people seemed to answer this question more easily (P=6,4*).

**Conclusion**

The above exploratory account of enterprising behavior illustrates that people perceive themselves as showing enterprising behavior in different activity realms, and that dimensions of enterprising behavior change according to realm of activity. Obtaining a domain of enterprising behaviors and the dimensions to classify them entails an initial step in scale construction. As an initial step, this research explores the full range of activities people can possibly regard as enterprising. Therefore, no definition of enterprising behavior is proposed and instead the
respondents themselves gave examples of enterprising behavior, and stated why they regard their example as enterprising behavior. Further research needs to cluster these activities and dimensions as to what they have in common, in order to derive a scale of "enterprising behavior of ordinary people".

Note: $P=\text{Pearson Chi Square}$ $t=t\text{-test}$ **$p<.01$ $^*p<.05$

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**Literature:**


Table 1 - Realm of enterprising behavior classified by dimension of enterprise.

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Enterprising behaviour of ordinary people

Van Gelderen, Marco

2000

http://hdl.handle.net/10179/9686

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