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SOCIAL AND ENTREPRENEURIAL VALUES PROFILES

NAYLIA DE BRITO MARTINEZ

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Dissertation presented to Escola de Administração de Empresas de São Paulo of Fundação Getulio Vargas, as a requirement to obtain the title of Master in International Management (MPGI).

Knowledge Field: Entrepreneurship

Adviser: Prof. Dr. Edgard Elie Roger Barki

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Abstract

The person of the entrepreneur has intrigued academics for years. Consequently, numerous approaches have been applied to understand who the entrepreneur is, his personality and behaviors. The main schools debating about this topic are the psychological traits school and the processes or behaviors school. However, the academy still lacks an agreed upon definition of the individual triggering the entrepreneurial phenomenon. Consequently, in an attempt to clarify this issue, this research suggests a new approach for understanding the individual of the entrepreneur on the basis of Schwartz's personal values. Hence the objective of this study is to understand the values profile of social and commercial entrepreneurs in order to determine their similarities which guide their common entrepreneurial behavior and their differences which generate their different entrepreneurial focus, one aiming at social and the other at private wealth. For this purpose, the shorter version of Schwartz's Profile Values Questionnaire was administered to a sample of 44 social entrepreneurs and 71 commercial entrepreneurs. The first proposition of this study was that social and commercial entrepreneurs possess a value profile. The second was that this value profile was determined by the anxiety organizing principle with preponderance of the anxiety-free over the anxiety-based values. The third proposition was that commercial as well as social entrepreneurs attribute highest importance for the self-direction value. The fourth proposition was that social entrepreneurs give higher importance than commercial entrepreneurs for benevolence and universalism values because these values presume appreciation of others, preservation and enhancement of the welfare of "in group" people as well as of any living being in general. The results of descriptive analyses and hypotheses testing point to the validation of all propositions except the last one. Nevertheless, although not statistically confirming the last proposition, a slight tendency of social entrepreneurs giving higher importance than commercial entrepreneurs for the self-transcendence values was identified. Consequently, other studies with larger and randomized samples should be conducted to better clarify this topic.

Key Words: Social Entrepreneur, Commercial Entrepreneur, Profile, Basic Personal Values

Resumo

O empreendedor tem intrigado acadêmicos há anos. Portanto, inúmeras abordagens têm sido aplicadas para entender quem é o empreendedor, sua personalidade e comportamentos. As principais escolas de estudo sobre o tema são a escola de traços psicológicos e a escola de processos ou comportamentos. No entanto, a academia ainda carece de uma definição concreta do indivíduo responsável pelo fenômeno do empreendedorismo. Em uma tentativa de esclarecer essa questão esta pesquisa sugere uma nova abordagem para a compreensão da pessoa do empreendedor com base nos valores pessoais de Schwartz. O objetivo da tese é compreender o perfil de valores de empreendedores sociais e comerciais a fim de determinar as semelhanças e diferenças nas suas preferências de valores que orientam o comportamento empreendedor de ambos e o enfoque social de um e privado do outro. Para este fim a versão mais curta do Questionário de Perfil Valores de Schwartz foi aplicada a uma amostra de 44 empreendedores sociais e 71 comerciais. A primeira proposição da tese era que os empreendedores sociais e comerciais possuíam um perfil de valores. A segunda era que este perfil de valores seria determinado pelo princípio organizador da ansiedade com preferência pelos valores “livres de ansiedade” em decorrência das características empreendedoras que enfatizam busca pela auto-expansão, crescimento e promoção do alcance de metas. Dessa forma os valores mais importantes para ambos os tipos de empreendedores seriam auto-determinação, estimulação, hedonismo, universalismo e benevolência. A terceira proposição era que os empreendedores sociais e comerciais atribuiriam a mais alta importância ao valor auto-determinação. A quarta propunha que os empreendedores sociais dariam maior importância do que os comerciais para benevolência e universalismo visto que esses valores presumem apreciação pelos outros, preservação e valorização do bem-estar das pessoas mais próximas bem como de qualquer ser vivo em geral. Os resultados das análises descritivas e dos testes de hipóteses apontam para a validação de todas as proposições menos a última. No entanto, apesar da quarta proposição não haver sido estatisticamente comprovada, houve uma leve tendência dos empreendedores sociais darem maior importância do que os comerciais aos valores de auto-transcendência. Conseqüentemente, para maiores esclarecimentos sobre esse tópico, outros estudos com amostras maiores e randômicas devem ser realizadas.

Palavras-Chave: Empreendedor Social, Empreendedor Comercial, Perfil, Valores Pessoais Básicos

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1. Introduction

Along the history many authors have demonstrated the entrepreneur's importance for the economic development and social wealth creation (Cantillon, 1775; Say, 1971; Marshall, 1890; Knight, 1921; Schumpeter, 1934; Kirzner, 1973).

In the middle of current crisis cycles entrepreneurship has become an important subject due to its capability of recovering economic health of nations as a consequence of new jobs creation at a local and regional level, diffusion of new technologies and international competition (Coutinho, 2008).

The economic crisis did not only increase the importance of the commercial entrepreneur but also fostered the increasing importance of another type of entrepreneurship: the social entrepreneurship which is claimed to be a merger between commercial entrepreneurship and a pro-social focus (Ernst, 2012).

Nevertheless, even possessing major importance for the health of the economic system, there is little agreement regarding what is the person of the entrepreneur. "Researchers have been like the proverbial blind men describing an elephant. Some researchers think entrepreneurs are like ropes; others, like walls; others, like trees; and, still others, like snakes" (Carland and Carland, 1996, p.3-4).

Within the individual school of entrepreneurship two main lines of thought compete. One is the *psychological traits school* whose main belief is that entrepreneurs are built by a *gestalt* of fixed traits. Thus, according to the definition of traits, these cannot be learned or taught as they are intrinsic of a person's psyche. Consequently, entrepreneurs possess innate, genetic "entrepreneurial traits" that account for their decision of being entrepreneur and for their ventures success. The other school is the *processual or behavioral* school in which the influence of the human aspects, social environment and culture upon the entrepreneurial formation is the object of study therefore contemplating what the entrepreneur *does* instead of what he *is* (Barini and Cardoso, 2003, Carland&Carland, 1996, Gartner, 1988, McMullen and Shepherd, 2006).

Consequently, the entrepreneur definition moves from a predefined entity put in the world already with the necessary traits to develop new ventures into a person possessing a complex of behaviors based on competencies and processes internalized through learning. Therefore anyone

who desires and has the means for it (through environmental opportunities) can become an entrepreneur (Barini and Cardoso, 2003, Gartner, 1988).

Nevertheless, as defended by Boava and Macedo (2006), although many academics follow either a traits perspective or a contextual and processual approach towards entrepreneurship both perspectives should be integrated.

Moreover, values are a construct which may account for the junction of the ideologies of the *psychological school of traits* and the *processual school* as it is defined as an inner and outer construct based on internal personal characteristics and external social forces (Rokeach, 1973). Consequently, using the values construct the entrepreneur would be understood as a product of internal and environmental factors. Figure 1 describes and compares the *psychological school of traits*, the *processual school* and the *values construct*.

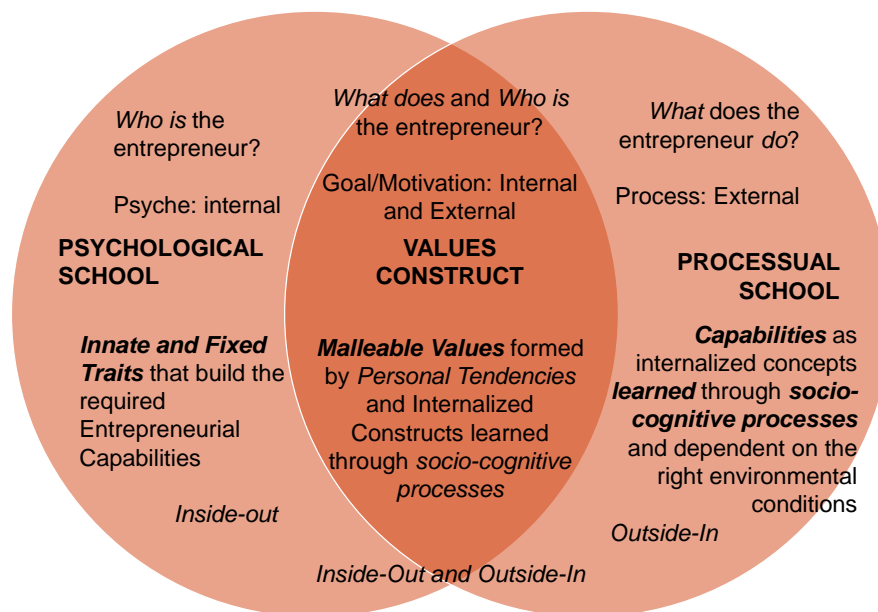


Figure 1: Comparison between the *psychological* and *processual* schools and basic human values
Source: Elaborated by the author based on Barini and Cardoso, 2003, Carland&Carland, 1996, Gartner, 1988, MCMullen and Shepherd, 2006, Rokeach, 1973 and Schwartz, 2012.

According to Schwartz (2012), values are cognitive representations of desirable, abstract, trans-situational goals that serve as guiding principles in people's life. They are judgmental standards acquired through socialization and personal experience. They represent what is important in life

for human beings. They are motivational constructs used as basis for understanding and judging the world and acting on it (Schwartz, 1996; Rokeach, 1973). Some values are universal as they are based on universal basic requirements of the human species (Schwartz, 1992).

In the social entrepreneurship realm the importance of a value-based approach to the understanding of entrepreneurship is consistent with the view of Arend (2013) that the entrepreneur is the result of the “*individual-opportunity*” nexus and of Grimes, McMullen, Vogus, Miller’ (2013) who claims entrepreneurship to be resultant of the *embedded agency*, which means the interrelation between micro-level (socio-cognitive, emotional) and macro-level (institutional, categorical) antecedents. In other words, while the societal forces may shape the role of entrepreneur and the script associated with entrepreneurship, individuals must be emotionally and cognitively motivated and have the personal capital to assume this role.

Besides, focusing more on the micro-level, as acting on social entrepreneurship requires individuals to perceive these opportunities and believe social entrepreneurship to be a good approach for pursuing them, it means that social entrepreneurship is subjected to individual’s **perceptions and judgments** (Grimes, McMullen, Vogus, Miller’, 2013; Krueger, 1993). The perspective that social entrepreneurs are **embedded agents** requires an understanding of the **individual and environmental-level antecedents** of these perceptions and judgments (Grimes, McMullen, Vogus, Miller’, 2013).

Adding to this need, Mitchel et al. (2007) attests that research in this area should attend to the **socio-cognitive** process that structures perceptions and interpretations of opportunities as well as the **emotion driven process** that compels to act. As values (i) shape perceptions and judgments through motivations that mold behavior, and are a combination of cognition and emotion (Rokeach, 1973; Schwartz, 1996) this construct may be the best suited for understanding the antecedents of social entrepreneurial behavior. Figure 2 exhibits the values construct approach for the entrepreneurial study.

Due to the fact that social entrepreneurship is (i) a genus of entrepreneur (Dees, 1998), or in other words, (ii) is related to or embedded in other forms of entrepreneurship (Dacin, Dacin and Maetar, 2010) any approach towards the entrepreneurial factor of the social entrepreneurship can also be used for any other entrepreneurial type.

Values Construct as a New and Best Approach for Entrepreneurial Study

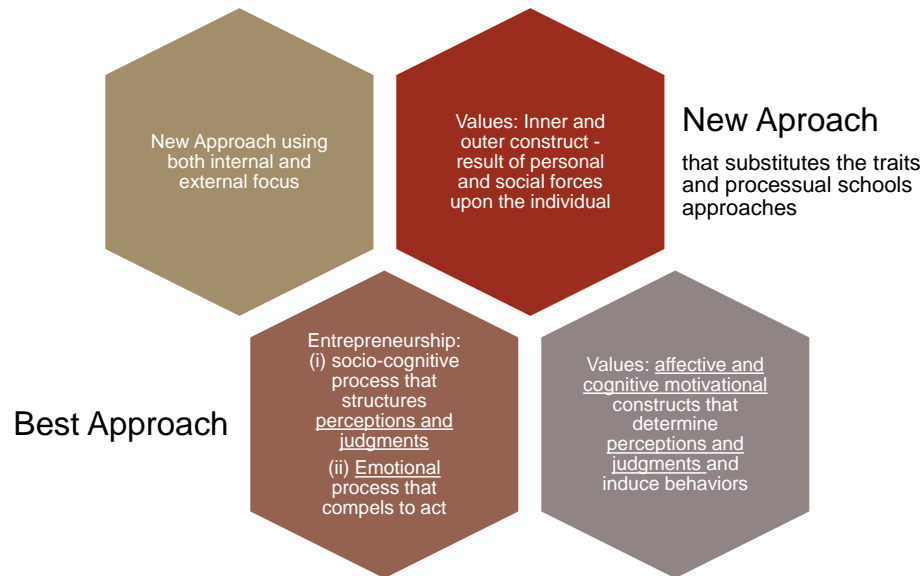


Figure 2: Values Construct as a new and the best approach for entrepreneurial study

Source: Elaborated by the author based on Arend (2013), Grimes, McMullen, Vogus and Miller (2013), Krueger (1993), Mitchel et al. (2007), Rokeach (1973) and Schwartz (2012).

The Possibility of anticipating behaviors through the study of personal values gave renewed importance to the value construct in the academy, especially after Schwartz publications which created more structured and scientific conceptions of the value construct (Porto and Tamayo, 2009).

Rokeach (1973, p.122) states that “the knowledge of the values of a person should allow us to predict how it will behave in experimental situations and in real life situations”. And according to Porto and Tamayo (2007), personal values have been used to explain the behavior of people, their actions, changes in society, and to differentiate groups. Schwartz discovered different value profiles for each of the major Israeli and Italian political inclinations (Barnea and Schwartz, 1998). Besides, other authors suggested that ecological behavior and professional choices can be predicted through values (Medina, 2008, Tamayo, Filho, Carvalho, Bertolinni, 1998).

Consequently, this study aims to make use and enhance the breath of the already broad study of values related to specific groups or behavioral clusters by adding to it a research about the social and non-social entrepreneurial value profile in order to further present the usability of the value

concept to predict behavior and even more important in the actual moment of the academia, help to shed light into the understanding of the social and non-social entrepreneurial profile.

Besides, this thesis suggests a new and different approach for the entrepreneurial study as there is no analysis about the values profile of entrepreneurs in the academic literature and consequently no comparison between the social and entrepreneurial values profiles in order to understand their similarities which account for the entrepreneurial role of both and, differences that lead one to focus on social and the other on private wealth creating.

1.2. Research Objective

In line with the individual entrepreneurial school, this study analyzes personal values of social and commercial entrepreneurs, based on Schwartz Theory of Values (2012).

For accomplishing the thesis intention the study possesses a *main* and an *intermediary* objective.

1.2.1 Main Objective

The main objective of the thesis is to compare the value profile of social and non-social entrepreneurs in order to understand their similarities and differences in an attempt to explain:

- (i) through their similar relative values importance (similarities in their value profiles) their state as entrepreneurs;
- (ii) through their different relative values importance (differences in their value profiles) their different entrepreneurial behaviors, one primarily focused in generating social and the other private wealth.

1.2.2. Intermediary Objective

To accomplish the main objective of the thesis, as there is no previous study concerning the entrepreneurial values profile, before comparing social and commercial values profiles it will be necessary to analyze:

- (i) If there is a commercial and a social entrepreneurial values profile;
- (ii) Considering that there is a profile, describe this profile

2. Literature Review

2.1. Entrepreneurship

Entrepreneurship in general is an improvement for society, leading to innovations, fostering employment and resulting in economic growth (Drucker, 1985; Schumpeter, 1936). “In an entrepreneurial society individuals face a tremendous challenge, a challenge they need to exploit as opportunity: the need to continuous learning and relearning (...) the emergence of the entrepreneurial society may be a major turning point in history” (Drucker, 1985. P. 263).

The word entrepreneur derived from the French word *entreprendre* and the German word *unternehmen* both meaning exactly “to undertake” in the sense of accepting a challenging task (Peredo and McLean, 2006).

Hisrich, Peters and Shepherd (2009) explain that while the entrepreneur was understood as a non-risk bearer particular service provider for governments during the XVII and XVIII centuries it started to be studied by an economic perspective during the XIX and XX centuries when he was first understood as a firm owner moved by profit interests (Cantillon, 1775; Say, 1971; Marshall, 1930) and then as an innovator (Schumpeter, 1934).

According to McMullen and Shepherd (2006), there are two main perspectives of studies that aim to understand entrepreneurial action. The first, called *economic school of thought*, focuses on a *system level approach* that studies how the economic systems function inserting the entrepreneurial action as an important variable for the health of the system (Schumpeter, 1934; Kirzner, 1973). The important question for these researchers is whether entrepreneurial action occurs. Entrepreneurship in this school is a dependent variable of the economic characteristics of the system. The second perspective is *individual based* and focuses on how entrepreneurs go about action. The important issue is why some individuals have higher tendency of pursuing potential opportunities for profit than others. Thus, the question is not whether entrepreneurial action occurs but who does it and how is it done. Therefore great amount of energy has been invested into discovering entrepreneurial characteristics that either fosters one to become

entrepreneur and/or enhance one's success chances. Within the *individual school of entrepreneurship* two main lines of thought compete. One is the *psychological traits school* whose main belief is that entrepreneurs are built by a *gestalt* of fixed traits. Thus, according to the definition of traits, these cannot be learned or taught as they are intrinsic of a person's psyche. Consequently, entrepreneurs possess innate/genetic "entrepreneurial traits" that account for their decision of being entrepreneur and for their ventures success. The other school is the *processual or behavioral school* in which the influence of the human aspects, social environment and culture upon the entrepreneurial formation is the object of study therefore contemplating what the entrepreneur *does* instead of what he *is*.

2.1.1. Economic School

In the economic line of study some very prominent authors are the classic ones: Cantillon, Say, Marshall, Knight, Schumpeter and Kirzner (Praag, 1999).

Some authors consider that the entrepreneur concept was introduced by Richard Cantillon during the industrial revolution (Praag, 1999). Within the classic theory, **Richard Cantillon (1775)** argues that entrepreneurs are arbitragers as they see opportunities of gain in the mismatch of supply and demand, thus acting as an equilibrating force within the economic system. They are responsible for all exchange and circulation within the economy which is formed by three agents: land owners (capitalists), entrepreneurs (arbitragers) and hirelings (wage workers). For being an arbitrageur the entrepreneur has to (i) bear risks because an intrinsic characteristic of opportunities exploitation is *uncertainty* and (ii) be alert and forward looking. However, he does not need to be innovative as he does *not* alter any characteristics of the existing products/services but only adjusts the quantity supplied to the existing demand.

Another classical theorist was **Say (1971)** who extended Cantillon's entrepreneur's definition and gave him an even more central role within the economic system as in the market level he is the coordinator not only of production but also of consumption and distribution. At the same time the entrepreneur is also the coordinator in the firm level assuming the role of the modern leader or manager. Contrasting Cantillon (1775), in the production sphere, the rejection of the *zero sum game theory* enables Say's entrepreneurs to create new demands by giving existing materials a utility they did not possess before (*innovation*). According to Say (1971), to account for all these

roles, a successful entrepreneur should possess a combination of qualities which are seldom found together. These are divided into character traits, learned skills and financial capacity:

- Character: Judgment, Perseverance, Risk Bearer (inside-out)
- Learned skills: art of superintendence and administration, knowledge of the world and business, knowledge and experience of the occupation (outside-in)
- Financial Capacity: be in a position to provide the necessary funds for the venture (by own or borrowed capital)

Similarly to Say, **Marshall (1930)** attributes a central role to the entrepreneur within the economic system as the responsible for all the movement in it: supply and consequently demand, distribution and as a by-product, innovation and progress. In the firm he also has a prominent role as he is the one who assumes all business risk related to firm activities; and similarly to Say (1971) he is both manager and employer as he coordinates production, capital and labor while constantly seeking to reduce costs by innovations for a given result.

To effectively manage all his attributions the entrepreneur has to possess a combination of general abilities and knowledge (e.g. act promptly and show resource when anything goes wrong, accommodate oneself quickly to changes, be steady and trustworthy) and specialized abilities (knowledge of the activity, ability of forecasting, recognizing opportunities and of bearing risks, coupled with an innate talent to be a leader of men in order to employ human resources effectively). But the success as an entrepreneur requires that these internal factors be coupled with the emergence of business opportunities and ability of raising money. Therefore the existence of successful entrepreneurs is a rare event. Consequently entrepreneurs earn a price on their rare abilities: the surplus. This is coupled with a high esteem and therefore has a disproportionately great attractive force for young risk lovers despite the difficulty and strain of work along with earnings variance.

Marshall (1930) attributes an important role to innovation as the cause of economic progress which is considered a social benefit. Nevertheless, these (in comparison to the following economist – Schumpeter) are only incremental as normally cost-minimizing pursuits which are important for competition survival leading to business success that equals private wealth increase.

Schumpeter (1934, 1939) is the first to understand innovation as an endogenous phenomenon and the main cause of economic development. Through disruptive innovations the inertia of the economy (equilibrium) is destroyed forcing the system into (ii) a higher equilibrium position and therefore economy development (ii) or a permanent disequilibrium through continuing innovations and therefore permanent economic development. Differently from the previous economists, Schumpeter (1934, 1939) neglects the paradigm of the entrepreneur as a firm manager and stresses this view by affirming that mere business owners are not entrepreneurs as well as an entrepreneur is not a risk-bearer or a capitalist which are both functions of bankers. The entrepreneur is an innovator. He is a leader in the sense of “leading existing production means into new channels” (1939, p. 320). Entrepreneurs are perceived as leaders of the business and innovators and therefore the source of economic movement. Schumpeter unified the technological and business dynamics into the entrepreneurial innovation force.

Schumpeter’s entrepreneurial actions require “mental freedom” which is a rare and peculiar characteristic. This means not being afraid of doing something different than the mainstream and against social requirements. This mental structure is based on psychological motives other than profit: achieve social distinction; the desire to fight, to prove to be superior to others and to achieve success for its intrinsic value and not consequences; the pleasure of creating, of having mastery of things, the intrinsic value of changing.

Therefore, although entrepreneurship is a profit driven activity, profit is considered an indicator of business success rather than a direct motivating goal.

As the definition of entrepreneur for Schumpeter requires the “state of innovating” (constant innovation) entrepreneurship is not an enduring condition or a profession; neither are the accruing profits that fall disastrously after the monopoly condition is lost. Thus, both are temporary unless the person keeps innovating. If the entrepreneur stops leading the company (or other companies) into new combination of resources but starts only to manage his innovation in the new equilibrium created the position of entrepreneur is lost.

Knight (1971) returns to the idea of the entrepreneur as a manager, employer, capitalist and uncertainty bearer and not only a leader of innovations the last being only a consequence of entrepreneurial activity. Developing upon Cantillon’s theory, Knight’s entrepreneurs’ economic function is to bear uncertainty (and not only risk as defined by Cantillon). *“He is the first to*

distinguish between risk and uncertainty the last comprising the impossibility of calculating occurrences because it regards a unique event” (Knight, 1971, p. 322).

Moreover, for Knight (1971), in the economic system, entrepreneurs reduce uncertainty by guaranteeing the factors of production a fixed remuneration while receiving a variable income. The by-product of entrepreneurial activity is the economic progress catalyzed by innovations (i.e. improvements in technology and business organization). But an entrepreneurial role involves more than only arbitrage. In the micro-level (firm) he is responsible for direction and control whenever uncertainty is involved by making judgmental decisions. Thus, a successful entrepreneur depends on his ability to bear uncertainty, judge effectively for both the formation of an estimate and the estimation of its value; make decisions and take the responsibility for them alongside the ability of raising enough capital and good luck.

The effective entrepreneurial supply depends on the available entrepreneurial ability within the population, willingness, capacity of guaranteeing the fixed remuneration of the production factors and finally, the coincidence of all these factors.

Furthermore, **Kirzner (1973)** believes that due to their constant alertness, entrepreneurs are the agents who discover and exploit new profit opportunities generating equilibrating forces in the economy. The equilibrium is although never reached because of constant errors in profit opportunities discovery and assessment due to “utter ignorance” and continuous supply and demand changes. This market process promoted by the entrepreneur is responsible for short-term price movements and long-term economic progress and growth.

For being a **pure** entrepreneur, the person only needs to discover profit opportunities in an earlier stage than others. Therefore, to exercise pure entrepreneurship no specific ability or personality is required. All managerial and business talent can be hired. Only a specific kind of knowledge is needed: the knowledge of knowing where to look for knowledge. This is considered the highest order of knowledge and can be described as **alertness**. Nevertheless, for opportunity assessment – which is not **pure entrepreneurship** but a consequence of it - additional characteristics as innovation, creativeness and leadership are required.

Entrepreneurs may become a firm owner if the opportunity discovered requires him to be a producer/therefore a firm owner, but a firm owner is not an entrepreneur if he did not discover new opportunities for profit generating.

Still, according to Kirzner (1973), opportunities discovery is not accidental but inspired by the prospect of profit. Thus, entrepreneurs can be either the most alert people by nature or the ones for whom the profit incentive have the greatest importance. Besides, no own capital is needed for mere opportunities discovery and for their assessment entrepreneurs may borrow money from capitalists. Kirzner (1973) entrepreneurs also bear risk and uncertainty which is comprised by and proportional to the delay between the venture's settlement and its profit generation.

Table 1 resumes and compares the main characteristic of each author understanding of what is an entrepreneur.

Relationship between entrepreneur and:	Variables	Cantillon (1775)	Say (1803)	Marshall (1930)	Schumpeter (1934, 1939)	Knight (1971)	Kirzner (1973)
Economic movement	Has the MAJOR function of moving the market to a certain direction						
Economic progress	Generates economic progress						
Risk	Bears Risk						
Innovation	Creates Innovations						
Rewards for entrepreneurial activity	Seeks primarily for economic Profits						
	Seeks primarily for Psychological Rewards						
Entrepreneur and Firm relationship	Independent owner, decision maker and manager of the firm (firm and entrepreneurial behaviors occur at the same time)						
	Anyone who is willing to "carry out new combinations" of resources. Company owners without innovation will are not entrepreneurs.						
	Firm is the result of entrepreneurial decisions (firm occurs after entrepreneurial behaviors)						
Most important characteristics of successful entrepreneurs	Alertness and foresight, of being able to discover profit opportunities						
	Management, leadership and industry competencies						
	Psychological characteristics related to the ability to deal with uncertainty: self-confidence, foresight, intellectual capacity						
	Willingness to show deviating behavior/Leadership						
Venture's Funding	Easiness to borrow money in a perfect market						
	Difficult to borrow money in an imperfect market						
	According to the author's theory there is a relationship between the variable and the entrepreneur						
	Unimportant variable for the authors the theory						

Table 1: Comparison between economic authors

Source: Elaborated by the author

Praag (1999) makes an interesting comparison between these classic economic authors. According to Praag (1999) Cantillon, Schumpeter and Kirzner all consider the entrepreneur the mover of the market into a certain direction: Cantillon's establishes equilibrium but does not generate economic growth due to the assumption of the zero sum game; Schumpeter's destroys equilibrium and starts a movement towards a higher equilibrium position; Kirzner's creates tendencies towards never achievable equilibrium positions.

For Cantillon, Knight and Kirzner, imperfect market information that generates risk is the reason of entrepreneurship existence as entrepreneurs are the ones willing and with ability to bear risk. Cantillon's entrepreneur deals with arbitrage risk; Knight's deals with "true uncertainty", bearing all the risk within the firm and; Kirzner's deals with "utter ignorance" and therefore the risk of failing ventures. Besides, all the other authors despite Schumpeter also consider risk bearing a function of entrepreneurship although with a lower importance as for Say's and Marshall's entrepreneurs' their main responsibility relies on firm managing (Praag, 1999).

All classic authors but Cantillon consider innovation and consequent economic development a function of entrepreneurship. Innovations can be held in many areas: product, process, market and organization/business models. By building new innovative ventures entrepreneurs create economic growth through the increase of supply, labor market and demand. Nevertheless, the mean towards economic progress through innovation varies between authors. Say's entrepreneur creates new demands through new utility attribution to existing resources; Similarly, Marshall's and Knight's innovates as by-product of supply and demand generation; Schumpeter moves economy to higher equilibriums through disruptive innovations; and Kirzner's sees new opportunities for profit leading economy to a never achievable equilibrium by transforming them in new ventures through innovation and creativity. Nevertheless, Schumpeter is the only one who sees innovation ability as the main entrepreneurial characteristic (Praag, 1999).

In the same line, the relationship between entrepreneurs and their ventures differ between authors. Say, Marshall and Knight include the business aspect of a firm manager into the required characteristics of a successful entrepreneur and understand entrepreneurs as someone who opens, owns and runs a business for profit pursuits. Contradictorily, Schumpeter (1934, 1939) excludes from the entrepreneurial definition those business owners who cease to carry out new combinations but only manage their firms. For Kirzner entrepreneurs may become a firm owner if the opportunity discovered requires them to be a producer/therefore a firm owner, but a firm

owner is not an entrepreneur if he did not discover new opportunities for profit generating (Praag, 1999).

All authors but Schumpeter consider that entrepreneurs are interested in profit for its own sake. Profit is the main goal of entrepreneurs and therefore the central reason for the decision of becoming entrepreneur. Therefore the supply of entrepreneurs in the economy arises the higher the supply price (profit prospect) which varies in a direct relation according to the demand for entrepreneurship. In this line the decision of becoming an entrepreneur is fostered by external situations (Praag, 1999).

As a critic towards the classic economic view of entrepreneurship McClelland (1961), one of the first academics of the entrepreneurial school of traits, states that they contemplate economic development merely as a function of inputs and outputs rather than a consequence of the individual entrepreneurial drive. For economists the supply of entrepreneurship is determined by the laws of supply and demand meaning that the higher the demand and lower the supply and consequently higher the potential profit the more entrepreneurs appear in society. Therefore, he claims a concentrated focus into the understanding of the psychological characteristics of societal types which conduct them to their societal roles due to individual motivations rather than external influences.

Nevertheless, Schumpeter considers profit a measure for success and individual competence which attainment is driven by psychological motives as i.e. the desire to fight and pleasure of creating, which leads to psychological rewards i.e. social distinction and achievement satisfaction. Therefore the decision to become an entrepreneur is based on internal psychological motives for which profit is a simple measure without intrinsic value (Schumpeter, 1934, 1939).

Although the economic school of entrepreneurship focused more on the economic function of entrepreneurs, its authors also listed necessary characteristics for entrepreneurs starting and being successful. Nevertheless, as already stated the entrepreneurship task and position in society vary significantly among authors influencing the abilities, personal characteristics required for starting as entrepreneur and being successful (Praag, 1999).

Cantillon and Kirzner stress the importance of alertness and foresight as entrepreneur's main role is the discovery of new profit opportunities; Say's and Marshall's entrepreneurs' main role is to manage their enterprise therefore their most important characteristics are related to management, leadership and industry knowledge; Schumpeter's entrepreneurs' must possess the willingness to

show deviating behavior and accept the social consequences of it to conduct disruptive innovations that guide economy towards higher equilibriums while Knight's entrepreneurs need some psychological characteristics related to the ability to deal with uncertainty (self-confidence, foresight and intellectual capacity) in order to be able to make decisions under true uncertainty (Praag, 1999).

	Start as entrepreneur	Having success as entrepreneur	Start <i>and</i> be a successful entrepreneur
Cantillon			Alertness and foresight Bear risk
Say	(Sufficient reputation to obtain) capital	Judgment, perseverance, knowledge of the world, business and occupation	Bear risk
Marshall	(Young) risk-lovers	Intelligence, general ability (dependent on family background and education) Knowledge of the trade Bear risk Leadership Own capital	Good fortune Father entrepreneur
Schumpeter	Willingness to start (higher if less alternative opportunity for social distinction, more ambition, energy, creativeness)		Leadership
Knight	Ability to obtain capital Willingness/motivation important	Ability to deal with uncertainty: self-confidence, foresight, intellectual capacity	Good luck
Kirzner	Alertness	Creativeness and leadership to <i>exploit</i> profit opportunities	

Table 2 - Determinants of successful entrepreneurship discussed by the classic authors
Source: Praag, 1999, p. 331

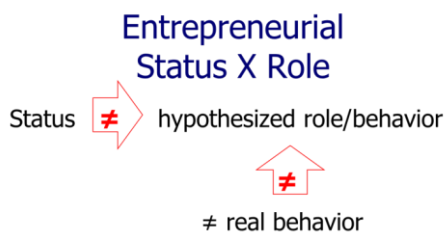
As Hoselitz (1952, pg. 98) says: “a study of economists’ opinions on entrepreneurship leads to strange and sometimes contradictory results. Some writers have identified entrepreneurship with the function of uncertainty-bearing (Knight, 1971), others with the coordination of productive resources, others with the introduction of innovations (Schumpeter, 1939) and still others with the provision of capital. Redlich shows a spectrum of three possible entrepreneurial functions: capitalist – “supplier of funds and other non-human resources”; manager – “supervisor and manager of productive activities” and, “entrepreneur in the narrow sense – planner innovator, ultimate decision maker in a productive enterprise” (Hoselitz, 1952, p.98).

Nevertheless, according to Hisrich and Peters (1986) the economic school based its definitions on the common understanding that entrepreneurship is built upon innovation which generates economic progress. Therefore, at least innovation is a common ground for the economic authors.

Contrasting the economic school the behavioral school emerged focusing on the creative and intuitive aspects of entrepreneurship in order to solve the confusion about economic entrepreneurial understanding by studying the entrepreneurial role independent of entrepreneurs business function (McClelland, 1961).

2.1.2. Behavioral School

According to McClelland (1961, p. 206-209), economists' divergent understanding about entrepreneurship lies on the confusion between status and role. For the author an important distinction to be made is between entrepreneurial status and role. Status stands for 'a position in society' and role for a behavior of the occupant of that status". Nevertheless, it is possible that not all occupants of a status behave according to the role requirements of that position. Figure 3 shows this paradox relationship between hypothesized role, real behavior and status.



- Not all holders of the entrepreneurial status have an entrepreneurial behavior.

Figure 3: Entrepreneurial Status x Role

Source: Elaborated by the author based on McClelland (1961)

In this line MCClelland (1961) states that economists' "try to define entrepreneurial role in terms of a particular status" therefore coming to divergent understandings of what the entrepreneurial role is as "there is not one-to-one relationship between role and status".

They define entrepreneurs based on their economic business function i.e. buying, selling, producing, creating, managing and financing. Nevertheless, a person possessing any of these functions can be or not an entrepreneur in the sense that it is possible to find a capitalist, a manager or a technical innovator who behaves either in an entrepreneurial or non-entrepreneurial way.

Therefore, in order to “obtain a more precise definition of entrepreneurial activities than status labels provide”, McClelland (1961) proposes an entrepreneurial study based on the role behavior of entrepreneurs independently of the type of business position involved (i.e. capitalist, manager, planner and decision maker...). In this line he studies individual drives or motivational forces that lead individuals to their social roles. These drives encompass the need for achievement (n-achievement), need for power (n-power) and need for affiliation (n-affiliation).

For McClelland (1961) the entrepreneurs are the high n-achievers meaning people who are highly or mainly driven by the achievement motive in comparison to other motives. This assumption is derived from the authors understanding that “achieving people” are the main source of economic development.

The need for achievement (n-achievement) is the desire to accomplish "success in competition with some standard of excellence" (McClelland et al, 1958, p.181). Nevertheless this competition is not against external standards but either against internal goals in the sense that these goals must have internal meaning. The high n-achievers strive for the achievement satisfaction which derives from the ownership over a successful outcome or in other words, from the knowledge that the success arose from one's own decisions and initiative. This ownership requires individual responsibility or autonomy over own actions, moderate risk situations and innovation (McClelland, 1961).

2.1.3. Traits School

Within the entrepreneurial studies, there has been a debate about the existence of an entrepreneurial personality which has been the belief of the first individually focused entrepreneurship school, the traits school. For this academic line of thought entrepreneurs are built by some characteristics, most of which are fixed traits. Thus, according to the definition of traits, these cannot be learned or taught as they are intrinsic of a person's psyche (Rokeach,

1973). Consequently, entrepreneurs were thought to be already born with some personal not transferable or learnable “entrepreneurial traits”. Therefore, there was the attempt to understand which traits formed the entrepreneurial vocation. Nevertheless the studies came to many conflicting results and inconsistent findings.

In the face of many divergent approaches and understandings about the psyche of the entrepreneur in the *psychological traits school*, the individual as study object lost importance and another school based on the *entrepreneurial process* emerged in which the influence of the human aspects, social environment and culture upon the entrepreneurial formation is the object of study. As a proclaimer of this school Gartner (1988) states that instead of trying to understand what the entrepreneur *is*, the focus should change to what an entrepreneur *does*. Thus, he states that instead of trying to discover the perfect personality of an entrepreneur, researchers should focus on the entrepreneurial process.

Nevertheless, even with controversial approaches and results within the traits school, due to the importance of the person for the creation of the entrepreneurial endeavor (Johnson, 1990; Carland and Carland, 1996), some academics continued to attempt to understand the entrepreneurial personality until they did prove the existence of a link between personality and entrepreneurial behavior giving strength to Bill Drayton affirmation that “the core is personality” (<http://perspectives.pictet.com/2012/10/31/bill-drayton-the-world-is-now-defined-predominantly-by-change-rather-than-repetition/> accessed on December 12th). Johnson (1990, p. 48) argues the person back into the academic studies as “individuals are, after all, the energizers of the entrepreneurial process”. Besides, the definition of the entrepreneur is crucial because if one wants to understand the entrepreneurial process, it is essential to understand the role of the individual triggering that process (CARTLAND, 1996). Despite, personality plays a very important role when the situation is complex and uncertain, which is a main characteristic in entrepreneurship endeavors. The lack of previous consistent findings relied on missing definitions, measurement mistakes or an incorrect selection of traits to be included in the analysis. Despite, other researches, such as Carland, Carland & Stewart (1996) blame the wrong understanding of entrepreneurial personality as a dichotomic phenomenon or a step function instead of a continuum as the cornerstone of the traits school previous inconsistent findings. Hence, the entrepreneurial personality has been included in many recent studies (Ernst, 2012). Nevertheless, in the actual studies, the role of personality is looked in a more balanced manner

together with other cognitive and environmental factors as the “right” traits are no longer considered necessary or sufficient for entrepreneurial activities. Personality is rather a facilitator as the decision of being entrepreneur has a higher utility for people with entrepreneurial traits (Bönte and Jarosch, 2010). Furthermore, the field has moved from looking at what entrepreneurs are to what motivate them to become entrepreneurs. Baum and Locke (2004) discuss the indirect effect of personality traits on endeavors success through antecedents such as goals.

Figure 4 elaborated by Ernst (2012) based on Huybrechts & Nicholls (2012) studies shows how some authors understand the relationship between personality and entrepreneurial behaviors.

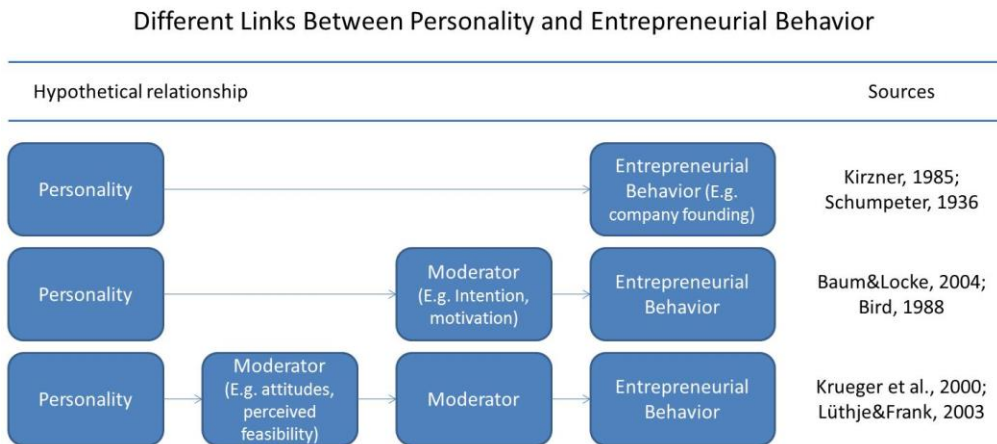


Figure 4: Different Links between Personality and Entrepreneurs Behavior
Source: Ernst (2012, p.55)

Within the Traits School prominent authors are Carland and Carland (1996) and Carland, Carland and Stewart (1998) (Gartner, 1988). Including a new perspective from the *cognitive or managerial style* field into the more traditional research on *personality traits* and, based on the belief that the entrepreneurial psyche is described as a gestalt of multiple personality factors including need for achievement, propensity for risk taking, preference for innovation and, cognitive style Carland, Carland and Stewart (1998) extended research concluded that entrepreneurship is a gestalt of four elements: cognition, preference for innovation, risk-taking propensity, and strategic posture. Therefore the continuum of multiple entrepreneurial personality factors forming the entrepreneurial psyche suggested that the varying strengths of the traits in an individual entrepreneur combine to affect that individual’s behavior. It is this *gestalt* of drives which produces differences in entrepreneurial behavior (Carland, Carland and Stewart, 1998).

Carland and Carland (1996) proposed three basic entrepreneurial ideal types, the macro, medium and micro entrepreneurs. The basic difference is on life objective. The first lives for being entrepreneur in a sense that entrepreneurship has an intrinsic value for this person while the last uses the enterprises only as a mean to accomplish other life goals. The entrepreneur in the midpoint, although very difficult to describe could be someone who pursues success as the main goal and thus lives for the enterprises only until the achievement of a pre-determined success level. From there on other life purposes will motivate his life. In the real world, the majority of entrepreneurs fall between the micro and macro entrepreneurial poles. Considering entrepreneurship as a continuum, the higher a person's rating in the four factors (cognition, preference for innovation, risk-taking propensity and, strategic posture) the higher the entrepreneurial drive and consequently, the closer the entrepreneur from the macro pole.

2.2. Social Entrepreneurship

According to Nicholls and Huybrechts (2012), some environmental factors fostered the emergence of social entrepreneurship in last years:

- The proliferation of global crises that reduced the role of the state in guaranteeing public and social services
- The increase in the ability to identify and respond to social and environmental issues due to the rise of global connectedness
- The proliferation of not-for profit and other civil society organizations, leading to a mismatch between supply and demand for donations and funding forcing these pro-social organizations to adopt some market oriented approaches in order to be financially independent from state and other donors.
- At the same time investors started demanding higher results on invested capital. Therefore, the old “sleepy” third sector comprised by traditional NGOs far from the market mindset of resource efficiency, high performance and maximization of social impact could not cope with current investors or market expectations that required more scalable and sustainable solutions to cause real social impact. Hence, another more efficient and higher impact seeking pro-social organization was required.

Despite, Muhamed Yunus (2007) reveals another reason for the emergence of the social entrepreneurial sector:

“Many young people today feel frustrated because they cannot recognize any worthy challenge that excites them within the present capitalism system. When you have grown up with ready access to the consumer goods of the world, earning money is not a particularly inspiring goal. Social business can fill this void.”

Nevertheless, mainly only after Muhamed Yunus won the Nobel Peace Prize in 2006 the idea of social business gained global acknowledgement and importance with the multiplication of publications about this “movement” (Volkman, Tokarski and Ernst, 2012).

Corroborating to the importance of social entrepreneurship Bill Gates, at the 2008 World Economic Forum in Davos, stated:

“If we can spend the early decades of the twenty-first century finding approaches that meet the needs of the poor in ways that generate profits recognition for business, we have found a sustainable way to reduce poverty in the world.” (Bill Gates, as cited by Kinsley, 2009, p. 16)

After travelling to India and acquiring intimacy with this novel venture type Bill Drayton’s admiration for social entrepreneurship was so high that he founded the first institution designed for supporting social entrepreneurs, Ashoka, which identifies and invests in leading social entrepreneurs assisting them since the early stage of their venture. Nowadays, Ashoka is a global institution fostering social entrepreneurial actions in 70 countries (Ashoka, 2013). After Drayton’s initiative other global support institutions were founded such as the Schwab Foundation and the Skoll Foundation (Volkman, Tokarski and Ernst, 2012).

2.2.1. Definition of Social Entrepreneurship

According to Mair and Marti (2006), social enterprises attempt to target unfulfilled social needs with (more or less) market based approaches aiming for sustainable solutions. They do so by creating additional value (social value creation). By moving resources to areas of more efficient use, they create value which can be translated into revenue.

Considering the social aspect of the definition, although all authors agree that social entrepreneurship is driven by social goals or in other words the will to benefit society by creating

social value (for example contributing for the welfare of a given community), there is no agreement regarding the location social goals must have in the purposes of the entrepreneur or his/her undertaking (Peredo & Maclean, 1999; Comini, Barki, Aguiar, 2012).

Similarly, regarding the entrepreneurial aspect, there is also disagreement about the necessity of a market oriented action for delivering social outcomes (i.e. performance oriented culture, commercial transactions, financial sustainability, profit generation and scalable outcomes).

Consequently the understanding of social entrepreneurship ranges from the concept of (a) non-profit organizations which solely purpose is to create social value without the necessity of performing any commercial activity for the organization maintenance to (b) Not for Profit (NFP) or For Profit (FP) whose core mission is to create social impact but that also perform business like activities solely for instrumental purposes *until* (c) for-profit business' that generate some social impact but whose social objectives are rated below other strategic objectives being sociality a mere component of the CSR agenda. Therefore, it is possible to draw a line between those organizations closer to the social logic and those where the market logic is preponderant (Peredo & Maclean, 1999; Comini, Barki, Aguiar, 2012).

Peredo and McLean (1999) proposed a range of social business formats regarding the importance given to social objectives within the ventures' strategy. On one extreme are the proclaimers that social enterprises must have an exclusive social goal. Consequently, the enterprise purpose is to generate mission related impact and not create wealth. For these authors, social entrepreneurship is "primarily intended to exploit and explore opportunities to create social value by stimulating social change or meeting social needs" (Mair and Marti , 2006, p.37) and social entrepreneurs mission is explicitly and centrally social (Dees, 1998) without a place for economic private gains, or in other words profit distribution (Yunus,2007). Wealth is just a means to an end (Dees, 1998). These definitions may lead to the impression that only NPF can assume the role of social enterprises as said by (Taylor, Hobbs, Nilsson, O'Halloran, & Preisser, 2000: 466) that "social entrepreneurship is overwhelmingly a nonprofit sector phenomenon". Nevertheless, the line between NFP and FP enterprises is unclear and porous and there are many FP whose primary goal is still to generate social impact being profit generation only a mean for it.

The perspective of social goals being the exclusive aim for social entrepreneurs allows for the formation of two major business formats:

- The most extreme is in accordance to Anderson and Dees (2002) perspective that social entrepreneurship is solely “about finding new and better ways to create and sustain social value”. Thus, no market transaction is ever needed. This includes in the social entrepreneurship realm from donation living NGOs.
- Less extreme is the social business format in which commercial exchange for social goals achievement is practiced (in order to guarantee financial and social sustainability) as long as profits are reinvested in the company (for social impact maximization) and NOT distributed. This understanding is very similar to Yunus (2007) social entrepreneurship concept. The ventures within this umbrella can be NFP and FP and according to Fowler (2000) can display two financing means:
 - Integrated – in which commercial and social objectives are achieved through the same activity
 - Complementary – where commercial activities undertaken by an exclusively commercial enterprise support a social oriented organization.
- In the middle of the continuum are the enterprises whose goals are **chiefly** social but not exclusively. This type of enterprise practices commercial exchange and generate profit, but its profits are in part for shareholders dividend payments. Thus, financial activities are not only utilitarian or instrumental for the social purpose achievement but have the aim of providing investors with financial rewards. “These people may wish to do good and do well for themselves and any backers” (Peredo & McLean, 1999, p. 64). These hybrid firms (Dees, Emerson and Economy, 2001) generate financial rewards along social impact, or in other words, although the enterprise’s core is social impact generation, private rewards are also an important part of the picture as a consequence of the performed social activities (Peredo & McLean, 1999).
- The next business format is comparable to the double bottom line business where social goals are prominent among other goals meaning that they have the same importance as other strategic goals. This characterization is only a matter of degree differentiation in relation to the former business format regarding social intentionality strength. While the former’s main objective is still social impact generation along with other less prominent strategic goals (as i.e. financial rewards) here, social impact is as important as financial

return generation, meaning that both goals have the same weight within the company's strategy. This format usually is not considered as social entrepreneurship.

To attest the sociality of these hybrid firms some authors proclaim that profit distribution is part of the market logic of attracting more investment for the organization and thus enhancing its potential social impact (Chu, 2005; JPMorgan, 2010). In this perspective profit distribution would be instrumental for social impact generation.

Challenging this double bottom line, Muhamed Yunus (2007) argues that social and private interests cannot coexist without the risk of social aims being harmed by private ones impeding social impact maximization. This is why intentionality has a strong role within these hybrids (JP Morgan, 2010; Comini, Barki, Aguiar, 2012). Social intervention has to be a genuine goal and not only opportunistic, or in other words a mean for private wealth creation. Consequently, social results have to be part of the company's strategy and measured as an index of the investment's success along with financial return (JP Morgan, 2010).

Contrary to the intentionality approach described above, Peredo and Mclean (1999) argue that any pursuit of generating valuable social outcomes is worth fostering independently of the motivations behind them as the "mysteries" of these have little practical impact and are difficult of identification. Consequently, *"it is argued that what makes an undertaking an example of social entrepreneurship is [merely] the presence of social goals in the purposes of that undertaking"* (Peredo and Mclean, p. 63).

- The understanding above opens space for the last group of social enterprises: company's whose social goals are **subordinate** to the aim of personal gain and other strategic goals. This understanding is in line with the American view of social entrepreneurship that any entrepreneurial market activity that has social impact within its business activities to be a social enterprise (Comini, Barki, Aguiar, 2012). "In these cases, profit-making may not only be accepted as a good in itself, it may even be the prime purpose, with social benefits welcomed as an additional and happy outcome. In the extreme case, the social benefits may even be the means by which profitability is achieved." (p. 64). According to Harvard Business School, social entrepreneurship allows social goals to be pursued even for

instrumental motives of profits increase, as it is the case of “cause branding” and some CSR activities. Accordingly, the American view claims that any entrepreneurial market activity that has social impact within its business activities to be a social enterprise. Nevertheless, Porter’s Shared Value theory claims that for CSR actions to have an important impact in profit and social impact generation, or in other words, for the company to achieve competitive advantage and highest social impact, CSR actions should be strategic, meaning to be integrated into the company’s Value Chain and/or used as a Competitive Force and not be regarded as mere philanthropic or marketing tools. In order to. In this line, private-sector organizations (mainly large companies) use their strengths, power and widespread coverage to create innovative market logic solutions to address social problems and at the same time increase company’s profits (Comini, Barki, Aguiar, 2012).

2.3. Entrepreneurial Characteristics

Filion, (1999, p. 24) argues that entrepreneurs have common characteristics that differentiate them from other group of people.

McClelland (1961) was one of the first authors to study the entrepreneurial behavior therefore highly influencing the study about the entrepreneurial role characteristics and traits. For him, entrepreneurs can be defined as high n-achievers. This nomenclature stands for people *aiming to successfully cope with goals that possess internal meaning through personal initiative* (which requires creativity and moderate risk bearing) in order to acquire the accomplishment feeling or achievement satisfaction. Out of this drive McClelland inferred some interconnected and interdependent characteristics.

The personal characteristics that motivate the *decision of becoming an entrepreneur* are:

- (a) Moderate risk-taking as a function of skill and not chance**
- (b) Novel instrumental activity (innovation)**
- (c) Individual Drive and Responsibility (autonomy and consequences bearing)**

The interconnection of these three characteristics can be well explained in the following manner: the high n-achievers strive for the achievement satisfaction which derives from the **ownership** of a successful outcome or in other words, from the knowledge that the success arose from **one's own decisions and initiative**. This ownership requires individual responsibility over own actions which means to accept the consequences of own decisions. Furthermore, **own decisions** are only **own** decisions if **novel** decisions differently from the already existing are made. Hence, **innovation** is necessary. Consequently, one has to take **risks** as novel approaches have undefined outcomes. Despite, making **decisions** is only necessary when there is a significant degree of outcomes uncertainty as “one does not make a decision when there is a predictable correct outcome as in getting the sum of a column of figures” (Sutton, 1954, p. 20). Nevertheless, as the achievement satisfaction derives from a successful outcome based on **own performance** rather than luck, entrepreneurs seek situations of **moderate risks** instead of high risks as in the former situations their skills and competences have the same probability of influencing the outcome as good luck. Nevertheless, these situations still present a significant degree of risk for allowing **decision making**. Figure 5 illustrates the interconnection between these three characteristics.

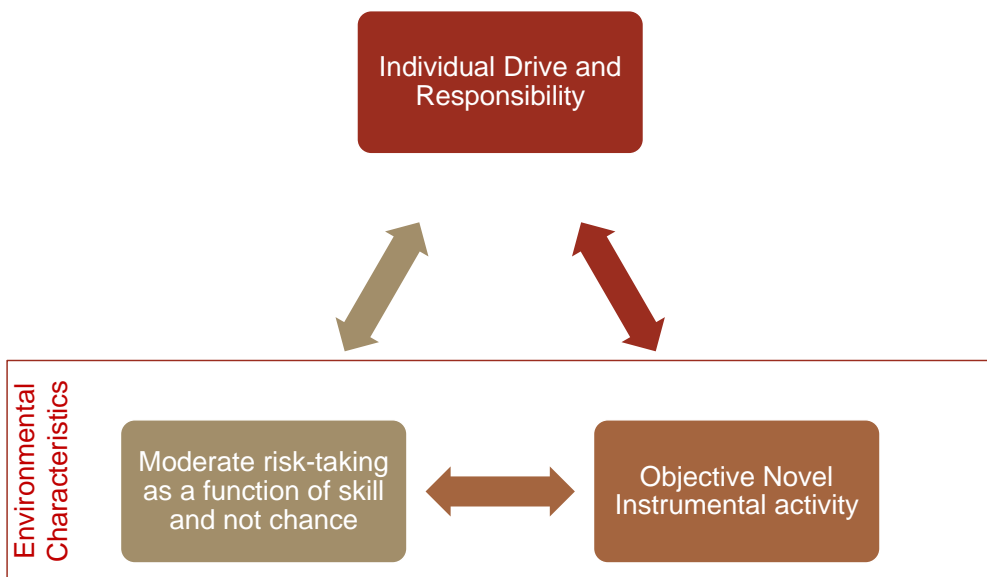


Figure 5: Characteristics that motivate the decision of becoming entrepreneur
Source: Elaborated by the author based on McClelland (1961)

Other three characteristics that cope more to *attaining success* in one's entrepreneurial venture than to the motivation of entering these ventures (becoming entrepreneur) are:

(d) Knowledge of results of decisions (monitor if decisions are leading to success)

(e) Anticipation of future possibilities (long range thinking)

(f) Organizational Skills

Even possessing the achievement need, if one wants to get the achievement satisfaction it is necessary to **obtain success** in one's ventures. Therefore, some interconnected success seeking characteristics are necessary. In order to monitor if one's decisions are leading to the path of success, knowledge of the decisions results through objective and straightforward measures are necessary. If these measures point to success, the entrepreneur's strategic planning is normally maintained. Otherwise, changes regarding future actions are made. Entrepreneurs have to understand the environmental conditions and internal competencies to anticipate future possibilities. This long range strategic thinking relies on the belief that today's actions mold the variables necessary for the success tomorrow. This understanding is related to entrepreneur's internal locus of control (Rotter, 1996) through which success is interpreted as a proactively aimed pursuit and not a function of uncontrollable environmental conditions (which also relates to the preference for the moderate risk condition). For turning a strategic planning into reality, some authors understand that entrepreneurs have to possess organizational skills that enable them to choose, coopt, best employ, organize and coordinate human resources. Figure 6 illustrates the interconnection between these success attaining characteristics.

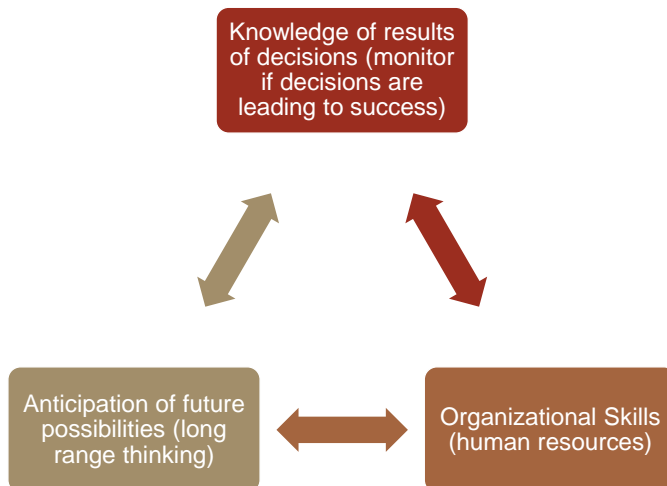


Figure 6: Success seeking characteristics of entrepreneurs
Source: Elaborated by the author based on McClelland (1961)

The topics below will more profoundly explain each of McClelland's (1961) entrepreneurial characteristics as well as the relationship between them.

Entrepreneurial Role as a Decision Maker

Handling more than only situations that call for routine actions is the role of business executives' which relies on their responsibility as decision makers. Making decisions is necessary when there is a significant degree of outcomes uncertainty as "one does not make a decision when there is a predictable correct outcome as in getting the sum of a column of figures" (Sutton, 1954, p. 20).

As stated by McClelland (1961, p.210) "entrepreneurial role appears to call for decision making under [business] uncertainty" or variable conditions. Any business activity involving no significant uncertainty but only the application of a known procedure (even if complicated) to generate a known result does not involve entrepreneurship.

Therefore, **making individual decisions** is the core of entrepreneurial role and it is only possible when there is *a significant degree of uncertainty or risk*.

Moderate Risk Taking – Nevertheless, entrepreneurs do not bear the same extreme risk as gamblers as the last cannot exercise any control over the outcome while entrepreneurs, by their own actions, can influence the outcome of their business decisions in the long run. This is why entrepreneurs are said to take moderate risk. They bear situations where their skills (perspicacity and judgment) play *some* part in the outcome of a decision.

The moderate risk situation - where there is some challenge and risk of losing - is the perfect circumstance for high n-achievers to obtain achieving satisfaction as this allows them to succeed also based on their own efforts and skills rather than based only on the "good fortune" as gamblers or on by others defined traditional procedures. Therefore, this moderate risk situation allows them to be responsible for the achieved success resulting in a higher level of subjective personal satisfaction. McClelland explains the preference for moderate risk with as a function of:

- motive to achieve: need for achievement (M)
- personal probability of success: level of task difficulty (P)
- incentive value of success: the amount of satisfaction gained by accomplishing the tasks which is the inverse of the personal success probability (1-P) as the easier the task the lower the subjective satisfaction. This incentive is nominated as (I)

Resulting in the following function:

$$\text{Approach} = M \times P \times I$$

This function explains the tendency of a person to engage and strive to do well in a task (approach). When M (need for achievement) is high, the tendency to approach a task will be higher when the task difficulty (P) is moderate (around 0.5) because this is the situation where the high achiever can get the higher achievement satisfaction because although there is a significant risk, through his own capabilities, he has a high chance of succeeding.

Furthermore, high achievers tend to be more willing to bear risks than lows because they are more optimists or self-confident regarding their own capacity to succeed. In an experiment McClelland (1961) discovered that business executives (entrepreneurs) tend to have a slightly higher propensity for risk bearing than managers.

Moreover, high n-achievers only work hard in situations where their personal efforts can make a difference in the outcome. These situations occur when (i) there is a challenge or risk of losing and (ii) when tasks are not pre-defined/not routine-like but *require some level of mental manipulation, originality, innovation, creativity and personal initiative for successful solution.*

Innovation – Therefore, innovation is an important entrepreneurial characteristic as entrepreneurs work better under unknown situations for which traditional solutions aren't available and thus require **novel approaches**. In this line, *autonomy*, the cornerstone of n-achievement also seems to correlate with **creativity and innovation** as it consists of *relying on own point of view, mental manipulation, originality, innovation, creativity and personal initiative for decision making instead of accepting by others determined approaches/procedures.*

As McClelland (1961, p. 226) states, “entrepreneurial role involves by definition **doing things in a new and better way**”. Accordingly, in his further work about entrepreneurship McClelland (1971) states that entrepreneurs strive for excellence through **innovation** as they always seek for **new manners** to do things better, faster or cheaper.

It is important to note that autonomous decision making, risk and innovation are mutually dependent as failure is only possible under the existing potential of making wrong innovative decisions within circumstances where secure old approaches do not provide successful solutions. Nevertheless, the accomplishment feeling or the achievement satisfaction only arises when the autonomous decisions are accompanied by *individual responsibility*.

Individual Responsibility – Individual responsibility means (i) possessing freedom for (ii) having the ultimate responsibility (iii) for making a decision and (iv) accepting the consequences of self-direction whatever they may be in the sense of embracing the credits for success as well as the blame for failures. Only under these rules it is possible to acquire high achievement satisfaction for personal initiative due to the knowledge that the **success arose from one's own decisions**.

This leads to the fact that high n-achievers look for tasks which possess internal meaning for them. Independence/individualism/autonomy are necessary for making own decisions, establishing own goals and seeking for autonomy over rules and other controls; maintaining one's point of view even in the face of adverse outcomes and demonstrating self-confidence in own ability. Consequently, entrepreneurs do not do well when they can have no participation in decisions as for example when people tell them what to do and how to act. Therefore socially established norms, procedures and pressure have low influence above them. This is why they do not look for a well-recognized job to achieve a high status at the price of following orders but for jobs that have internal meaning for them because they seek for internal rather than external success.

Therefore, an important aspect is that the achievement satisfaction arises from an inner sense of accomplishment rather than from public recognition of one's individual success. To achieve success, entrepreneurs rely on concrete indicators, long-range planning and organizational abilities.

Knowledge of decisions' results – As the entrepreneurial activity does not account for already traditionally established procedures that can give a sense of success for more traditional occupations (doctors, clergies...) entrepreneurs require definite, objective and tangible

knowledge of their actions' results as concrete indications of their performance so that they know if they are in the right path towards success or if they have to change course.

Profit is the best indicator, but it does not possess intrinsic value as believed by many classic authors. It is a mere indicator of business success and therefore a measure of personal competency. Entrepreneurs are not interested in profit but on the achievement satisfaction. Profit is a “symbol of higher achievement” and “gives [entrepreneurs] only the concrete knowledge of the outcome of their efforts that their motivation demands” (McClelland 1961, p.237). Besides, only with concrete outcomes it is possible to know if one accomplished a target for getting the achievement feeling. Nevertheless concrete knowledge of actions serves as proof of success but also as clear evidence of failure. This is why many authors despite McClelland (1971) argue that important entrepreneurial characteristics are optimism, perseverance and ability to learn (Hisrich and Peters 1986, Timmons, 1978, Mori, 1998, Dolabela, 2003).

Anticipation of future possibilities – successful entrepreneurs consider many alternatives and their consequences before they actually happen to them in order to make strategic decisions. They anticipate the future. They think in the long -term so they can act proactively *now* to influence many variables to work for their benefit in the future. This means that they have to make the future bright for them now. Therefore, they plan and act strategically and not in an immediatist manner. Carland&Carland (1996) also give high importance for strategic planning as a fundamental characteristic for successful entrepreneurs.

This competency is necessary in order to lower production/business risk which is specific and not diversifiable as an industrial entrepreneur has usually [much] property tied up in his plants for [long] times; therefore depending from now until a long-time in the future on the “well-functioning” of specific variables (demand, supply, institutional environment...) according to past decisions (e.g. investment in fixed capital or new product launching) to achieve success.

Organizational Skills – For turning a strategic planning into reality, some authors understand that entrepreneurs have to possess organizational skills that enable them to organize and coordinate human resources. Its importance derives from the knowledge entrepreneurs have that it is almost impossible to accomplish all their goals working alone as stated by MCClelland

(1961, p. 238) that “if an entrepreneur is ever to achieve more than he can by his own efforts, he must organize the activities of other persons”. Nevertheless, there is a discussion in the academy whether this competency belongs to the entrepreneurs or managers. Despite, there is no evidence that high n-achievers have higher organizational tendencies than others. Only one comment is decisive: high n-achievers choose working partners based more on their capacity to contribute to success than on the personal affinity/preference.

All McClelland’s (1961) characteristics can be split into some as well interconnected and interdependent actions that lead to the achievement feeling and success:

- (i) The core of entrepreneurial role is to **make decisions** and **embrace its consequences**.
- (ii) Therefore, only by having the freedom for assuming individual responsibility for own decisions and their consequences one can feel that personal initiatives/decisions had decisive contribution to success and therefore obtain the achievement satisfaction.
- (iii) Nevertheless, to make decisions a certain degree of risk is required. Consequently, high n-achievers bear risk as a natural consequence of decision making. Though, they have a preference for bearing **moderate risks** which allows their skills to be decisive in the task outcome rather than luck or by others established procedures. This happens when there is a challenge or risk of losing and when
- (iv) one can put personal characteristics and initiative into problems solving through **innovation and creativity** without the need to reproduce already existing solutions.
- (v) In order to measure own progress towards success entrepreneurs rely on **objective measures as profit** to critically assess own performance to get the accomplishment feeling or improve own decisions and actions. Therefore self-assessment and criticism is important.
- (vi) To make success more reliable entrepreneurs plan according to the **long term** in order to account for risks that may hinder their success. For this reason they possess a reliable strategic planning and decision making process based on the analysis of many variables that may influence the outcome of their goals in the future.
- (vii) Despite, entrepreneurs also possess **organizational abilities** in order to acquire and effectively organize human resources towards established goals.

In a further publication, McClelland (1971) further detailed his understandings about the entrepreneurial characteristics as exhibited in Table 3.

Category: Need for achievement	Explanation
Seek opportunities and has Initiative	Does things before being asked or before being forced by circumstances; expands business to new areas ; take advantages of opportunities when they arise
Persistence	Faces challenges in many different ways and as many times as necessary to overcome the obstacles
Demand for quality and efficiency	Searches for new ways to do things better, faster or cheaper; focuses on exceeding the standards of excellence and ensures that the required work will be done in time and with the combined quality.
Independence and self-reliance	Search autonomy over rules and other controls. Maintains one's point of view even in the face of adverse outcomes and demonstrates self-confidence in own ability.
Category : Planning and Problem Solving	
Take calculated risks	Evaluates and discusses the alternatives; always tries to maintain control of the situation to reduce risks; engages in situations of moderate risks.
Establishment of goals	Objectives and targets are challenging and have a personal meaning, the goals are clear, objective, defined in the long and short term and are measurable.
Search for information	Searches all possible information about the environment in which one is inserted; seeks help from experts for technical or commercial advice.
Planning and systematic monitoring	Divides large tasks into subtasks with deadlines. Is always reviewing plans and accounting for many variables that can influence them; makes use of records for making financial decisions.
Category : Influence (Ability to Relate to People)	
Persuasion and networking	Discusses strategies in advance to influence and persuade others; uses key people to achieve own aims; is always developing and maintaining commercial relationships.
Commitment	Sacrifices oneself to complete a task, is always collaborating with employees for the work to be completed; does anything to keep the customer.

Table 3: McClelland's (1971) entrepreneurial characteristics
Source: McClelland (1971)

Although McClelland theory has influenced most authors and encompasses all the most durable entrepreneurial characteristics in the literature (Carland&Carland, 1996), recent literature reveals a strong focus on entrepreneurial cooperative relations that is not so emphasized in McClelland's (1961, 1971) theory.

In this sense Filion, (1999) argues that entrepreneurs possess an **intrinsic interest** for the **welfare of others** as they are **sensitive** to others, tend to **trust people** and be **real friends**.

This fact was emphasized by Dornelas (2005) when he stated that entrepreneurs have a natural, very high **ability for interpersonal relations**, as they can establish **cooperative** and healthy **relationships with ease** hence, building a **network** of people who will voluntarily favor them in their entrepreneurial pursuits. Nevertheless this is a mutually depending network where not only entrepreneurs get help but the entrepreneurs also help others. Therefore entrepreneurs can also voluntarily assume others' goals as if it was theirs as long as these goals have internal meaning for them. This point was emphasized by Degen (1989) when stating that the **mutual depending network** helps to achieve the objectives of everyone involved. This fact was also given importance by McClelland (1961) when stating that the **type of individualism that entrepreneurs possess does not contrast altruism** as an entrepreneur's individual freedom and responsibility does not imply that one has to work only for his goals in order to be sure to receive social recognition. The entrepreneur can work very well for a **group goal** as long as he feels that his **personal initiative and decisions** effectively contributed to the goal attainment. This need for having the knowledge that he was the one who initiated the action responsible for a successful outcome is due to the fact that for attaining the achievement satisfaction one needs an **inner sense of accomplishment**.

Besides, Dornelas (2001) highlights the inherent **entrepreneurial leadership**. He argues that entrepreneurs convey **respect for their employees**. The secret is the appreciation for the tasks well completion, stimulation for the improvement of each individual and fair reward. In fact, **they are aware that alone, with bad and unmotivated staff they will not achieve their goals**.

Besides, in a further work Dornelas (2005) gives an even more important place for entrepreneurial leadership within the elicited characteristics. He states that their leadership is unmatched and unusual. Entrepreneurs build a **cohesive team**, where all have the **same common goal** either by choosing the "right" people or by persuading people to *intrinsically* and *not by*

force to adopt the entrepreneur's goals (in the same way that they *intrinsically* adopt others goals when these have internal meaning for them (McClelland (1961)). Figure 7 summarizes entrepreneurial socialization/interpersonal characteristics.

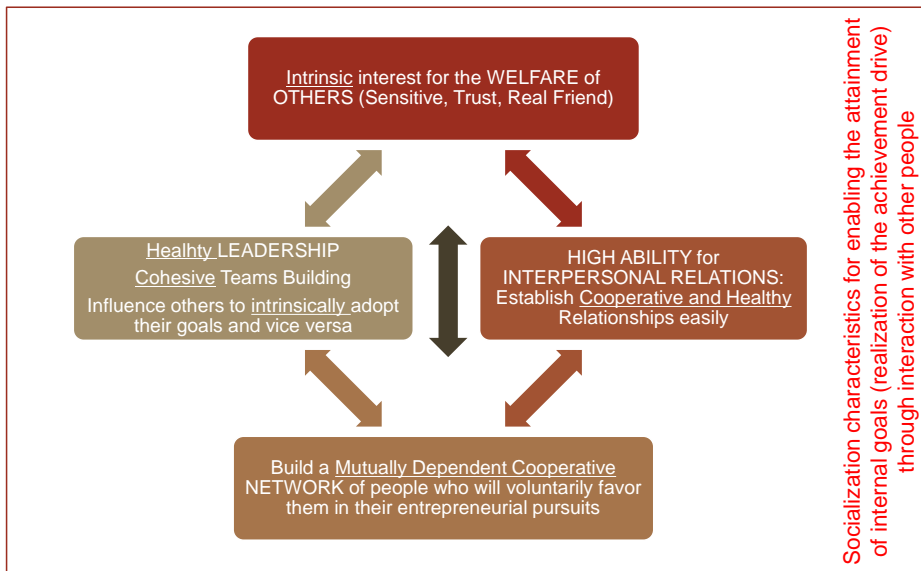


Figure 7: Interpersonal entrepreneurial characteristics

Source: Elaborated by the author based on Degen (1989), Dornelas (2001, 2005), Filion, (1999), McClelland (1961)

Finally, based on the extensive explanations above, Table 4 summarizes the main entrepreneurial characteristics of entrepreneurs.

Entrepreneurial Characteristics	Explanation of Characteristics	Clusters of Characteristics	Interrelation between Clusters
Individual Drive and Responsibility	Ownership over a successful outcome/ knowledge that success arose from one's own decisions and initiative . This ownership requires individual responsibility over own actions which means to accept the consequences of own decisions .	Characteristics that motivate the <i>decision of becoming an entrepreneur</i> .	The entrepreneurial motivation characteristics require: (i) interpersonal abilities in order to enable the transformation of one's own goals into reality through cooperative relations between stakeholders (ii) success seeking characteristics that enable the ventures' success by monitoring results and strategically planning and organizing non-human and human resources.
Moderate risk-taking as a function of skill and not chance	Making decisions only occurs when there is a significant degree of outcomes uncertainty (risk). But as the achievement satisfaction derives from a successful outcome based on own performance rather than luck, entrepreneurs seek situations of moderate risks where their skills and competences have the same probability of influencing the outcome as good luck. Besides, own novel approaches have undefined outcomes and therefore require risk-taking .		
Objective Novel Instrumental activity	Relying on own point of view, mental manipulation, originality, innovation, creativity and personal initiative for novel decision making instead of accepting by others determined approaches/ procedures.		
Knowledge of results of decisions	Monitor if decisions are leading to success through objective measures .	Characteristics that cope to <i>attaining success</i> in one's entrepreneurial venture.	
Anticipation of future possibilities	Long range, strategic thinking, planning and acting. Act today for preparing the success of tomorrow .		
Organizational Skills	Acquire and effectively organize human resources towards established goals.		
Intrinsic Interest for the Welfare of Others	Sensitive to others, tend to trust people and be true friends.	Characteristics of entrepreneurial cooperative interpersonal relations.	
Interpersonal Abilities	Easily establish cooperative and healthy relationships; Build a mutually dependent cooperative network of people who will voluntarily favor each other in their pursuits.		
Healthy Leadership	Cohesive teams building; Influence others to intrinsically adopt their goals and vice- verse.		

Table 4: Entrepreneurial characteristics

Source: Elaborated by the author based on Degen (1989), Dornelas (2001, 2005), Filion, (1999), McClelland (1961, 1971)

2.3.1. Social Entrepreneurial Characteristics

Many authors argue that social entrepreneurial personality is a **mixture** of an **entrepreneurial and social oriented personality** as social entrepreneurs are one species in the genus entrepreneur (Dees, 1998, Achleitner, Heister and Stahl, 2007), or in other words, (ii) social entrepreneurship is related to or embedded in other forms of entrepreneurship (Dacin, Dacin and Maetar, 2010). In a slightly different approach, Paul C. Light (2011) defends that social entrepreneurs are not only a breed of commercial entrepreneurs but are a new type of entrepreneurs because although they are market oriented and act similarly to high achievers they are different due to their strong commitment to a social cause.

As the entrepreneurial characteristics were already discussed, this chapter will focus solely on the social aspect of the social business individuals.

One of the first definitions of the social entrepreneur was provided by Dees (1998 revisited 2001, p.4).

“Social entrepreneurs play the role of change agents in the social sector by:

- Adopting a mission to create and sustain social value (not just private value),
- Recognizing and relentlessly pursuing new opportunities to serve that mission,
- Engaging in a process of continuous innovation, adaptation and learning,
- Acting boldly without being limited by resources currently in hand and,
- Exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created”.

Social entrepreneurs possess a visionary, creative and ethic spirit that enables the solution of real problems (Bornstein, 2004), have particular behavioral values such as **solidarity (benevolence)** for people and social group (Thompson 2008) and match entrepreneurial and **community spirit** (Morse and Dudley, 2002).

Regarding the differences between commercial entrepreneurs and social entrepreneurs Sullivan et al (2002) recognize their **divergent missions and objectives**: “*Social entrepreneurship aims for the exploitation of opportunities and for **social change** rather than for maximum profit in the traditional sense*”. Similarly, Glucu, Dees and Anderson (2002) argue that “Social entrepreneurs must have the same commitment and determination as a traditional business entrepreneur, plus a deep **passion for the social cause**, minus an expectation of significant financial gains”.

Moreover, Leadbeater, 1997 stresses the **ethical spectrum**. For him social entrepreneurs are moved to guarantee the ethics of current and future processes, deals and strategies, thus increasing ethics in all their areas of influence while commercial entrepreneurs might act ethically but no strong ethical identification towards these entrepreneurs is suggested in the literature.

Regarding the pro-social behavior of social entrepreneurs, many authors focus on their **selflessness commitment to solve social issues** which is a sign of a pro-social personality. Many psychological studies have shown a link between a pro-social personality and pro-social behaviors such as volunteering (Davis et al., 1999). Accordingly, Eisenberg et al, (2002) states that behaviors as helping, acting in a socially responsible way, considering others and sympathy are related to a pro-social personality.

Penner and Funkelstein (1998, p. 526) defines social personality as an “enduring tendency to think about the **welfare and rights of other people**, to **feel concern and empathy** for them, and to act in a way that best benefit them”.

Within the traits school of thought an interesting finding made by Eisenberg et al., (2002) is that there are evidences of the existence of a pro-social personality which is consistent over time.

Many authors pointed out to behavioral characteristics and personality traits that may relate to this pro-social personality. A “**strong ethical fiber**” is cited by Drayton (2002, p.124); non-egoistical behavior is mentioned by Hemingway (2005); while Mair and Noboa (2006) as well as Bhawe, Jain and Gupta (2007) identified the **empathy** trait defined as the potential to feel the feelings of others.

Ernst (2012) defines pro-social personality as a group of traits driving people to act in a way that benefit other individuals than themselves and that are common to pro-social actors and uncommon within other people. Ernst (2012) considers these traits to be empathy and a sense of social responsibility.

Empathy: is the main factor of all pro-social personality *gestalt* of traits. It stands for the ability of understanding and sharing the feelings of other people. There is the affective and cognitive empathy, the first encompassing the actual feeling someone else feelings and the second the perceiving of others emotions. Empathy enables people to identify social-business opportunities.

Sense of Social Responsibility: Hustinx, Handy, Cnaan, Brudney, Pessi, and Yamauchi (2010) identified that the main drive to help others is that people *find it important*, suggesting an inner

sense of responsibility of doing something when one's empathy identifies an opportunity. Finally, Table 5 exhibits the main characteristics of a pro-social personality.

Pro-Social Characteristics	Explanation of Characteristics
Empathy	Ability of understanding and sharing the feelings of other people.
Sense of Social Responsibility	Inner sense of responsibility of doing something when one's empathy identifies an opportunity;
Community Spirit	Solidarity (benevolence) for people and social group; The Desire to cause positive social impact; A non-egoistical Behavior.
Ethic	Guarantee the ethics of current and future processes, deals and strategies, thus increasing ethics in all their areas of influence

Table 5: Pro-Social Characteristics

Source: Elaborated by the author based on Bornstein (2004), Thompson (2008), Morse and Dudley (2002), Leadbeater (1997), Funkelstein (1998), Mair and Noboa (2006), Ernst (2012) and Bhawe, Jain and Gupta (2007)

2.4. Values Definition

Values are the result of all the cultural, institutional and personal forces that act upon an individual throughout his lifetime (Rokeach, 1973). Values are beliefs. As explained by Rokeach (1973), there are three types of beliefs: descriptive or existential beliefs, those capable of being true or false; evaluative beliefs, wherein the object of the belief is judged to be good or bad; values are none of these, but are a prescriptive or proscriptive belief, upon which man act as preference.

Like all other beliefs, values have an affective, cognitive and behavioral component. Affective, because it arouses emotions when attained and not attained; cognitive as people consciously know the correct way to act in order to pursue important values; behavioral as it leads to action when activated (Rokeach, 1973, Schwartz, 2012).

In the individual level the main authors of values are Rokeach and Schwartz. Rokeach (1973) understood that human beings were composed by separate but interrelating systems of beliefs, attitudes and values, the last being more central and the major inducer of behavior. Based on the

understanding that a value is “*an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence*” Rokeach (1973) proposed a classification that distinguished between terminal and instrumental values, the first concerning idealized end-states and the last idealized behavioral modes.

Schwartz proposed a development of Rokeach’s theory which aimed to solve some of its gaps as the values classification and interrelation structure. Thus, values are cognitive representations of desirable, abstract, trans-situational goals that serve as guiding principles in people’s life (Schwartz, 1992). They are judgmental standards acquired through socialization and individual experience. Each value represents a social acceptable response for satisfying one or more of the three basic human needs: organic, interactional and group. Values have convergent and divergent relations between each other within the value system structure. Behavior is guided by the relative importance of these values.

2.4.1. Rokeach Value Model

Rokeach’s Theory (1973. p. 12-20) is based on five assumptions about the nature of human values that underlie all following reasoning about values and value systems:

- (1) *The total number of values that a person possesses is relatively small*
 - a. *It is assumed that there is a limited number of common human problems for which all peoples at all times find some solution – (...) as they all arise out of human situation.*
 - b. *While there is variability in solutions of all problems, it is neither limitless nor random but is definitely variable within a range of possible solutions. (...)*
- (2) *All men everywhere possesses the same values to different degrees*
 - a. *Although all alternatives of all solutions are present in all societies at all times they are differently preferred. Every society has, in addition to its dominant profile orientations numerous variant or substitute profiles.*
- (3) *Values are organized into value systems*
 - a. *It is postulated that in both dominant and the variant profiles there is almost always a rank ordering of preference of the value orientation alternatives.*
- (4) *The antecedents of human values can be traced to culture, society, institutions and personality*
 - a. *Similarities in culture; socialization by similar institutions; similarities of sex, age, class and race, religious upbringing, political identification reduce the enormous possibilities of values ranking variance. Similarities in personal*

experience, in the expression of human needs further reduce the possible variations by shaping the value systems of many people in similar ways.

(5) The consequences of human values will be manifested in virtually all phenomena that social scientists might consider worth investigating and understanding

a. Values are determinants of virtually all kinds of behavior – of social actions, attitudes and ideologies, evaluations, moral judgments and justifications of self and others, comparison of self with others, presentation of self to others and attempt to influence others.

Based on the understanding of a value as “*an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence*,” Rokeach (1973) proposes a classification that distinguishes between terminal and instrumental values, the first concerning idealized end-states and the last idealized behavioral modes.

All values (instrumental and terminal) are organized into a **value system** which is “an enduring organization of beliefs concerning preferable modes of existence along a continuum of relative importance”. Terminal and instrumental values formed separate but interrelating systems (although the cause-consequence relation between each terminal and instrumental values cannot be determined). Instrumental values serve as means for achieving the desired end-states but terminal values can also be instrumental for each other. Nevertheless, the difference between terminal and instrumental values had already been criticized by Gorsuch (1970) before Rokeach finished his theory as “*any value which is not the ultimate value could be considered an instrumental value*”.

Although recognizing that there are many ways of classifying **Terminal Values**, Rokeach (1973) points out that an important **dividing** characteristic is their personal or social focus: self-centered/intrapersonal or society-centered/interpersonal values. The placement of these values in a person’s value system varies from individual to individual; behaviors and attitudes of each person will vary depending on which values (social or personal) have priority; finally, an increase in one social value will lead to an increase of other social values and a decrease in personal values (Rokeach, 1973; Schwartz, 2012).

Instrumental values can be distinguished into *moral* and *competence* values. The first alludes to behavioral modes with an interpersonal focus which when violated arouse pangs of conscience or feelings of guilt. For example: behaving honestly and responsively generates feelings of behaving

morally. These values are those which carry a sense of “oughtness”. This sense originates within society which demands that all of us behave in a way that benefit and not harm others. The more widely shared a value – or the more believed to be necessary for society survival – the greater the social demand to act according to it. The second has a personal rather than social focus and is not concerned with morality. The failure to attain them leads to feelings of shame and social inadequacy. For example: behaving intelligently, imaginatively or logically may arouse feelings of competency. People may experience conflicts between moral and competency values (be politely or offer intellectual criticism), within moral values (behaving honestly or lovingly) or within competency values (imaginatively and logically).

2.4.2. Schwartz Value Model

According to Schwartz (2012), human beings have three basic needs: needs of individuals as biological organisms, requisites of coordinated social interaction, and survival and welfare needs of groups.

Nevertheless, these needs are only fulfilled if people socialize and gather others for achieving their pursuit and transform these broad needs into understandable and achievable conscious goals. Each goal is the motivation itself that aims to cover one or more of the 3 basic human needs. This transformation of needs into motivations assumes the form of values that guide behavior in accordance to their relative importance.

The grounding of Schwartz values on the three basic human needs and the cross cultural verification of the model universality tested by applying Schwartz value survey in 70 cultures by means of recognizing the existence of these values across cultures, conveys a close to universal application to his model.

Although Rokeach’s value theory and structure was widely used in researches, it lacks an agreed-upon concept of value and a structure that explains their interrelation and their relation to any other variable (Porto and Campos, 2010).

Shalom Schwartz Model aims to solve the values’ content classification problem of Rokeach’s Values Structure and propose a dynamic interrelated structure of motivational values (Porto and Campos, 2010):

“Although many conceptions of the values construct have emerged, all of them lack an agreed-upon conception of basic values, of the content and structure of relations among these values, and of reliable empirical methods to measure them” (Schwartz, 2012)

Therefore, the major intents of Schwartz (2012) was to (i) identify the common motivations underlying the behaviors of individuals, independently of culture, thus developing a set of basic human values (ii) explain the relationship among these motivational constructs of basic human values and (iii) offer an instrument for measuring them.

For the development of the model, Schwartz (2012, p. 2) relied upon six main value features that are implicit in the studies of many other authors:

- “Values are beliefs linked inextricably to affect: when values are activated, they become infused with feeling”. People get aroused when their cherished values are threatened and happy when they can enjoy them.
- “Values refer to desirable goals that motivate action”: people that cherish justice and social order are motivated to pursue them.
- “Values transcend specific actions and situations”: honesty and obedience when considered important are pursued in all life settings such as family, school, and church, within friends or strangers a.s.o.
- “Values serve as standard or criteria”: values are used to judge, evaluate, guide the selection of actions, policies, people and events. People use values to decide what is good or bad, justified or illegitimate, worth doing or avoiding. But the impact of values in everyday life is rarely conscious. “Values enter awareness only when the judgments, evaluations one is considering have conflicting implications for other values cherished values.”
- “Values are ordered by importance”: people form an ordered system of values importance that characterizes them as individuals.
- “The relative importance of multiple values guides action”: not the absolute importance of one value but the level of importance of this value in relation to other competing values relevant to the context (hence likely to be activated) and important to the actor guides

attitudes and behaviors. – This means that the tradeoff among relevant competing values guide behavior.

Based on these understandings, Schwartz built a model comprised by ten basic values each one representing different basic underlying motivations that guide human behavior. For building these values many sub-motivations (value items) were coupled into broader ones (values) in order to comprise the 10 basic human values. These may have a broader or narrower concept. For example, the *power* value concept can be understood by only 5 value-items (sub-motivations), while the *universalism* value encompasses 9 sub-motivations (value items) that build the major value concept.

Table 6 contains a (i) general explanation of the goal represented by each value, accompanied by the (ii) value items that serve as means to achieve the broad value goal and the (iii) explanation of the common human needs aimed to be fulfilled by the values.

MOTIVATIONAL GOAL	BASIC ORGANISMIC NEEDS SATISFACTION	VALUE ITEMS
Self-Direction: independent thought and action-choosing, creating, exploring.	Organismic needs for control and mastery (e.g., Bandura, 1977; Deci, 1975) and interactional requirements of autonomy and independence (e.g., Kluckhohn, 1951; Kohn & Schooler, 1983; Morris, 1956).	Creativity, freedom, choosing own goals, curious, independent; [self-respect, intelligent, privacy]
Stimulation: excitement, novelty, and challenge in life.	Need for variety and stimulation in order to maintain an optimal, positive, rather than threatening, level of activation (e.g., Berlyne, 1960). This need probably relates to the needs underlying self-direction values (cf. Deci, 1975)	A varied life, an exciting life, daring
Hedonism: pleasure or sensuous gratification for oneself.	Derive from organismic needs and the pleasure associated with satisfying them. Theorists from many disciplines (e.g., Freud, 1933; Morris, 1956; Williams, 1968) mention Hedonism.	Pleasure, enjoying life, self-indulgent
Achievement: personal success through demonstrating competence according to social standards.	Competent performance that generates resources is necessary for individuals to survive and for groups and institutions to	Ambitious, successful, capable, influential; [intelligent, self-respect, social recognition]

	<p>reach their objectives.</p> <p>Achievement values appear in many sources (e.g., Maslow, 1965; Rokeach, 1973). Achievement values emphasize demonstrating competence in terms of prevailing cultural standards, thereby obtaining social approval.</p>	
<p>Power: social status and prestige, control or dominance over people and resources.</p>	<p>The functioning of social institutions apparently requires some degree of status differentiation (Parsons, 1951). A dominance/submission dimension emerges in most empirical analyses of interpersonal relations both within and across cultures (Lonner, 1980).</p> <p>To justify this fact of social life and to motivate group members to accept it, groups must treat power as a value. Power values may also be transformations of individual needs for dominance and control (Korman, 1974). Value analysts have mentioned power values as well (e.g., Allport, 1961).</p>	<p>Authority, wealth, social power; [preserving my public image, social recognition]</p> <p>OBS: Both power and achievement values focus on social esteem. However, achievement values (e.g., ambitious) emphasize the active demonstration of successful performance in concrete interaction, whereas power values (e.g., authority, wealth) emphasize the attainment or preservation of a dominant position within the more general social system.</p>
<p>Security: safety, harmony, and stability of society, of relationships, and of self.</p>	<p>Security values derive from basic individual and group requirements (cf. Kluckhohn, 1951; Maslow, 1965; Williams, 1968).</p>	<p>Social order, family security, national security, clean, reciprocation of favors; [healthy, moderate, sense of belonging]</p>
<p>Conformity: restraint of actions, inclinations, and impulses likely to upset or harm others and violate social expectations or norms.</p>	<p>Conformity values derive from the requirement that individuals inhibit inclinations that might disrupt and undermine smooth interaction and group functioning. Virtually all value analyses mention conformity (e.g., Freud, 1930; Kohn & Schooler, 1983; Morris, 1956; Parsons, 1951). As Schwartz (2012) defines them, conformity values emphasize self-restraint in everyday interaction, usually with close others.</p>	<p>Obedient, self-discipline, politeness, honoring parents and elders; [loyal, responsible]</p>
<p>Tradition: respect, commitment, and acceptance of the customs and ideas that one's culture or religion provides.</p>	<p>Groups everywhere develop practices, symbols, ideas, and beliefs that represent their shared experience and fate. These become sanctioned as valued group customs and traditions (Sumner, 1906). They symbolize the group's solidarity, express its unique worth, and contribute to its survival (Durkheim, 1912/1954; Parsons, 1951). They</p>	<p>Respect for tradition, humble, devout, accepting my portion in life; [moderate, spiritual life]</p> <p>Tradition and conformity values are especially close motivationally; they share the goal of subordinating the self in favor of socially imposed expectations. They differ primarily in the objects to which one</p>

	often take the form of religious rites, beliefs, and norms of behavior.	subordinates the self. Conformity entails subordination to persons with whom one is in frequent interaction—parents, teachers, and bosses. Tradition entails subordination to more abstract objects—religious and cultural customs and ideas. As a corollary, conformity values exhort responsiveness to current, possibly changing expectations. Tradition values demand responsiveness to immutable expectations from the past.
Benevolence: preserving and enhancing the welfare of those with whom one is in frequent personal contact (the ‘in-group’).	Benevolence values derive from the basic requirement for smooth group functioning (cf. Kluckhohn, 1951; Williams, 1968) and from the organismic need for affiliation (cf. Korman, 1974; Maslow, 1965). Most critical are relations within the family and other primary groups. Benevolence values emphasize voluntary concern for others’ welfare.	Helpful, honest, forgiving, responsible, loyal, true friendship, mature love; [sense of belonging, meaning in life, a spiritual life]. OBS: Benevolence and conformity values both promote cooperative and supportive social relations. However, benevolence values provide an internalized motivational base for such behavior. In contrast, conformity values promote cooperation in order to avoid negative outcomes for self. Both values may motivate the same helpful act, separately or together.
Universalism: understanding, appreciation, tolerance, and protection for the welfare of all people and for nature. This contrasts with the in-group focus of benevolence values.	Universalism values derive from survival needs of individuals and groups. But people do not recognize these needs until they encounter others beyond the extended primary group and until they become aware of the scarcity of natural resources. People may then realize that failure to accept others who are different and treat them justly will lead to life-threatening strife. They may also realize that failure to protect the natural environment will lead to the destruction of the resources on which life depends. Universalism combines two subtypes of concern—for the welfare of those in the larger society and world and for nature	Broadminded, social justice, equality, world at peace, world of beauty, unity with nature, wisdom, protecting the environment; [inner harmony, a spiritual life]

Table 6: Schwartz Basic Human Values

Source: adapted by the author (Schwartz, 2012)

Model structure

The model structure specifies the dynamics of (i) conflict and (ii) congruence among these values in a circular continuum as exemplified by the figure 8.

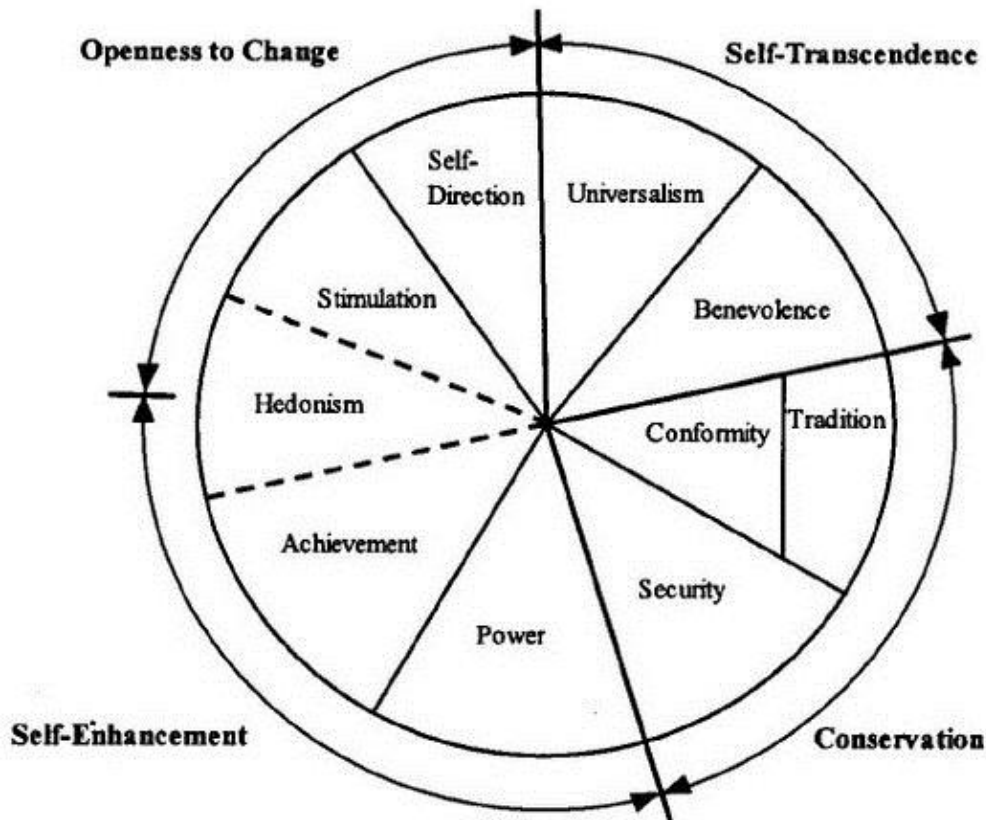


Figure 8: Theoretical model of relations among ten motivational types of value
Source: Schwartz, 2012, p. 9

The two major characteristics of the model are its (i) bi-polar and (ii) circular continuum structure, which are dependent on each other.

The bi-polar structure of the model conveys that actions in accordance with any value have pursuits that conflict with some values and are congruent with others in a varying degree depending on the values distance within the circular structure. For example, pursuing achievement values typically conflicts with pursuing benevolence values, as seeking own success might undermine actions towards helping others. On the other hand looking for security and

stability might influence obedience to traditions as these act as stabilizing forces that hold the group, where security is found, together.

For being a circular structure, values are opposed and congruent to each other's motivations **in a varying degree** depending on their **proximity** within the circular structure. The closer they are, the more congruent are the value's goals and vice-versus. For example, stimulation and self-direction are next to each other as their motivations goals refer to novelty and mastery. On the other hand, the most opposed value (larger distance) to Stimulation is Security that controls the individual desires for novelty, mastery and pleasure by praising order, group well-being and the status quo.

Therefore adjacent values have overlapping motivations as presented in table 7:

<u>Adjacent Values</u>	<u>Common Motivations</u>
power and achievement	social superiority and esteem
achievement and hedonism	self-centered satisfaction
hedonism and stimulation	desire for affectively pleasant arousal
stimulation and self-direction	intrinsic interest in novelty and mastery
self-direction and universalism	reliance upon one's own judgment and comfort with the diversity of existence
universalism and benevolence	enhancement of others and transcendence of selfish interests
benevolence and tradition	devotion to one's in-group
benevolence and conformity	normative behavior that promotes close relationships
conformity and tradition	subordination of self in favor of socially imposed expectations
tradition and security	preserving existing social arrangements that give certainty to life
conformity and security	protection of order and harmony in relations
security and power	avoiding or overcoming threats by controlling relationships and resources

Table 7: Overlapping Motivations of Adjacent Values Dimensions

Source: adapted by the author (Schwartz, 2012, p. 9)

An important implication of a *circular structure* is that although there are opposing and similar values and value clusters (poles), the whole set of values relates to any other variable in an integrated manner.

Because the value structure is a **circular continuum**, the division into 10 values is merely theoretical and solely serves for better acknowledgement of the whole set of human motivations. Depending on the researcher objectives, the division could be done in more or less degrees. An example is the continuum less fine-tuned division in value clusters or poles that gather all common based values defined by Schwartz. This partition elicits the existence of the bi-polar characteristic of the value structure, as if there are congruent values, there must also be conflicting ones due to the circular structure of the continuum.

In order to better understand the congruencies and opposition within the continuum, Schwartz elicits 4 major poles to which some values convert more or less.

For example: the pole “*openness to change*” comprises the *hedonism, stimulation and self-direction* values which relate to the concept of *independence of thought, action, feelings and readiness to change*. In the opposite position of the continuum is the “*conservation*” pole comprised by *conformity, tradition and security* values, which conveys values that emphasize *order, self-restriction, preservation of the past and resistance to change*. Next to this pole and in opposition to each other are the “*self-enhancement*” and the “*self-transcendence*” poles. The first attracts values that emphasize pursuit of one’s own interest, relative success and dominance over others conflicting with the second that represents values comprising concern for the welfare and interests of others. Adjacent poles represent transitory values towards an opposite pole according to a specific dimension.

The relations of values towards human emotions and behaviors can also be understood as socially or personally focused and anxiety free or anxiety based.

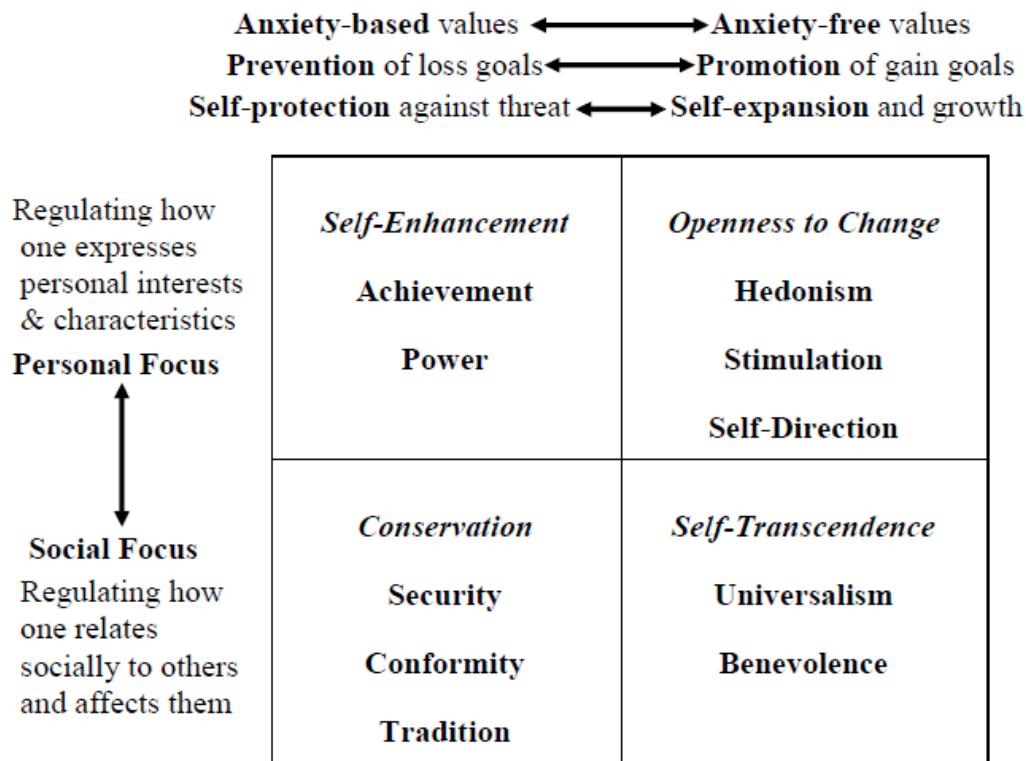


Figure 9: Dynamics underpinnings of the universal value structure
 Source: Schwartz (2012, p. 38)

Self-enhancement and Conservation values are anxiety-based values which aim to prevent goals loss and protect the self against treat by maintaining the status quo and broadening the power over limited assets, while Openness to change and Self-Transcendence values are anxiety free values as they seek for achieving new goals by expanding self towards common goals and growing, questioning and changing the status quo and subliming necessity of limited assets.

In another grouping criteria which forms a new bi-dimensional spectrum, Self-enhancement and Openness to change regulate how one express personal interests and characteristics (maintaining status-quo or changing it) while the other value clusters influence how one relates socially to others and affect them (by external pressure or internal willingness).

2.4.3. Schwartz Value Measurement Scales

SVS (Schwartz Value Survey)

The first value measurement instrument developed by Schwartz which presents reminiscence of Rokeach theory was the Schwartz Value Survey (Schwartz, 1992) and comprises two lists, one of 30 items written in noun form representing potentially desirable end states referring to Rokeach's category of terminal values and the other containing 27-26 items in adjective form which describes potentially desirable ways of acting similar to Rokeach's instrumental values. Nevertheless, a study conducted by Schwartz (1992) discovered that this distinction is not relevant as both terminal and instrumental value items have the same function as subcategories of a broader motivational structure. The items covering the meaning and breadth of each value were chosen a priori from a range of options because they all demonstrated near equivalence of meaning across cultures (Schwartz, 2012).

Each item importance as "a guiding principle in my life" is rated by respondents in an asymmetric 9 point scale labeled 7 (of supreme importance), 6 (very important), 5, 4 (unlabeled), 3 (important), 2, 1 (unlabeled), 0 (not important), -1 (opposed to my values). The scale asymmetry – stretched at the upper end and condensed at the bottom – delineate how people think about values: "People view most values as varying from mildly to very important" (Schwartz, 2012, p.8). The scale has also an interesting characteristic which is the possibility of ranking a value as opposed to the respondents' principles in order to account for cultural differences as a culture may reject other culture's values.

A value score of importance is determined by the average rating given to all value items that cover the value meaning and breadth. But to account for differences in response tendencies – the way people use the scale, Schwartz centers each person's responses on his/her own mean thus converting absolute values' importance into relative importance between values, the last being comparable between all respondents. Besides, what really matters and guides behavior is not each value absolute rating, but values relative ratings within a person's value structure.

PVQ (Portrait Value Questionnaire)

In order to account for people with less education, children and elderly, Schwartz developed a second value measurement instrument with a simpler structure and content emphasizing abstract context free thinking, the PVQ. The PVQ has the characteristic of implicitly deriving a persons'

value importance by these portraits without explicitly identifying the complex concept of values as the topic in question, requiring less cognitive capacity of the respondents.

This questionnaire includes short verbal portrait of 40 different people gender-matched with the respondents. Each portrait refers to goals, aspirations and motivations of the fictional person and implicitly represents an aspect of a motivational value. For example: “Thinking up new ideas and being creative is important to him. He likes to do things in his own original way” is a portrait representing a person for whom the self-determination value is important. Respondents rate each portrait based on the question “how much like you is this person” using a symmetric scale labeled “very much like me, like me, somewhat like me, a little like me, not like me, and not like me at all”. For the researcher analysis purposes this qualitative scale is then converted into a quantitative scale ranging from 0 to 5, being 0 “not like me at all” and 5 “very much like me” (Porto and Tamayo, 2009).

People are asked to compare the portrait to themselves rather than themselves to the portrait as the first helps focusing only on the aspects represented by the portrait, thus, narrowing and directing the similarity judgment.

It is important to note that all portraits are built in order to measure values and not traits. Even if both might be represented by the same words/terms (creativity, wisdom, obedience) and be somewhat correlated, values (motivations, goals, aspirations) represent what is considered important to a person and traits what he/she is. A person might value a goal but not possess the corresponding traits or vice-versus. For example, a person might value creativity, but not be creative. Or on the other hand, a person might be creative but not value creativity.

The number of value portraits ranges from three to six depending on the breadth of the value concept. Equally to the SVS (i) the importance of a value derives from the mean of the given rates to the portraits marking the value and (ii) the difference of scale utilization is corrected by centering each value rating on each respondent own general mean.

ESS (European Social Survey)

Until 2002 many studies proved Schwartz (1992) conceptual theory but few were based on a representative sample which would ultimately prove the reliability and accuracy of the theory. In order to fill in this statistical gap, Bilsky, Janik and Schwartz (2010) conducted the European

Social Survey. For this purpose the PVQ was chosen but condensed from 40 into 21 value items most from the PVQ and some revised to encompass additional ideas in order better to cover the content of the ten different values. The internal reliability of the values presented relatively low average .56, ranging from .36 (tradition) to .70 (achievement), reflecting the fact that only two items measured each value and three measured universalism. Due to the reduced number of items the focus became the maximization of the conceptual coverage of the varied components of each value rather than the increase of their internal reliability. Nevertheless, the value profiles inferred by the 21 PVQ instrument still proves Schwartz values theory concepts and structure and are able to predict behavior and attitudes systematically as shown by the ESS study that identified different values profiles depending on age, gender, education and income that led to different behaviors (Schwartz et al., 2010).

2.4.4. Adaptation of Schwartz Value Scales to Brazil

For the usability of Schwartz questionnaires in Brazil, Tamayo and Porto (2009) translated to Portuguese and validated for Brazil the Portrait Value Questionnaire (PVQ) of Schwartz et al. (Schwartz et al., 2001). Afterwards Porto and Campos (2010) translated and validated for Brazil the EES, the shorter version of the PVQ (21 PVQ).

PVQ (Portrait Value Questionnaire)

The validation of the PVQ was done through multidimensional scaling analysis which is the most applied instrument for this validation purpose. The statistical results point to the construct validity of the PVQ and the convergence of descriptive and comparative research findings to international results also proves the instrument effective measurement of values preferences in accordance to Schwartz theory (Porto and Tamayo, 2009).

Although the instrument did not form the 10 values dimensions but only 7 dimensions as universalism and benevolence as well as power and achievement overlapped, this occurrence is normal (Schwartz, 2005) as adjacent values share the same motivational goal therefore overlapping in meaning. Another highlight was the inversion of the theoretical sequential order between Stimulation and Benevolence. Nevertheless, this divergence would require only 5

movements to be corrected and therefore do not contradict the theory which allows up to 7 corrective movements (Schwartz, 2005). Therefore no one of these aspects invalidate the validation of the PVQ for Brazil.

Nevertheless Tamayo points out to two limitations of the instrument. Firstly the internal reliability is low therefore requiring the improvement of some dimensions. Secondly, as the sample was relatively homogeneous (Elementary Education, Middle and Upper Primary students) it might require the appliance of the model to other audiences (e.g. older age and higher education level people) to investigate the validity of the instrument within other groups.

However, the extremely high importance of this instrument for academic purposes is worth noticing as even before the publication of the validation results, the validated PVQ had already been used in several studies in Brazil and after the validation, the instrument was requested by several researchers.

21 PVQ (Portrait Value Questionnaire)

Through empirical research conducted with a sample of masculine workers, which aimed to validate the reduced version of the human values profiles questionnaire, Porto and Campos (2010) attested the 21PVQ integrity for measuring personal values in accordance to the structure of basic human values proposed by Schwartz (1992). Similarly to the other PVQ validation, the statistical analysis used was the MDS – Multidimensional Scaling with Guttman's coefficient of alienation. There was an excellent fit of the two-dimensional model for the data as the S -Stress coefficient was 0.01 and the coefficient of congruence Tucker was 0.99 (Porto and Campos, 2010).

The results obtained contributed to the dissemination of the values construct within the Brazilian academy which was further facilitated by the reduced application time of the instrument. Nevertheless as the study used a sample of male majority the results may have reflected masculine values profiles. Therefore a future application of this instrument for feminine samples is suggested (Porto and Campos, 2010).

3. Relationship between Values and Entrepreneurial Characteristics

According to McClelland (1961), any desire/motive (achievement, pain avoiding, eating) is in general an equivalent energizing force of human behaviors. Nevertheless their relative importance (strength level) varies between individuals according to biological and social forces. This understanding is very similar to Rokeach's (1973) and Schwartz (2012) general definition of values as drives established during the life-time by individual and social forces whose relative importance guides behavior. Additionally, both are based on the satisfaction of common human needs although motivations and values are not needs (Rokeach, 1973). Besides, in the same line as Schwartz Values theory, McClelland's (1961) motivational types cannot be inferred from a single behavior as a behavior may be motivated by diverse and even conflicting drivers. Furthermore, both theories are based on the satisfaction of common human needs although Schwartz theory is more complete regarding the broadness of human motivations possibilities. Besides, in the same way as McClelland (1961) aims at identifying the main drivers for human behavior so does Schwartz (2005): "what I propose here is an unifying theory for the field of human motivation, a way to organize the diverse needs, motives and objectives proposed in other theories" (p. 21). Therefore, McClelland's motivational types function in a very similar way as Schwartz motivational values.

Consequently, McClelland's (1961) *n-achievement* theory, from which he derived some of the most diffused entrepreneurial characteristics will be the **central** theory used for identifying the values motivations of Schwartz (2012) that relate to the entrepreneurial characteristics promoted by the n-achievement drive. Furthermore, through an extensive literature review, the author could identify that McClelland's (1961) entrepreneurial characteristics converge with the most important characteristics applied in entrepreneurial studies (Carland and Carland, 1996; Filion, 1999, Ernst, 2012).

Nevertheless, recent literature reveals a strong focus on entrepreneurial cooperative relations that is not so emphasized in McClelland's (1961) theory. Therefore, only for accounting for these interpersonal characteristic some other authors as Filion (1999), Dornelas (2005), Degen (1989) and others will be used for identifying the values motivations of Schwartz (2012) that relate to these interpersonal characteristics.

Therefore, based on the literature it is possible to propose some relationships between entrepreneurial characteristics and Schwartz (2012) values.

In accordance with McClelland (1961) the *autonomy, individual responsibility, self-reliance on own judgments* rather than on others decisions and preferences are *central characteristics* of entrepreneurs that corroborate for the attainment of the achievement satisfaction. These characteristics are correspondent to the *Self-determination* value (Schwartz, 2012) that accounts for the *independence, autonomy and individual responsibility*, therefore being a value of *high importance* in the values profile of entrepreneurs.

However, as defined by McClelland (1961), individual responsibility (autonomy, determining own life) is mutually dependent on innovation and moderate-risk. This mutually interdependence has the following rationale: for having individual responsibility, autonomy and determining own life it is necessary to have the freedom to make **own decisions** which are only **own** decisions if **novel** decisions differently from the already existing ones are made. Hence, **innovation** is necessary. Consequently, one has to take **risks** as novel approaches have undefined outcomes. Besides, making **own decisions** is only necessary when there is a significant degree of outcomes uncertainty as “one does not make a decision when there is a predictable correct outcome as in getting the sum of a column of figures” (Sutton, 1954, p. 20). Therefore, own, individual approaches can only exist under circumstances of risk and novelty which encompass circumstances of change. Consequently, the *Stimulation* and *Hedonism* values also have an important placement in the entrepreneurial values profile as they foster *openness to change through innovation and risk*. Nevertheless, the way stimulation and hedonism treat innovation and risk is not the adequate for coping with the high achievement drive of entrepreneurs and therefore their importance is *lower than the importance of the self-direction value* in the entrepreneurial values profile. These values propose a rather more indulgent risk seeking approach to change than a rational successful seeking approach in the sense that although stimulation and hedonism require freedom for making own choices they are rather *driven by the desire of pleasure instead of achievement* (Schwartz, 2012). Consequently, they *do not require responsibility over one’s own actions* and therefore may bear a too high degree of risk that does not make skills and efforts responsible for the outcome, as *their objective is to have pleasure and not an accomplishment feeling*.

Consequently, *Self-Direction value* is a value that *encompasses all internal characteristics of the entrepreneurial drive* (autonomy, individual responsibility, moderate risk and objective novelty) required for the attainment of the achievement satisfaction as it is defined as a value that fosters “creativity, motivate innovation, and promote coping with challenges. Behavior based on this value is intrinsically motivated and is individually focused” (Schwartz, 2012, p.5). *Stimulation* and *Hedonism* on the other hand *cope only with a part of the internal characteristics of the entrepreneurial drive* by fostering the appreciation for risk and innovation nevertheless without the individual responsibility that the achievement drive requires.

While the high n-achievement drive is built upon *internal* characteristics which called for the *high placement of the self-direction value* and *intermediary placement of stimulation and hedonism values* within the entrepreneurial values profile, the *transformation of the internal goals into reality depends on the relationship of entrepreneurs with other people*.

According to Schwartz (2012) there are two manners of socially relating and affecting other people: through the *self-transcendence* values (universalism and benevolence) and through the *conservation* values (security, conformity and tradition). Both value clusters promote *harmonious relationships* that foster *smooth group working and maintenance*. Nevertheless, the universalism and benevolence values require an *intrinsic* interest for the welfare of others leading to *sustainable, cooperative and positive relationships maintained by one’s own desire* while security, conformity and tradition values promote harmonious relationships based on *external pressure* or in other words, on the *extrinsic acceptance of the will of others* (or past traditions) not because of intrinsic concern for others welfare but rather to *avoid conflict* and violation of group norms. Hence, the acceptance of these values require *obedience to external norms and procedures*, control of forbidden impulses and *restriction of self, risk avoidance* and *status-quo maintenance* (Schwartz, 2012), therefore *conflicting* with the *self-determination drive, autonomy and independence* of entrepreneurs which is their main characteristic (McClelland, 1961). Besides, entrepreneurs avoid tasks which require following by others designed norms and procedures and look for tasks that require *personal initiative, imagination, creativity and innovation*. Besides, the main entrepreneurial activity is *making decisions under uncertainty* but one does not make decision unless under *significant risks* (McClelland, 1961).

Therefore, it is clear that *entrepreneurs prefer to socialize based on the self-transcendence rather than on the conservation pole*. In this sense, entrepreneurs do not restrain themselves in any manner through the outer world by following others prescriptions and considerations - *rejection of conformity and tradition values* - and by maintaining the order and status quo for protecting themselves against change in the social world - *rejection of power and security* - as changes in the social world do not affect them because they are concerned about own objectives - *acceptation of self-determination value* - and satisfaction - *acceptation of stimulation and hedonism values* - instead of having social recognition and power - *rejection of achievement and power values*. The *preference for self-transcendence values* is in accordance to the literature as the interpersonal relation of entrepreneurs presumes the *belief of equality between people* (Schwartz, 2012) due to the *respect* (Dornelas, 2005) and *sensibility* (Filion, 1999) that entrepreneurs have for others, the will to cooperate instead of compete due to the belief of mutual interdependence or in other words on the *sustainability* instead of exploitation of relationships (McClelland, 1961, Dornelas, 2001). In accordance to Schwartz (2012) bi-polar values structure, all these characteristics go against the power and achievement values that stay in opposition to universalism and benevolence values and presume an unequal perception of people for allowing the existence of recognition, status and power itself and this active persecution for social distinction challenges social harmony and damages healthy and cooperating interactions, necessary for enterprise creation and success.

Consequently, summarizing, it is possible to state that *alongside with the Self-Direction and in some degree with Stimulation and Hedonism Values entrepreneurs share a preference for Benevolence and Universalism values*.

Nevertheless, there is a preference of entrepreneurs for benevolence over universalism because benevolence accounts for appreciation of “in group” people and universalism accounts for the appreciation of human beings and any living thing in general (Schwartz, 2012) as stated by Dolabela (2003) that entrepreneurs consider closer relationships with partners, collaborators, suppliers... from which the satisfaction of entrepreneurs high achievement drive depends more important than relationships with people in general.

Finally, it is possible to conclude that entrepreneurs place a high importance over the anxiety free values formed by the openness to change pole (comprised by the stimulation, hedonism and self-determination values) and self-transcendence pole (comprised by the benevolence and universalism values). From these, the most important seem to be the self-determination value (especially within the openness to change pole) which accounts for all characteristics of the high n-achievement drive of McClelland (1961) theory which is the entrepreneurial drive. Nevertheless a high emphasis is also placed on how to obtain the achievement satisfaction in the real world which is only possible through socialization and therefore requires placing a high emphasis on self-transcendence values. Table 8 summarizes the relationship between entrepreneurial characteristics and values identifying the values dimensions that seem to be the most important for entrepreneurs due to their personal characteristics.

Values	Relationship	Importance/Acceptance
Benevolence	Cooperative and Healthy Relationship for Network formation Internal drive for cohesion	++
Universalism	Cooperative and Healthy Relationship for Network formation Internal drive for cohesion	++
Self-Direction	Perfect Environmental characteristics (Moderate Risk and Objective Innovation) Internal Drive for Accomplishment (n-achievement)	+++
Stimulation	Exacerbated Environmental characteristics (Risk and Innovation) Internal Drive for pleasure	+
Hedonism	Exacerbated Environmental characteristics (Risk and Innovation) Internal Drive for pleasure	+

Achievement	Individual Drive based on Social Goals Conflicting Relationships	+/-
Power	Individual Drive based on Status Quo Maintenance Conflicting Relationship	---
Security	External Drive Status Quo Maintenance	---
Tradition	External Drive Status Quo Maintenance	--
Conformity	External Drive Status Quo Maintenance	-

Label		
+++	Highest relative importance	Most Accepted Value
++	Very High relative importance	Highly Accepted Value
+	High relative importance	Accepted Value
+/-	Intermediary relative importance	Intermediary Accepted Value
-	Low relative importance	Rejected Value
--	Very Low relative importance	Highly Rejected Value
---	Lowest relative importance	Most Rejected Value

Table 8: Relationship between entrepreneurial characteristics and Schwartz Values

Source: Elaborated by the author based on Degen (1989), Dornelas (2001, 2005), Filion, (1999), McClelland (1961, 1971) and Schwartz (2012)

Although commercial entrepreneurs already place a high importance on Self-Transcendence values, as social entrepreneurs focus on *social goals* rather than on private goals, they might place even a higher emphasis on these values that account for an internal preoccupation with the well-being of other people. According to Ernst (2012), the most important pro-social characteristic is **empathy** which is based on an equal perception of people. Therefore if one does not perceive others as having the same importance as him/herself one may give little attention or importance to others feelings to enable the emergence of empathy for the suffering of others.

Social entrepreneurs tend to see others as equals (give the same importance to others as to themselves) and therefore feel and understand others, preserve and enhance the welfare of others, volunteer and help, protect the environment and look for social justice, which are all value items from the Benevolence and Universalism Dimensions (Schwartz, 2012). Or in other words, behaviors that relate to the Benevolence or Universalism values.

3.1. Propositions

Through the comparison between the entrepreneurial role characteristics and the behaviors promoted by the Schwartz (2012) motivational values some propositions about which values motivate the entrepreneurial behavior were created in order to account for the study's objectives.

Proposition 1:

Value dimensions averages from *commercial and social entrepreneurs* are significantly different from each other forming a *value profile* (independently of their division level into values or higher order values).

Proposition 2:

Commercial as well as *social entrepreneurs* give *higher importance for low anxiety values* (self-direction, stimulation, hedonism, universalism and benevolence) than for the anxiety-based values (power, security, tradition and conformity) due to their “entrepreneurial” characteristics that seek for self-expansion and growth and promotion of gain goals instead of prevention of loss goals and self-protection against threat. Consequently:

- Entrepreneurs *prefer* to build cooperative social relationships based on the *universalism and benevolence values* than conflicting social relationships based on the achievement values as they establish healthy relations with people building a mutual helping network for accomplishing their goals instead of competing with them for having social recognition;
- Entrepreneurs follow own judgments, opinions, feelings in their relation to the world therefore innovating, creating, accepting a moderate risk level and seeking for novelty and opportunities to obtain the achievement feeling – *Self-*

Determination – and legitimize inborn needs to attain pleasure and arousal – *Stimulation and Hedonism* – instead of following demands to reduce risk, accepting by others determined approaches, maintaining the status quo, restricting impulses and self-expression – Conformity and Security Values – and leaving the control of one's life to abstract beliefs and symbols instead of actively seeking for control – Tradition.

Proposition 3:

Commercial as well as *Social* entrepreneurs give *highest importance* for *Self-Direction Value* as autonomy and individual responsibility is the most important entrepreneurial characteristic because it is the main drive for obtaining the achievement satisfaction of McClelland (1961).

Proposition 4:

But regarding the *different entrepreneurial focus* between social and commercial entrepreneurs, *Social entrepreneurs* give *higher priority* for *benevolence and universalism* (self-transcendence pole) than commercial entrepreneurs as social entrepreneurs seek for social rather than personal benefit.

4. Methodology

The objective of this thesis requires a quantitative analysis as it aims to compare the value profile of social and non-social entrepreneurs in order to understand their similarities and differences. Therefore, the general aim of the study is to predict entrepreneurial behavior and status through the values profile of Schwartz deduced from the proposition that there is a specific entrepreneurial values profile which varies depending on the entrepreneurial type.

Measurement Instruments

The main methods for a quantitative study data collection involve surveys and structured interviews with close ended questions leading to scores to answers or experiments /experimental designs (Malhotra, 2010).

For the purpose of this study the *survey method* was selected. A *survey* is an ordinated sequence of questions that shall be answered by the respondent. It has to be objective and followed by instructions for explaining its objective, importance and helping the respondent to answer the questions which can be open or closed (Filho and Filho, 2013).

The selection of the survey method relies on the fact that Schwartz Value Theory already proposes three possible instrument for measuring value profiles – the Schwartz Value Survey (SVS), the Portrait Value Questionnaire (PVQ) and the shorter version of the PVQ (21 PVQ) – which were all tested within many cultures and therefore present high validity (Tamayo and Porto, 2009; Schwartz et al., 2010, Schwartz, 2012).

To analyze entrepreneurial value profiles the selected questionnaire will be the **21 PVQ** as it is shorter than the SVS and full PVQ and simpler for understanding than the SVS but still maintains the same reliability as the SVS and full PVQ for measuring value profiles according to Schwartz Values Structure (Tamayo and Porto, 2009, Porto and Campos, 2010).

The full version of the PVQ has been applied in many researches (Schwartz et al, 2010) and validated for Brazil by Tamayo and Porto (2009). The questionnaire includes short verbal portrait of 40 different people gender-matched with the respondents. Each portrait refers to goals, aspirations and motivations of the fictional person and implicitly represents an aspect of a

motivational value. For example: “Thinking up new ideas and being creative is important to him. He likes to do things in his own original way” is a portrait representing a person for whom the self-determination value is important. Respondents rate each portrait based on the question “how much like you is this person” using a symmetric scale labeled “very much like me, like me, somewhat like me, a little like me, not like me, and not like me at all”. For the researcher analysis purposes this qualitative scale is then converted into a quantitative scale ranging from 0 to 5, being 0 “not like me at all” and 5 “very much like me” (Tamayo & Porto, 2009).

The shorter 21-items version of the Portrait Values Questionnaire was applied by Bilsky, Janik and Schwartz (2010) in a survey that intended to prove the universalism of Schwartz Theory based on a representative sample. “The implementation of the biennial European Social Survey (ESS) in 2002, which included responses from 71 representative national samples from 32 countries to a 21-item version of the Portrait Values Questionnaire, provided data for assessing this model of human values” (Bilsky, Janik and Schwartz, 2010 – p.759). The validation of the 21 PVQ for Brazil was realized by Porto and Camila (2010) and is available in Appendix B.

Along with the 21 PVQ other *demographic* and *sectorial* questions were included in the survey for the purpose of conveying a complete picture of the individuals under study besides their values profiles alongside with their ventures characteristics. The demographic questions referred to Sex, Age Group, Educational Level and Marital Status. The sectorial questions asked the segments from which entrepreneur’s ventures belonged.

The relevance of demographics is that demographically homogenous samples benefit values comparison between groups as demographics do not influence the results. Therefore potential differences in values profiles between groups have a higher probability of being explained by the values variables rather than accounting for indirect influences of demographics.

Besides, the understanding of the ventures distribution between segments conveys an idea of the sample representativeness. The broader the spectrum of segments within each group of entrepreneurs the more representative is the sample in regards to the diversity of the existing economic activities. And the more similar the distribution of ventures between segments in relation to the population, the less biased is the sample. Referring to the comparison between groups, it is expected that social entrepreneurs invest more in the most common “social sector” as

education, welfare and health, social justice and political change (Huybrechts and Nicholls, 2012) than commercial entrepreneurs.

Moreover, for mere curiosity but with no applicability for this thesis some other questions about the level of *entrepreneurial drive* based on Carland and Carland (1996) macro, medium and micro entrepreneurs' concept were inserted in the survey. Nevertheless, these data are not going to be exhibited or analyzed in this work.

The full version of the questionnaire used for the thesis is available in Appendix A.

Target Group

The Target Group of this thesis consists of the *economic and social entrepreneurial population*. For elaborating the in the survey applied definition of commercial and social entrepreneurial ventures the author conducted a wide literature review which is exhibited in item 2 of this thesis. Both entrepreneurial ventures definition were broad enough to account for almost any entrepreneur independently of (i) his/her entrepreneurial drive's strength – in accordance to Carland and Carland (1996) theory that defines entrepreneurship as a continuum and therefore embraces all entrepreneurs from micro to macro – and (ii) type of business position involved (i.e. capitalist, manager, planner and decision maker...) in line with by McClellands (1961) proclaimed broad understanding of the entrepreneurial role.

Consequently, *Social Business definition* was based on Huybrechts and Nichols (2012) study about the social entrepreneurship definitions' common pillars/blocks classified as (i) sociality, (ii) innovation and (iii) market orientation, which are encompassed in Huybrechts&Nichols (2012), Nicholls (2006) and Thompson (2008) understanding of social business as a subset of social innovation activities in which commercial models are used as the vehicle by which social objectives are achieved. Therefore, the definition of social entrepreneurship included in the survey sounds as:

Social Business is a cause related business aimed at solving social or environmental problems. Its main objective is to generate social and environmental impact (e.g. generate increased

monthly income for families in a region, increase the number of children with study opportunity...). However, at the same time, the business must generate enough revenue to be self-sustaining and generate profit. The profit can be fully reinvested in the business or distributed to shareholders. E.g.: Grameen Bank, Saútil, and CDI.

Commercial Business definition was based on Carland and Carland (1996) understanding of commercial entrepreneurship and defined by exclusion as any enterprise whose primary objective is NOT social impact generation but private wealth generation. Therefore, for the survey's purpose the definition of commercial entrepreneurship sounds as:

A business whose primary goal is to maximize profit and shareholder dividends. It can generate social impact, but this is not the reason for the venture creation and existence. Ex: Banco Itaú , Votorantim Cements , English Culture , Natura.

Sample

A sample is a part of the population chosen to represent it. It can be classified as probabilistic and non-probabilistic (Filho and Filho, 2013). According to Malhotra (2010), probabilistic samples represent a population group selected by chance. In this process each individual within the population has to possess the same probability of being chosen. Therefore the results of a study with a probabilistic sample can be statistically generalized to the whole population:

“It is possible to pre-specify every potential sample of a given size that could be drawn from the population as well as the probability of selecting each sample. This requires not only a precise definition of the target population but also a general specification of the sampling frame”.

The non-probability sampling is based on the researcher judgments rather than chance to select sample units. Therefore the sample is arbitrary or consciously chosen. Consequently, the study results are not possible to be projected or generalized to the population as the elements of the sample were not randomly selected. Nevertheless, non-probabilistic samples generate good estimates about the population.

For this study, the chosen sampling is the **non-probabilistic** as there are great limitations at finding respondents, especially social entrepreneurs. Due to the same restriction the sampling

method selected for this thesis is the *snowball sampling*. According to Filho and Filho (2013) this technique is usually used when there is difficulty to access the survey target as it is the case of entrepreneurs and especially social entrepreneurs whose quantity in Brazil is still limited. In the snowball technique the researcher selects some initial respondents normally at random and these respondents are asked to pass the survey to other people who belong to the survey target (Malhorta, 2010). Therefore, as the snowball sampling, for being non-probabilistic, has no means for guaranteeing a random sample. Hence, the sample has a bias. Consequently, any generalization from the sample to the population will present a similar bias. Nevertheless this study does not have the aim of generalizing its results to the whole population of entrepreneurs but to understand the validity of the value construct for predicting the entrepreneurial behavior and therefore open this field for future probabilistic research which could help to shed light into the so diverse literature about the entrepreneurial personality and behavior.

Data Collection

According to Malhotra (2010), the survey administration mode contemplates telephone interviews, personal interviews, mail interviews and electronic interviews. For practical purposes and also for accounting to the sampling mode selected (snowball) the *electronic interview method* was chosen, which is conducted via mailed questionnaires to selected respondents without any verbal interaction (Malhotra, 2010). In this line a google Docs survey was created and the link sent to the respondents through email and social networks as Facebook.

During the collection phase a constant checking of responses was conducted through analysis of the data graphical summary and data table provided by Google Docs in order to take preventive measures in case of issues as suggested by Malhotra (2010). In the beginning of the phase, for example, a higher emphasis was given to collect social entrepreneurial responses as the number of responses was not progressing as expected. This measure accounted for obtaining more than the target number of questionnaires for both social and commercial entrepreneurs.

The total number of collected surveys was 122 from which 44 were social entrepreneurs, 71 commercial entrepreneurs and 7 respondents classified themselves as both, social and commercial entrepreneurs.

Data Preparation

After all necessary answers were collected the data was prepared for analysis. According to Malhotra (2010) the data preparation process is based on a preliminary plan of data analysis and composed by questionnaire checking, followed by editing, coding and transcribing the data. Thereafter a method for data cleaning and treatment has to be defined. If necessary, statistical adjusting follows for making the sample representative of the population of interest. At the end the final data analysis strategy is defined, which can vary from the preliminary plan depending on the results gathered.

Following Malhotra (2010) instructions, the answers to the questionnaires were checked through google Docs and then all data was automatically transposed to an excel sheet. Then the data was edited and a treatment for unsatisfactory responses was conducted. Therefore a table of conduction norms was created for keeping track of all data treatment movements. According to Malhorta (2010) there are three main manners of handling unsatisfactory data: returning to the field, assigning missing values and discarding unsatisfactory respondents. In this thesis only the discarding method was used. Consequently, all entrepreneurs who classified themselves both as social and commercial were taken out of the sample as the main objective of the study is to compare the similarities and divergences between both profiles and for this purpose double personality does not serve. During this cleaning phase 7 questionnaires were removed. Besides, as the survey focused on opportunity driven entrepreneurs all the necessity driven ones were also removed from the sample accounting for a further reduction of 9 surveys from the sample, 2 social and 7 commercial entrepreneurs. Consequently, the treated sample ended up with 106 satisfactory responses, 43 of social and 63 of commercial entrepreneurs.

The following step accounted for the coding procedure with “means assigning a code, usually a number to each possible response to each question” (Malhotra, 2010, p. 422). In this step three different coding procedures were made, the first concerning the demographics, the second concerning the sectorial segmentation of ventures and the third concerning the values dimensions:

- Demographic questions:
 - o Some open-ended demographic questions were translated into pre-defined clusters. For example, in the marital status question, the answer “divorciado” was added to the cluster “desquitado”.

- Ventures' Sectors questions:
 - The open-ended sectorial question was translated into clusters according to the collected data.
- Values Importance Rating:
 - According to Schwartz (2012) the PVQ analysis requires the assignment of a code from 0 to 5 to the literate alternatives of the survey. Therefore this *coding* was realized following the procedures determined by Schwartz (2012).
 - A value score of importance is determined by the average rating given to all value items that cover the value meaning and breadth. Therefore, for obtaining the absolute importance of each dimension for each individual it is necessary to calculate the average of the responses to the questions concerning each dimension. For example, as in the 21PVQ two questions cover the Power Value Concept, the average between both scores equal the power value score. (Schwartz, 2012). Consequently, the *absolute values scores* for each dimension were calculated following the procedures suggested by Schwartz (2012).
 - But to account for differences in response tendencies – the way people use the scale, Schwartz requires the centering of each person's responses on his/her own mean thus converting absolute values' importance into *relative importance between values*. Therefore, to calculate the relative values importance or values priorities it is required to subtract "each person's mean response to all the value items from his or her response to each item" (Schwartz, 2012, p.12). Hence, following the theory, this method was used for calculating the *Values Priorities* of each individual in the sample.

Analysis

In first place, to better understand the data before realizing statistical hypotheses testing, *descriptive analyses* were performed. Descriptive analyses encompass the calculation of average, standard deviation, median, maximum, minimum values, percentage and other measures.

Nevertheless, a descriptive analysis does not give statistically significant results about the similarity or difference between the calculated measures. Therefore, after proceeding with the

descriptive analyses, *statistical tests* were run to validate the *differences and similarities* between *averages* and *standard deviations* *within* and *between* groups with 95% of confidence.

Firstly, an analysis about some *individuals' demographic and ventures' sectorial characteristics* of social and commercial entrepreneurs was conducted for the purpose of gaining a more complete picture/understanding of the individuals and ventures under study. Another important reason for conducting these analyses is that *demographically homogenous samples* benefit values comparison between groups as in these cases demographics do not influence the results. Therefore, differences in values profiles between groups have a higher probability of being explained by the values variables rather than accounting for indirect influences of demographics. This factor is especially important for the study of basic human values as many researchers proved that demographics e.g. gender and age influence individual's value profiles (Tamayo and Porto, 2009, Schwartz et al., 2010). Besides, the understanding of the ventures distribution between segments conveys an idea of the sample representativeness. The broader the spectrum of segments within each group of entrepreneurs the more representative is the sample in regards to the diversity of existing economic activities. And the more similar the distribution of ventures between segments in relation to the population, the less biased is the sample. Referring to the comparison between groups, it is expected that social entrepreneurs invest more in the most common “social sector” as education, welfare and health, social justice and political change (Huybrechts and Nicholls, 2012) than commercial entrepreneurs.

Secondly, the comparison of the *Values Relative Averages* *within* and *between* commercial and social entrepreneurs was realized.

The comparison of the *Values Relative Averages* *within* each entrepreneurial group (social and commercial) was conducted in order to account for the *intermediary objective* of the thesis which is to *discover if there is a commercial and a social entrepreneurial values profile and which are these profiles*. Therefore, in this phase the propositions (1), (2) and (3) were tested. The analysis within each group was realized in two steps:

- To ascertain whether there are differences between the mean values of each value dimension *globally* within the group an *analysis of variance for repeated measures*

(ANOVA), which takes into consideration that the same entrepreneurs were observed more than once through multiple value dimensions, was realized.

- To ascertain *which* dimensions averages differ from each other, the instrument used was a *multiple comparison analysis* using the Tukey's method, which compares each pair of values' dimensions at once and controls the global comparison error, instead of using the T-test which compares only one pair of dimensions at a time and has no control of comparisons' total error.

With the acceptance of proposition (1) through the emergence of *significantly different values averages within each group*, there is space for analyzing the validity of proposition (2) and (3).

For testing the proposition (2) and (3), the significantly different values dimensions relative averages must be *simply sequentially ordered to form the entrepreneurial values profile*. The proposition (2) is accepted if the *Self-transcendence and Openness to Change poles possess a higher relative importance than the Self-enhancement and Conservation poles for both social and economic entrepreneurs*, attesting the preference of both types of entrepreneurs for the low anxiety values. The proposition (3) is accepted *if commercial as well as social entrepreneurs give high importance for self-direction value*.

Thirdly, the comparison of the values relative averages **between** each entrepreneurial group (social and commercial) was conducted in order to account for the *main thesis objective of understanding the similarities and differences between these groups*. In this phase the proposition (4) was tested. If through the *in group* analyses a profile for social and commercial entrepreneurs emerged it is possible to compare both groups through a descriptive analysis in order to validate their differences and similarities. Nevertheless, a descriptive analysis does not give statistically significant results weather the dimensions relative averages *between* groups are statistically different. This happens because descriptive analyses do not account for the comparison of the *in group* and *between* group variability. A dimension's relative average will only be different *between* groups if the variability of the dimensions *between* groups is significantly higher than the variability of this dimension *within* groups. Therefore, to reach a more statistically significant conclusion it is necessary to choose the most accurate statistical hypotheses tests to be performed depending on the data distribution of each dimension. In order

to determine if the data *of each dimension* follows a *normal distribution*, the *Anderson - Darling normality test* was performed.

- If the data from a dimension *follow a normal distribution* (i) the *equality of means* between groups (social and commercial) is estimated using the *t- Test for independent samples* and (ii) the *equality of variance* between groups (social and commercial) is estimated using the *F test for two variances*.
- If data from a dimension *does NOT follow a normal distribution* (i) the *equality of means* between groups (social and commercial) is gauged using the *nonparametric Kruskal -Wallis test* and (ii) the *equality of variances* between groups (social and commercial) is estimated using the *Levene test*.

Proposition (4) is confirmed if the *relative averages* of the *Self-transcendence* values are significantly different *between commercial and social entrepreneurs*, being *higher for Social entrepreneurs*.

Figure 10 exhibits graphically the data analyses realized by each statistical test in the methodology of the thesis.

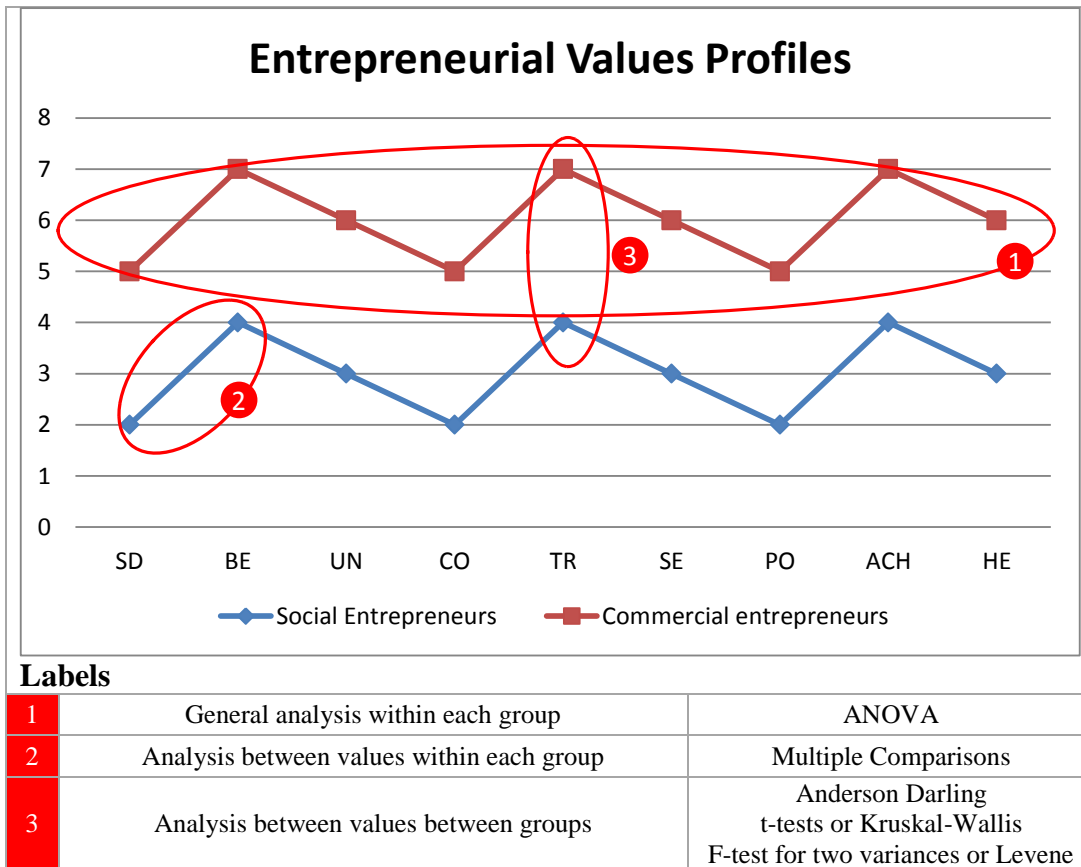


Figure 10: Graphical exhibition of the data analyses realized by each statistical test in the methodology of the thesis

Source: Elaborated by the author

5. Findings

5.1. Demographic and Sectorial Analysis

Firstly, a descriptive analysis about some demographic characteristics of each entrepreneurial group was performed so that a complete picture of the individuals under study arises. Table 9 exhibits the general distribution of individuals according to the commercial and social entrepreneurial types. Tables 10-13 show the distribution of social and commercial entrepreneurs according to the following demographic variables: Sex, Age Group, Education and Marital Status.

Table 9 – General Distribution of Entrepreneurial Types

Entrepreneurs	Individuals	Percentage
Commercial	43	41,0
Social	62	59,0
Total	105	100,0

Table 10 – Distribution of entrepreneurs according to Sex

Sex	Commercial Entrepreneur		Social Entrepreneur		Total	
	Individuals	Percentage	Individuals	Percentage	Individuals	Percentage
Female	17	27,4	14	32,6	31	29,5
Male	45	72,6	29	67,4	74	70,5
Total	62	100,0	43	100,0	105	100,0

Table 11 – Entrepreneurial distribution according to Age Group

Age Group	Commercial Entrepreneur		Social Entrepreneur		Total	
	Individuals	Percentage	Individuals	Percentage	Individuals	Percentage
17-20	2	3,2	1	2,3	3	2,9
21-25	12	19,4	16	37,2	28	26,7
26-30	14	22,6	7	16,3	21	20,0
31-40	25	40,3	12	27,9	37	35,2
41-50	5	8,1	4	9,3	9	8,6
51-60	4	6,5	3	7,0	7	6,7
Total	62	100,0	43	100,0	105	100,0

Table 12 – Entrepreneurial distribution according to Education

Education	Commercial Entrepreneur		Social Entrepreneur		Total	
	Individuals	Percentage	Individuals	Percentage	Individuals	Percentage
Elementary School	0	0,0	1	2,3	1	1,0
High School	6	9,7	4	9,3	10	9,5
Undergraduate School	39	62,9	25	58,1	64	61,0
Graduate School	17	27,4	13	30,2	30	28,6
Total	62	100,0	43	100,0	105	100,0

Table 13 – Entrepreneurial distribution according to the Marital Status

Marital Status	Commercial Entrepreneur		Social Entrepreneur		Total	
	Individuals	Percentage	Individuals	Percentage	Individuals	Percentage
Single	30	48,4	26	60,5	56	53,3
Married	30	48,4	15	34,9	45	42,9
Divorced	2	3,2	2	4,7	4	3,8
Total	62	100,0	43	100,0	105	100,0

Overall, the descriptive data analysis points to the inexistence of relevant differences of the percentages distribution between the two groups of entrepreneurs in relation to demographics. Only a weak trend towards the lower age groups is noticeable for social entrepreneurs. This makes sense as the social entrepreneurial movement is relatively new in Brazil.

But to verify if the percentage distribution between the two groups is statistically significantly different, an exact Fisher's test was conducted and the following p-values were obtained:

- Gender: p-values = 0.665
- Age range: p-values = 0.426
- Education: p-values = 0.758
- Marital Status: p-values = 0.408

In all cases the test value was above 0.05. Consequently for all demographic variables there is no significant difference between the two groups. Demographically homogenous samples will benefit values comparison between groups as demographics are not going to influence the results, therefore differences in value profiles between groups will have a higher probability of being explained by the values variables rather than accounting for indirect influences of demographics.

For the purpose of understanding in which sectors each entrepreneurial type invests, an analysis about the venture's sectors was performed. Table 14 exhibits the relationship between the quantity of ventures in each sector for social and commercial entrepreneurs. For this analysis it is importance to notice that in contrast to the demographics, in the segment analysis, the unity of comparison is not the individual but his/her ventures. Therefore, as the number of ventures per

entrepreneur can be higher than one, the total number of ventures highly exceeds the quantity of individuals in each entrepreneurial group.

Table 14 – Sectorial distribution of commercial and social entrepreneurs’ ventures

Sectors	Commercial Entrepreneur		Social Entrepreneur		Total	
	Ventures	Percentage	Ventures	Percentage	Ventures	Percentage
Agribusiness, Industry, Logistics, Construction & Telecommunication	6	5.9%	9	13.4%	15	8.9%
Commerce	16	15.7%	10	14.9%	26	15.4%
Consulting	6	5.9%	7	10.4%	13	7.7%
Education, Health & Social Services	9	8.8%	21	31.3%	30	17.8%
Finance	2	2.0%	4	6.0%	6	3.6%
Media & Advertising	3	2.9%	4	6.0%	7	4.1%
Other Services	10	9.8%	2	3.0%	12	7.1%
Gastronomy, Travel, Sports, Leisure, Events & Culture	11	10.8%	3	4.5%	14	8.3%
Technology	39	38.2%	7	10.4%	46	27.2%
Total	102	100.0%	67	100.0%	169	100.0%

Regarding an analysis *within* each group (social and commercial), the understanding of the ventures distribution between segments conveys an idea of the sample representativeness. The broader the spectrum of segments within each group of entrepreneurs the more representative is the sample in regards to the diversity of existing economic activities (sectors). And the more similar the distribution of ventures between segments in relation to the population, the less biased is the sample. The broadness of both entrepreneurial groups’ samples encompasses all three economic segments: primary, secondary and tertiary therefore, corresponding to a rich representation of both entrepreneurial populations’ sectorial diversity. In relation to the distribution between segments, the highest concentration of commercial ventures in the technological sector may represent a sample bias rather than an authentic characteristic of the commercial entrepreneurial population. This might be a consequence of the selection of

commercial entrepreneurial respondents within technological *Facebook* startups groups. Consequently, if the ventures segments influence the values profiles of entrepreneurs, the generalization of the study conclusions will have a bias towards commercial *technological* entrepreneurs. Nevertheless, as the data collection method did not pretend to be random (snowball technique), some bias in the data was already accounted for. Therefore, as already explained in the methodology as the generalized results present the same bias as the non-random sample, the conclusions derived from the statistics analyses are not conclusive. However, even if not based on a random sample, these statistic conclusions have great importance for highlighting patterns of the studied population.

In relation to the comparisons *between* groups, as already expected, social entrepreneurs highest ventures concentration (31.3%) relies on the most common “social sectors” of Education, Health and Social Services which promote the creation of public goods and positive externalities. In comparison, commercial entrepreneurs direct only 8.8% of their ventures to this sector. Social entrepreneurs also place a higher focus on infra-structural and basic areas as Agribusiness, Industry, Logistics, Construction and Telecommunication (13.4%) than commercial entrepreneurs (5.9%), probably in order to enhance the welfare of the Bottom of the Pyramid population who has a lack of basic services. On the other hand, commercial entrepreneurs invest more in the Gastronomy, Travel, Sports, Leisure, Events and Culture sector (10.8%) than social entrepreneurs (4.5%), as this sector is normally directed to consumers with higher purchasing power. In the commercial entrepreneurial group the segment with the major convergence of ventures is the technological sector accounting for 35.2% of the ventures in comparison to only 10.4% in the social group. Hence, the highest focus of social entrepreneurs than commercial entrepreneurs on social wealth creating areas seems to be proved by the sectorial ventures distribution. Consequently, the descriptive analysis points to different ventures’ sectorial distributions between social and commercial entrepreneurial groups. In order to statistically confirm this tendency the Fisher's test’s with 95% of confidence was conducted and a p-value lower than 0.001 emerged. Consequently, the divergence of sectorial focus between social and commercial entrepreneurs is statistically proved, corroborating with the literature that social entrepreneurs have a stronger focus than commercial entrepreneurs on areas related to the generation of positive social impact (e.g. health, education, popular housing and familiar agriculture) especially for enhancing the welfare of the bottom of the pyramid people.

5.2. Values Dimensions

5.2.1. Analyses Within each Group of Social and Commercial Entrepreneurs

5.2.1.1. Commercial Entrepreneurs

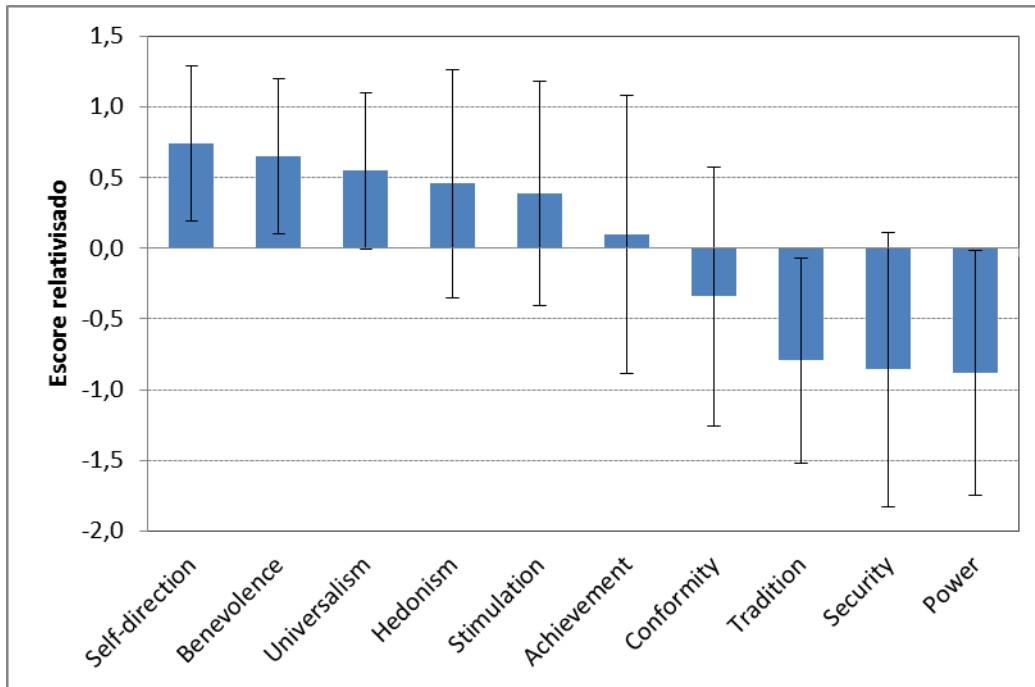
Descriptive Analysis

Table 15 shows the descriptive measures for each of the 10 values dimensions within the group of commercial entrepreneurs. Figure 11 exposes the relative averages and correspondent standard deviations while Figure 12, a box plot graph, demonstrates the individual relative average distribution for each dimension.

Table 15 – Descriptive measures for each value dimension

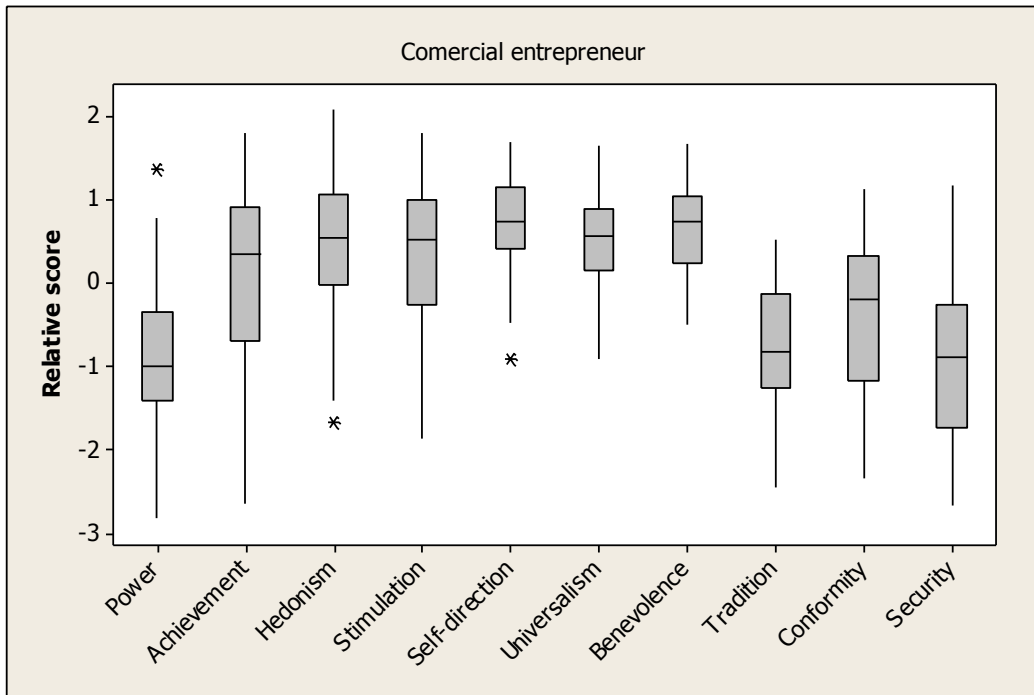
Dimension	Average	Standard Deviation	Median	Minimum	Maximum	Order
Power	-0,881	0,865	-0,992	-2,817	1,367	10
Achievement	0,094	0,982	0,350	-2,650	1,800	6
Hedonism	0,457	0,807	0,550	-1,667	2,100	4
Stimulation	0,385	0,792	0,525	-1,867	1,800	5
Self-direction	0,740	0,547	0,742	-0,900	1,700	1
Universalism	0,546	0,554	0,575	-0,900	1,650	3
Benevolence	0,651	0,548	0,742	-0,500	1,683	2
Tradition	-0,793	0,725	-0,825	-2,450	0,533	8
Conformity	-0,341	0,912	-0,200	-2,350	1,133	7
Security	-0,857	0,969	-0,883	-2,667	1,183	9

Figure 11 – Averages \pm 1 Standard Deviation for each dimension



Through the data it is possible to identify that the lowest score stands respectively for Power, Security and Tradition and the largest for Self-Direction, Benevolence and Universalism. Besides, Figure 11 shows that the relative average of Power, Security, Tradition and Conformity are negative while the relative average of Self-Direction, Benevolence, Universalism, Hedonism, Stimulation and Achievement are positive affirming that commercial entrepreneurs may neglect the first group of values and accept the last one elucidating the bi-polar value structure. These statements tend to confirm proposition (2) that *commercial as well as social entrepreneurs give higher importance for low anxiety values (self-direction, stimulation, hedonism, universalism and benevolence) than for the anxiety-based values (power, security, tradition and conformity) due to their “entrepreneurial” characteristics that seek for self-expansion and growth and promotion of gain goals.*

Figure 12 – Boxplot for each dimension descriptive measures



Nevertheless the data demonstrate a high variability between individuals in the sample. The high variability might be due to the fact described in Carland and Carland's (1996) theory that the entrepreneurial drive varies considerably between individuals holding the entrepreneurial status (from micro to macro entrepreneurs). The hypothesis of Carland and Carland (1996) might have indeed influenced the variability of the sample which accounted for some individuals with a probable low entrepreneurial drive (Micro-entrepreneurs) and others with a probable high entrepreneurial drive (Macro-entrepreneurs), therefore contributing to the sample variability (if the impact of entrepreneurial characteristics intensity on values relative importance is true).

The trend towards macro or micro entrepreneurs was partially tested through some additional questions in the survey which stood for a conceptual summary of Carland and Carland (1996) questionnaire on entrepreneurial drive intensity. Nevertheless, as this thesis aim is to compare the personality of entrepreneurs in general including the micro, macro and all entrepreneurial drives between them, this aspect was not further analyzed.

Other variability causes may be originated by a wrong questionnaire completing due to the lack of understanding and/or will to complete it.

A sample/population with high variability will cause the following symptoms:

- The Average becomes increasingly less representative alone to describe the sample, since individuals will be very different from Average.
- A high variability will lower the tests' power to detect differences between Averages, because the variation of the estimated Average depends on the variability of the sample; the greater the variability of the sample, the less accurate the estimation of Average.

To statistically understand the sample variability between individuals the tolerance interval of 95% for each dimension was calculated. A tolerance interval consists of a data range contemplating at least 95% of the population's individuals.

Thereafter, a confidence interval of 95% for each dimension relative average was calculated. The confidence interval is an interval that contains the true value of the measure with a probability of 95%. The confidence interval significantly diminished the distance between the maximum and minimum values of each dimension, therefore making the dimensions averages more representative. Table 16 exhibits the tolerance and confidence intervals data while figure 13 and 14 demonstrate graphically the confidence and tolerance intervals, respectively.

Table 16 – Averages, Confidence Intervals and Tolerance Intervals for each dimension

Dimensão	Média	IC _{95%} para média	IT _{95%} para indivíduos
Self-direction	0,740	(0,601 ; 0,879)	(-0,534 ; 2,013)
Benevolence	0,651	(0,512 ; 0,790)	(-0,626 ; 1,927)
Universalism	0,546	(0,405 ; 0,687)	(-0,742 ; 1,834)
Hedonism	0,457	(0,252 ; 0,662)	(-1,422 ; 2,336)
Stimulation	0,385	(0,183 ; 0,586)	(-1,460 ; 2,229)
Achievement	0,094	(-0,155 ; 0,344)	(-2,190 ; 2,379)
Conformity	-0,341	(-0,573 ; -0,109)	(-2,464 ; 1,782)
Tradition	-0,793	(-0,977 ; -0,609)	(-2,481 ; 0,896)
Security	-0,857	(-1,103 ; -0,611)	(-3,113 ; 1,398)
Power	-0,881	(-1,101 ; -0,662)	(-2,895 ; 1,132)

Figure 13 – 95% Confidence Intervals for each Dimension Relative Average

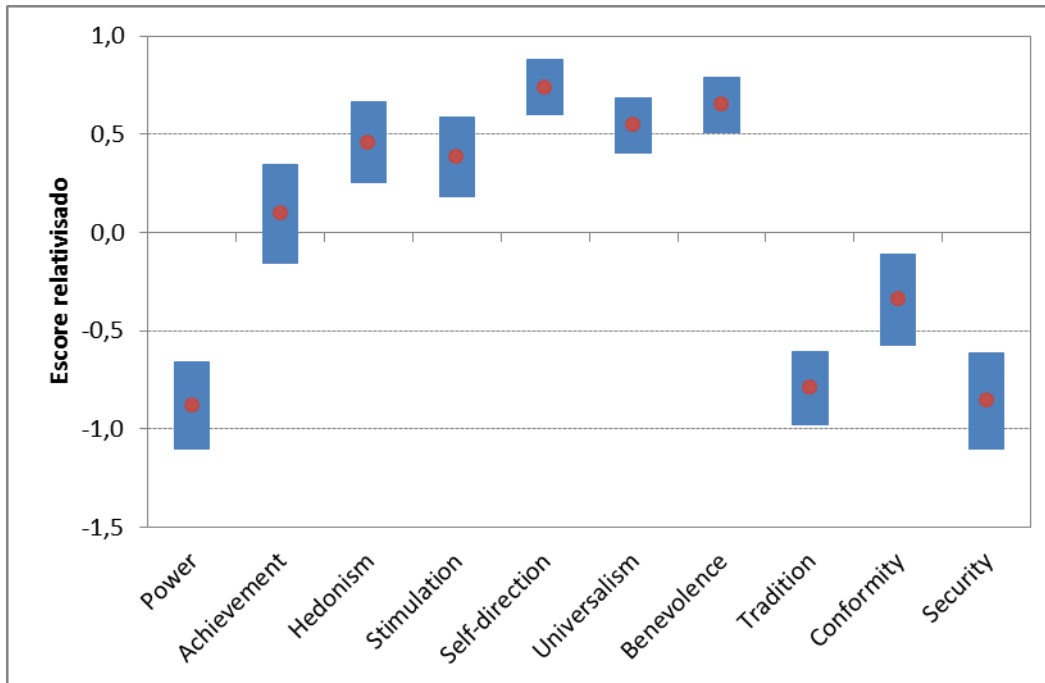
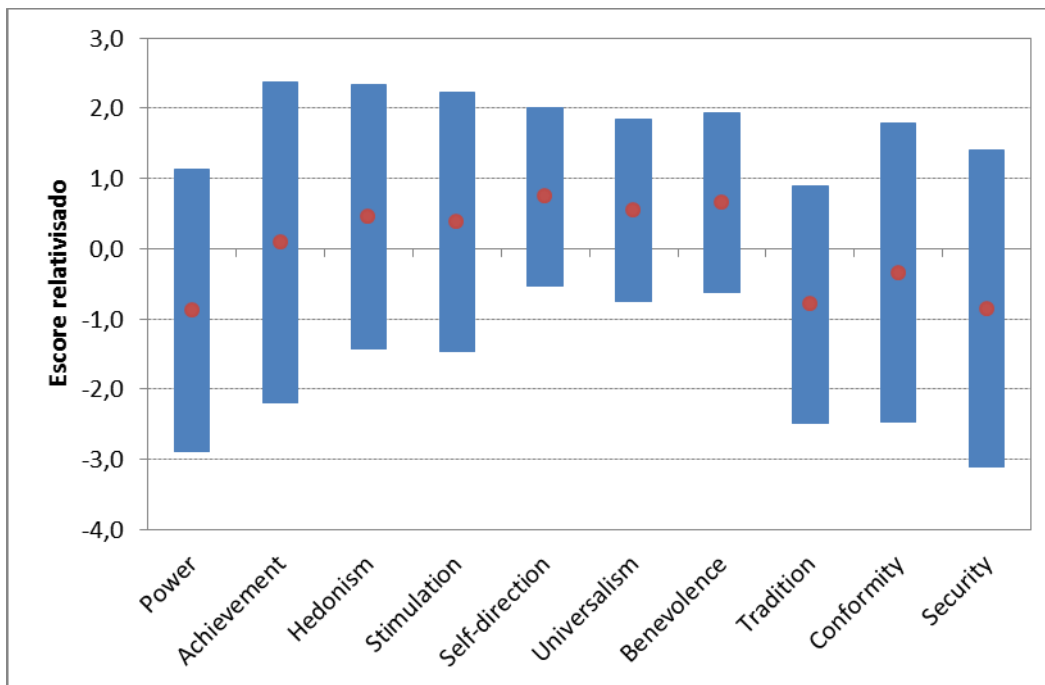


Figure 14 – 95% Tolerance Intervals for Individuals in each Dimension



Concluding, the descriptive analysis gives a hint towards a commercial entrepreneurial profile where the self-direction value has the higher score followed by benevolence, universalism,

hedonism, stimulation and achievement values respectively, all with positive scores, and then conformity, tradition, security and power respectively all with negative scores.

Propositions Validation

Nevertheless it is necessary to compare if the averages between these values' dimensions are really different or if some value dimensions overlap. Therefore we conducted an analysis of variance for repeated measures (ANOVA) which takes into consideration that the same entrepreneurs were observed more than once through multiple value dimensions.

The test result in Table 17 points to a very small descriptive level (< 0.001) therefore attesting that overall there is significant difference between the dimensions relative average. Consequently, there is a commercial entrepreneurial values profile as there are divisions of different importance within the values continuum.

Table 17 – ANOVA for each value dimension within group

Source of Variance	Sum of Squares	Degrees of freedom	Average Squares	Statistic F	Descriptive level
Dimensions	241,25	9	26,806	38,94	0,0000
Residuals	377,94	549	0,688		

Although the ANOVA test reveals that the dimensions averages are **globally** different it does not accounts for the conclusion about how many divisions are there or in other words, if all dimensions relative averages differ or if some overlap forming a less fine-tuned value profile. Therefore the discovery of the difference between each dimension average requires a multiple comparison analysis using the Tukey method which compares all groups at a time, keeping the overall confidence of 95%. The outcomes are resumed in Table 18 and 19.

Table 18 – Descriptive levels for multiple comparisons by the Tukey Method-Dimensions - Significant differences are hatched

Dimensions	Self-direction	Benevolence	Universalism	Hedonism	Stimulation	Achievement	Conformity	Tradition	Security	Power
Self-direction		1,000	0,954	0,673	0,337	0,001	0,000	0,000	0,000	0,000
Benevolence	1,000		1,000	0,954	0,744	0,007	0,000	0,000	0,000	0,000
Universalism	0,954	1,000		1,000	0,986	0,074	0,000	0,000	0,000	0,000
Hedonism	0,673	0,954	1,000		1,000	0,305	0,000	0,000	0,000	0,000
Stimulation	0,337	0,744	0,986	1,000		0,636	0,000	0,000	0,000	0,000
Achievement	0,001	0,007	0,074	0,305	0,636		0,099	0,000	0,000	0,000
Conformity	0,000	0,000	0,000	0,000	0,000	0,099		0,074	0,019	0,011
Tradition	0,000	0,000	0,000	0,000	0,000	0,000	0,074		1,000	1,000
Security	0,000	0,000	0,000	0,000	0,000	0,000	0,019	1,000		1,000
Power	0,000	0,000	0,000	0,000	0,000	0,000	0,011	1,000	1,000	

Table 19 - Summary of the Method of Multiple Comparisons Tukey-Dimensions (same letters indicate groups with equal means)

Dimensions	Average	Groups
Self-direction	0,740	A
Benevolence	0,651	A
Universalism	0,546	AB
Hedonism	0,457	AB
Stimulation	0,385	AB
Achievement	0,094	BC
Conformity	-0,341	CD
Tradition	-0,793	DE
Security	-0,857	E
Power	-0,881	E

From the data of tables 18 and 19 it is possible to conclude that:

- Values A: Self-direction, Benevolence, Universalism, Hedonism and Stimulation possess highest importance in the value profile with no significant average difference
- Values E: Tradition, Security and Power have lowest importance in the value profile with no significant average difference

Values A and E are significantly different from each other and represent the values with the highest and lowest averages within the commercial value's profile

- Values D: Tradition average is the same as the Conformity average
- Values C: Conformity has an equal average to Achievement
- Values B: Achievement has an equal average to Universalism, Hedonism and Stimulation

The achievement and conformity values are intermediary values relying between the highest and lowest importance values, which is in accordance to the theoretical values ordering within the circular continuum. Nevertheless, achievement has a higher position within the values importance ordering than conformity due to its relation to some of the highest importance values which are anxiety-free values. On the other hand, lowering its relative importance, the conformity value has an equal average to Tradition, an anxiety based-value. Achievement and Conformity have equal averages, in accordance to the literature that Achievement is an anxiety free and based value.

It is important to notice that the values with the highest importance (openness to change and self-transcendence) are the high anxiety values and the lowest importance values (Power, Security, Tradition) are the anxiety based values. The intermediary values are Achievement and Conformity, which are the borderline values from the anxiety based and anxiety free poles. Therefore, it is possible to state that the Commercial Entrepreneurs Value Profile is determined by the bi-polar dimension of anxiety meaning that Commercial entrepreneurs give high importance for anxiety free values and reject anxiety based values. Therefore, proposition (2) is valid. This statement is in accordance with the literature about entrepreneurial characteristics of self-expansion and growth (innovation, high level of energy, risk bearing, opportunities seeking, positive interaction within people for the private as well as others benefit) and promotion of gain goals (internal accomplishment) instead of the prevention of loss goals and self-protection against threat.

Due to some averages overlapping the division of the values continuum was less fine-tuned than the 10 value dimensions, forming a value profile of “5 dimensions”. This happened because of the high variability of the sample which diminishes the statistical tests sensibility to detect differences between averages, because the variation of the estimated average depends on the variability of the sample. Nevertheless, because the value structure is a circular continuum which relates to any variable in an integrated manner, the division of this circular continuum into 10 values dimensions is merely theoretical (Schwartz, 2012) and can be more or less fine-tuned depending on the researchers` objective. Besides, the adjacent values` overlapping is common due to their motivational congruencies as stated by the values theory author (Schwartz, 2012, 2011) and therefore they tend to have similar importance within the value`s profile.

Hence, proposition (1) was confirmed as there is a commercial entrepreneurial values profile although being less fine-tuned than the 10 dimensions of Schwartz (2012).

Therefore the profile of commercial entrepreneurs in decreasing order of importance is the following (values in the same line possess the same relative importance):

- Self-Direction and Benevolence
- Universalism, Stimulation and Hedonism
- Achievement
- Conformity
- Tradition, Security and Power

5.2.1.2. *Social Entrepreneurs*

Descriptive Analysis

Table 20 shows the descriptive measures for each of the 10 value dimensions within the group of social entrepreneurs. Figure 15 exposes the relative averages and correspondent standard deviations while Figure 16, a box plot graph, demonstrates the individual relative average distribution for each dimension.

Table 20 – Descriptive measures for each value dimension

Dimension	Average	Standard Deviation	Median	Minimum	Maximum	Order
Power	-1,214	0,720	-1,350	-2,833	0,100	10
Achievement	0,135	0,795	0,300	-1,900	1,267	6
Hedonism	0,356	0,644	0,300	-1,217	1,367	5
Stimulation	0,379	0,741	0,650	-1,500	1,633	4
Self-direction	0,659	0,544	0,600	-0,350	1,650	2
Universalism	0,631	0,497	0,600	-0,500	1,650	3
Benevolence	0,752	0,477	0,767	-0,550	1,650	1
Tradition	-0,667	0,721	-0,733	-2,317	0,750	8
Conformity	-0,190	0,916	-0,050	-2,317	1,483	7
Security	-0,841	0,856	-1,017	-2,233	1,167	9

Figure 15– Averages \pm 1 Standard Deviation for each dimension

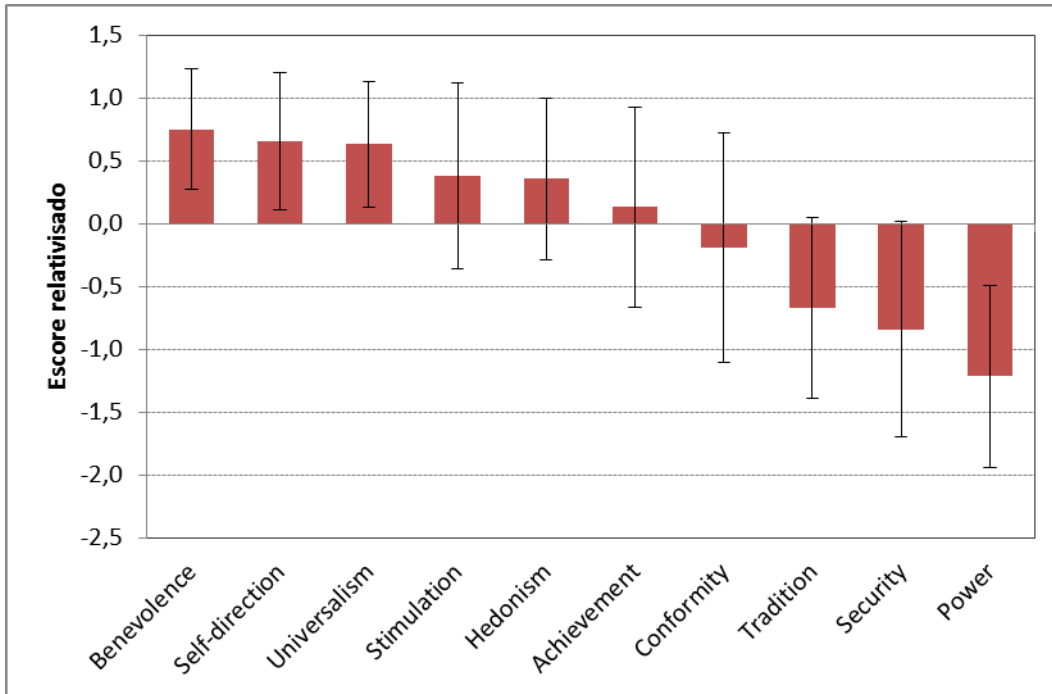
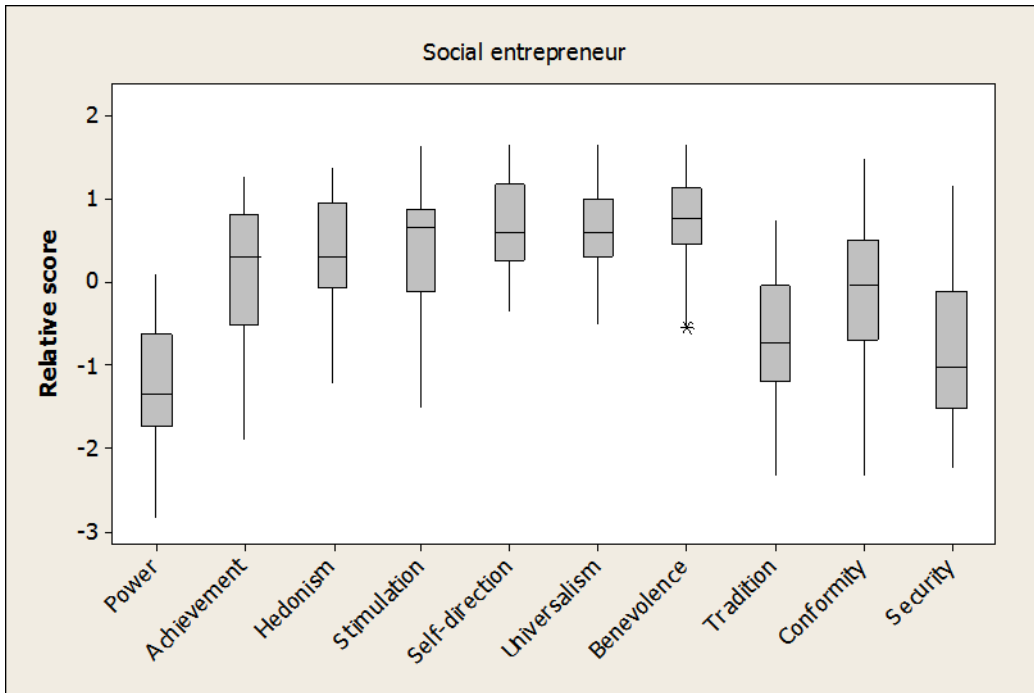


Figure 16 – Boxplot for each dimension descriptive measures



Through the data it is possible to identify that the lowest scores stand for Power, Security and Tradition respectively and the largest for Benevolence, Self-Direction and Universalism. Besides, Figure 15 shows that the relative average of Conformity, Tradition, Security and Power are negative while the relative average of Achievement, Hedonism, Stimulation, Universalism, Self-Direction and Benevolence are positive affirming that commercial entrepreneurs may neglect the first group of values and accept the last one elucidating the bi-polar value structure. Besides, Conformity and Achievement seem to be borderline values making the transition between positive and negative values. These statements tend to validate proposition (2) that *commercial as well as social entrepreneurs give higher importance for low anxiety values (self-direction, stimulation, hedonism, universalism and benevolence) than for the anxiety-based values (power, security, tradition and conformity) due to their “entrepreneurial” characteristics that seek for self-expansion, growth and promotion of gain goals.*

Nevertheless, as it was seen for the commercial entrepreneurs, for the social entrepreneurs, data also demonstrate a high variability for each dimension. Table 21 exhibits the tolerance and confidence intervals data while figure 17 and 18 demonstrate graphically the confidence and tolerance intervals, respectively for the social entrepreneurs.

Table 21 – Averages, Confidence Intervals and Tolerance Intervals for each dimension

Dimension	Average	Average IC _{95%}	IT _{95%} for individuals
Benevolence	0,752	(0,605 ; 0,898)	(-0,406 ; 1,909)
Self-direction	0,659	(0,491 ; 0,826)	(-0,662 ; 1,979)
Universalism	0,631	(0,479 ; 0,784)	(-0,574 ; 1,836)
Stimulation	0,379	(0,151 ; 0,608)	(-1,419 ; 2,178)
Hedonism	0,356	(0,158 ; 0,554)	(-1,206 ; 1,919)
Achievement	0,135	(-0,109 ; 0,380)	(-1,793 ; 2,064)
Conformity	-0,190	(-0,472 ; 0,091)	(-2,411 ; 2,031)
Tradition	-0,667	(-0,889 ; -0,445)	(-2,417 ; 1,083)
Security	-0,841	(-1,105 ; -0,578)	(-2,917 ; 1,234)
Power	-1,214	(-1,435 ; -0,992)	(-2,961 ; 0,534)

Figure 17 – 95% Confidence Intervals for each Dimension Relative Average

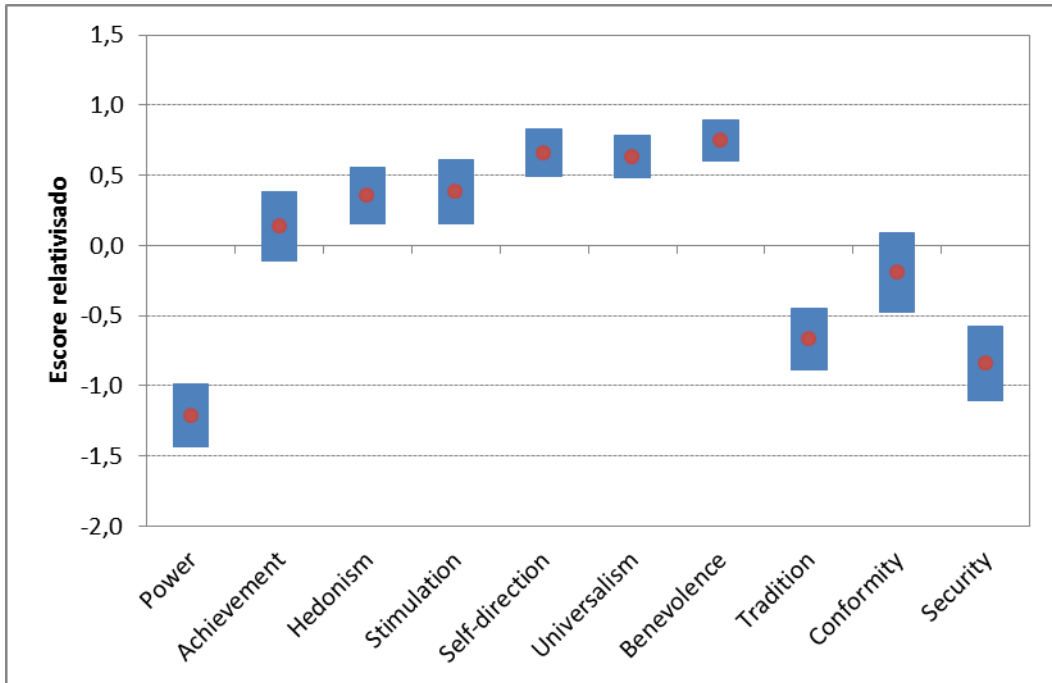
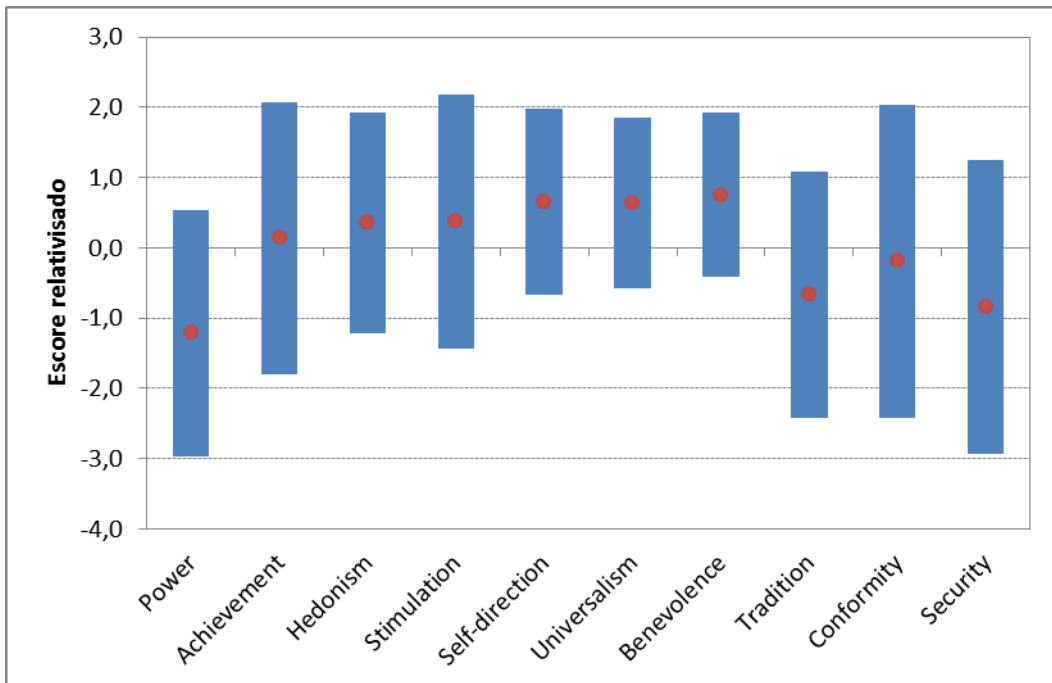


Figure 18 – 95% Tolerance Intervals for Individuals in each Dimension



Concluding, the descriptive analysis gives a hint towards a social entrepreneurial profile where the Benevolence value has the highest score followed by self-direction, universalism, stimulation, hedonism and achievement values all with positive scores and then conformity, tradition, security and power all with negative scores. The highest importance values possess the lower variability and therefore their averages represent better the dimension.

Propositions Validation

Nevertheless if one wants to infer anything about the population, it is necessary to conduct other analyses. Therefore, to compare if the averages between these values' dimensions are really different or if some value dimensions averages overlap, some inferential tests will be realized. Therefore we conducted an analysis of variance for repeated measures (ANOVA) which takes into consideration that the same entrepreneurs were observed more than once through multiple value dimensions.

The test result in Table 22 points to a very small descriptive level (< 0.001) therefore attesting that there is significant difference between the dimensions relative average. Consequently, there is a commercial entrepreneurial values profile as there are divisions of significantly different relative importance within the values continuum.

Table 22 – ANOVA for each value dimension within group

Source of Variance	Sum of Squares	Degrees of freedom	Average Squares	Statistic F	Descriptive level
Dimensions	186,98	9	20,775	37,57	0,0000
Residuals	209,03	378	0,553		

Again, we conducted a multiple comparison analysis using the Tukey method. The outcomes are summarized in tables 23 and 24.

Table 23 – Descriptive levels for multiple comparisons by the Tukey Method-Dimensions -
Significant differences are hatched

Dimensions	Self-direction	Benevolence	Universalism	Hedonism	Stimulation	Achievement	Conformity	Tradition	Security	Power
Self-direction		1,000	0,999	0,376	0,287	0,005	0,000	0,000	0,000	0,000
Benevolence	1,000		1,000	0,773	0,679	0,037	0,000	0,000	0,000	0,000
Universalism	0,999	1,000		0,862	0,787	0,062	0,000	0,000	0,000	0,000
Hedonism	0,376	0,773	0,862		1,000	0,884	0,014	0,000	0,000	0,000
Stimulation	0,287	0,679	0,787	1,000		0,934	0,023	0,000	0,000	0,000
Achievement	0,005	0,037	0,062	0,884	0,934		0,578	0,000	0,000	0,000
Conformity	0,000	0,000	0,000	0,014	0,023	0,578		0,087	0,002	0,000
Tradition	0,000	0,000	0,000	0,000	0,000	0,000	0,087		0,986	0,023
Security	0,000	0,000	0,000	0,000	0,000	0,000	0,002	0,986		0,376
Power	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,023	0,376	

Table 24 – Summary of the Method of Multiple Comparisons Tukey-Dimensions (same letters indicate groups with equal means)

Dimensions	Average	Groups
Benevolence	0,752	A
Self-direction	0,659	A
Universalism	0,631	AB
Stimulation	0,379	AB
Hedonism	0,356	AB
Achievement	0,135	BC
Conformity	-0,190	CD
Tradition	-0,667	DE
Security	-0,841	EF
Power	-1,214	F

From the data of tables 23 and 24 it is possible to conclude that:

- Values A: Benevolence, Self-direction, Universalism, Stimulation and Hedonism possess highest importance in the value profile with no significant average difference within them
- Values F: Security and Power have lowest importance in the value profile with no significant average difference within them
- Values E: Tradition and Security have no significant averages differences, but Tradition is already significantly different from Power
- Values D: Tradition and Conformity have no significant averages differences, but Conformity is already significantly different from Security.

Values “A” averages are significantly different from Values “F”, “E” and “D”. Values “A” have the highest importance in the continuum and values “F”, “E” and “D” have the lowest importance (with values F having the lowest importance among them followed by values “E” and “D” respectively)

The Achievement and Conformity values are intermediary values being equal to some dimensions’ averages above and below:

- Values B: Achievement has no significant average difference towards Universalism, Stimulation and Hedonism
- Values C: Achievement has no significant average difference towards Conformity

The achievement and conformity are intermediary values relying between the highest and lowest importance values, which is in accordance to the theoretical values ordering within the circular continuum. Nevertheless, achievement has a higher position within the values importance ordering than conformity due to its relation to some of the highest importance values which are anxiety-free values. On the other hand, lowering its relative importance, the conformity value has an equal average to Tradition, an anxiety based-value. Achievement and Conformity have equal averages, in accordance to the literature that Achievement is an anxiety free and based value.

It is important to notice that the values with the highest importance (openness to change and self-transcendence) are the high anxiety values and the lowest importance values (Power, Security, Tradition) are the anxiety based values. The intermediary values are Achievement and

Conformity, which are the borderline values from the anxiety based and anxiety free poles. Therefore, it is possible to state that the Commercial Entrepreneurs Value Profile is determined by the bi-polar dimension of anxiety meaning that Commercial entrepreneurs give high importance for anxiety free values and reject anxiety based values. Therefore, proposition (2) is valid.

Due to some averages overlapping the division of the values continuum was less fine-tuned than the 10 value dimensions representing a continuum of “6 dimensions”. This happened because of the high variability of the sample which diminishes the statistical tests sensibility to detect differences between averages, because the variation of the estimated average depends on the variability of the sample.

Nevertheless, because the value structure is a circular continuum which relates to any variable in an integrated manner, the division of this circular continuum into 10 values dimensions is merely theoretical (Schwartz, 2012) and can be more or less fine-tuned depending on the researchers` objective. Besides, the adjacent values` overlapping is common due to their motivational congruencies as stated by the values theory author (Schwartz, 2012, 2011) and therefore they tend to have similar importance within the value`s profile.

Hence, proposition (1) was confirmed as there is a commercial entrepreneurial values profile although being less fine-tuned than the 10 dimensions of Schwartz (2012) because there are significantly differences between some value dimensions.

Therefore the profile of social entrepreneurs in decreasing order of importance is the following (values in the same line possess the same relative importance):

- Self-Direction and Benevolence
- Universalism, Stimulation and Hedonism
- Achievement
- Conformity
- Tradition
- Security and Power

5.2.1.3. Conclusion of the comparison within each group

The comparison of averages within each entrepreneurial type – commercial and social – proved the proposition (1) of the existence of values profiles for each group.

However, due to some averages overlapping the division of the values continuum was less fine-tuned than the 10 value dimensions forming values profile of “5 dimensions” for commercials and “6 dimensions” for socials.

Nevertheless, this fact was already expected as the 21 PVQ survey measures with more accuracy the value poles rather than the ten value dimensions.

Besides, the high variability of the sample diminishes the statistical tests sensibility to detect differences between averages, because the variation of the estimated average depends on the variability of the sample (the greater the variability of the sample, the less accurate the estimation of averages).

Furthermore, there is a tendency to observe a higher proximity between the averages of the higher importance values than of the lower importance values. This might be due to the fact that people rate values in a non-symmetrical manner as they view most values as varying from mildly to very important (Schwartz, 2012). Therefore, the averages of the most important values tend to overlap while there are some small differences between the averages of the lowest important values. This is why there was a more fine-tuned division between the lower importance values than the higher importance values.

Nonetheless, because the value structure is a circular continuum which relates to any variable in an integrated manner, the division of this circular continuum into 10 values dimensions is merely theoretical (Schwartz, 2012) and can be more or less fine-tuned depending on the researchers' objective. Besides, the adjacent values' overlapping or inversion is common due to their motivational congruencies as stated by the values theory author (Schwartz, 2012, 2011) and therefore they tend to have similar importance within the value's profile.

Moreover, the less fine-tuned division of both commercial and social values profiles is already enough for identifying values preferences due to the emergence of the dynamic principles that organize the structure of values: (i) congruence and conflict among the values that are implicated simultaneously in decisions (ii) the relation between values and anxiety and (iii) the interest that values attainment serves (social or individual).

(i) Congruence and Conflict

For both entrepreneurs the relationship of congruence and conflict was in line with Schwartz theory and was the same due to the very similar values profiles between commercial and social entrepreneurs:

- Highest importance Values are Self-Direction and Benevolence which contrast with the lowest importance values of Security and Power for socials and Security, Power and Tradition (for commercials)
- The second highest importance values are Universalism, Stimulation and Hedonism which contrast with the second lowest important values of Achievement and Conformity for commercials and Achievement, Conformity and Tradition for socials.
- Therefore, Proposition 3 was validated as for both entrepreneurs the self-direction value is among those values with the highest importance.

(ii) Anxiety Free X Anxiety Based

For both entrepreneurs, the values with the highest importance (openness to change and self-transcendence) are the high anxiety values and the lowest importance values (Power, Security, Tradition) are the anxiety based values. The intermediary values are Achievement and Conformity, which are the borderline values from the anxiety based and anxiety free poles. Therefore, it is possible to state that the Commercial and Social entrepreneurs Value Profile is determined by the bi-polar dimension of anxiety meaning that Commercial entrepreneurs give high importance for anxiety free values and reject anxiety based values. Therefore, proposition (2) is valid. This statement is in accordance with the literature about entrepreneurial characteristics of self-expansion and growth (innovation, high level of energy, risk bearing, opportunities seeking, positive interaction within people for the private as well as others benefit) and promotion of gain goals (internal accomplishment) instead of the prevention of loss goals and self-protection against threat.

(iii) Social X Individual Interests

For both social and commercial entrepreneurs there is no clear preference for a social or individual focus in relating to people. For example, within the anxiety-based values they give a very low importance for power (individual) and security (social) and a low but respectively increasing importance for the tradition (social), conformity (social) and achievement (individual) values. Regarding the anxiety free values entrepreneurs give a higher importance for self-determination (individual) and benevolence (social) values and lower importance for universalism (social), stimulation (individual) and hedonism (individual).

Consequently the most important dynamic principle for organizing the values profile for this sample of social and commercial entrepreneurs is the anxiety principle as entrepreneurs have no clear preference for social or private interests attaining values but a clear preference for anxiety free values that promote expansion of gain goals, self-expansion and growth meaning that entrepreneurs do not restrain themselves in any manner through the outer world by following others prescriptions and considerations (rejection of conformity and tradition values) and by maintaining the order and status quo for protecting themselves against change in the social world (rejection of power and security) as changes in the social world do not affect them because they are concerned about own objectives (accept self-determination value) and satisfaction (stimulation and hedonism values) instead of having social recognition and power (achievement and power).

The preference for anxiety free rather than anxiety based values leads to another important observation about the preference of entrepreneurs for dealing with people. According to Schwartz (2012) there are two manners of socializing: through the self-transcendence values (universalism and benevolence) and through the conservation pole (conservation, tradition and security). According to the analyses, it is clear that entrepreneurs prefer to socialize based on the self-transcendence (anxiety free) rather than on the conservation (anxiety based) pole. In this sense, entrepreneurs do not restrain themselves in any manner through the outer world by following others prescriptions and considerations - rejection of conformity and tradition values - and by maintaining the order and status quo for protecting themselves against change in the social world - rejection of power and security - as changes in the social world do not affect them because they

are concerned about own objectives - acceptance of self-determination value - and satisfaction - acceptance of stimulation and hedonism values - instead of having social recognition and power - rejection of achievement and power values. The preference for self-transcendence values is in accordance to the literature as the interpersonal relation of entrepreneurs presumes the belief of equality between people (Schwartz, 2012) due to the respect (Dornelas, 2005) and sensibility (Filion, 1999) that entrepreneurs have for others, the will to cooperate instead of compete due to the belief of mutual interdependence or in other words on the sustainability instead of exploitation of relationships (McClelland, 1961, Dornelas, 2001). In accordance to Schwartz (2012) bi-polar values structure, all these characteristics go against the power and achievement values that stay in opposition to universalism and benevolence values and presume an unequal perception of people for allowing the existence of recognition, status and power itself and this active persecution for social distinction challenges social harmony and damages healthy and cooperating interactions, necessary for enterprise creation and success.

Besides, the proved preference of entrepreneurs for benevolence over universalism although both are very important, confirms Dolabela (2003) argumentation that entrepreneurs consider the closer relationships (with partners, collaborators) more important than external relationships as benevolence accounts for appreciation of “in group” people and universalism for human beings and any living thing in general (Schwartz, 2012).

Finally, the social and commercial entrepreneurial values profiles are the following:

Commercial	Social
1. Self-Direction and Benevolence	1. Self-Direction and Benevolence
2. Universalism, Stimulation and Hedonism	2. Universalism, Stimulation and Hedonism
3. Achievement	3. Achievement
4. Conformity	4. Conformity
5. Tradition Security and Power	5. Tradition
	6. Security and Power

Consequently, it is possible to conclude that commercial and social entrepreneurs' value profiles are very similar as it will be showed in more details in the comparison between groups.

5.2.2. Analyses Between Commercial and Social Entrepreneurs

Descriptive analysis

Table 25 exposes the averages, standard deviations and their absolute differences for the two groups (more detailed summary measures are presented in the chapters 5.2.1.1 and 5.2.1.2. Table 26 exhibits the similarities and differences of the sequential ordering of values relative average proposing an idea of the possible similarities and differences of the values profile between the groups. Figure 19 exposes the relative averages of both groups in graphical form and Figure 20, a box plot graph, demonstrates the individual relative average distribution for each dimension of commercial and social entrepreneurs.

Table 25 – Averages and Standard Deviations (within parenthesis) for each dimensions of Commercial and Social Entrepreneurs

Dimension	Commercial Entrepreneur	Social Entrepreneur	Differences
Power	-0,881 (0,865)	-1,214 (0,720)	-0.33 (0.07)
Achievement	0,094 (0,982)	0,135 (0,795)	-0.04 (0)
Hedonism	0,457 (0,807)	0,356 (0,644)	0.1 (0.06)
Stimulation	0,385 (0,792)	0,379 (0,741)	0.01 (0.07)
Self-direction	0,740 (0,547)	0,659 (0,544)	0.08 (0.15)
Universalism	0,546 (0,554)	0,631 (0,497)	0.09 (0.19)
Benevolence	0,651 (0,548)	0,752 (0,477)	0.1 (0)
Tradition	-0,793 (0,725)	-0,667 (0,721)	0.13 (0)
Conformity	-0,341 (0,912)	-0,190 (0,916)	0.15 (0.11)
Security	-0,857 (0,969)	-0,841 (0,856)	0.02 (0.14)

Table 26 – Comparison of hypothetical Sequential Values Order between the two groups according to each dimension relative average











Empreendedor Não Social		Empreendedor Social
Self-direction		Benevolence
Benevolence		Self-direction
Universalism		Universalism
Hedonism		Stimulation
Stimulation		Hedonism
Achievement		Achievement
Conformity		Conformity
Tradition		Tradition
Security		Security
Power		Power

Figure 19 – Comparison of each dimension relative average between commercial and social entrepreneurs

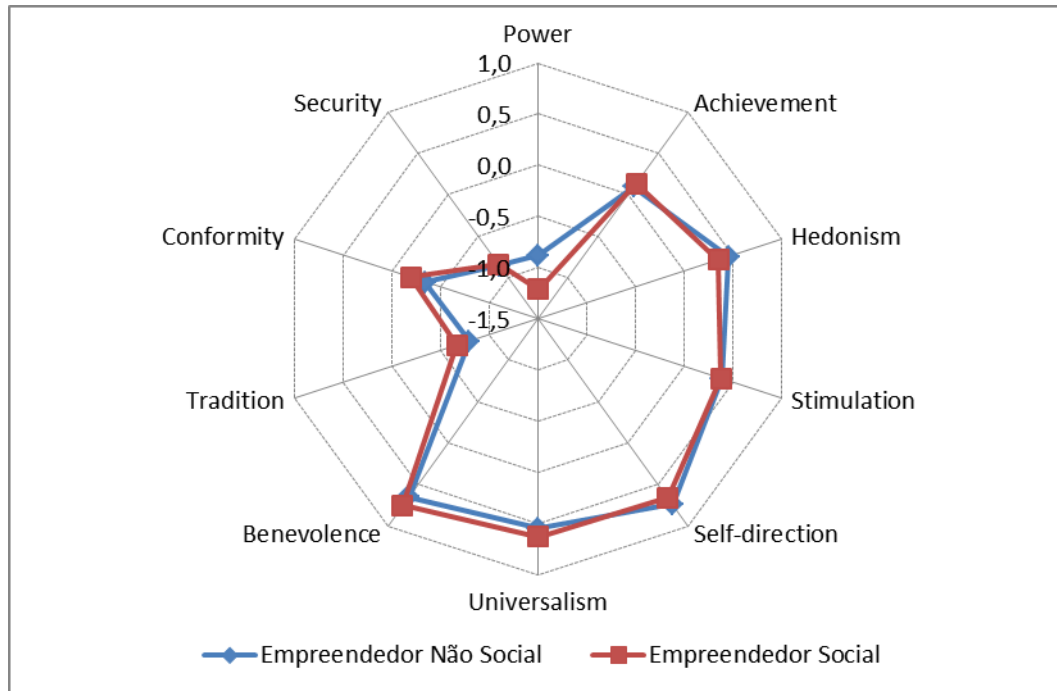
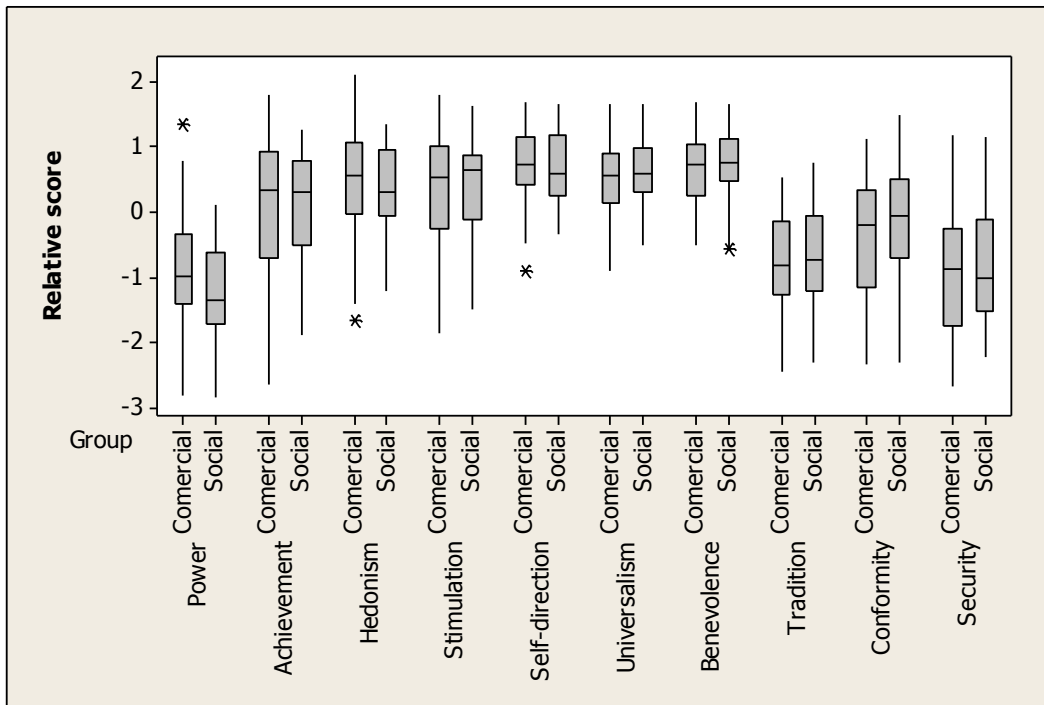


Figure 20 – Boxplot comparing social and commercial entrepreneurs’ descriptive measures



Through the tables and graphs analysis it is possible to state that there is little difference between the two groups of entrepreneurs, both in the rating as well as ordering of dimensions. The only ordering differences were:

- The inversion between Self-direction and Benevolence in which Self-direction appeared as the first dimension for commercials and second for socials and Benevolence appeared as the first for socials and second for commercials. This difference tend to confirm proposition (4) that *regarding the different entrepreneurial focus between social and commercial entrepreneurs, social entrepreneurs give higher priority for benevolence and universalism (self-transcendence pole) than commercial entrepreneurs as social entrepreneurs seek for social rather than personal benefit.*
- The inversion between Hedonism and Stimulation in which Hedonism appeared as the first dimension for commercials and second for socials and Stimulation as the first for socials and second for commercials. Although not very important, this difference may point to a more self-enhancing tendency for commercials than for socials.

- The differences between the ratings of dimensions were also very small. The only higher differentiation was for power which was strongly neglected by the social entrepreneurs than for the commercial entrepreneurs.
- Nevertheless there is a tendency to observe higher averages differences between the lower importance values than the higher importance values. This might be due to the fact that people rate values in a non-symmetrical manner as they view most values as varying from mildly to very important (Schwartz, 2012). Therefore, the averages of the most important values tend to overlap while there are some small differences between the averages of the lowest important values.
- For the variability, the differences were a bit higher than for the averages. The highest variability differences were for Universalism, Self-Direction, Security and Conformity, respectively.

From these analyses it is possible to assume that both profiles, social and commercial are almost equal therefore leading to the inference that the “entrepreneurial” drive for both types of entrepreneurs has a higher importance over the values profiles than the difference of focus between both entrepreneurs.

Propositions Validation

Nevertheless, to statistically verify if the relative average of each dimension between the two groups are effectively similar or different other statistic tests will have to be conducted. Therefore the variability and average of each dimension will have to be tested separately. Therefore some tests are conducted depending on the characteristics of the data.

The tests summary results are exhibit in Table 27.

Table 27 – Descriptive Levels of the comparison tests between social and commercial entrepreneurs

Dimensions	Average		Standard Deviation		Normal Distribution
	Test t	Kruskal-Wallis	Test F	Levene	Anderson-Darling
Power	0,041*		0,211		0,315
Achievement	0,821	0,896		0,027*	<0,005*
Hedonism	0,496		0,124		0,082
Stimulation	0,973	0,930		0,730	<0,005*
Self-direction	0,457		0,982		0,381
Universalism	0,420		0,462		0,934
Benevolence	0,332		0,342		0,278
Tradition	0,384		0,982		0,264
Conformity	0,407	0,432		0,934	0,026*
Security	0,932		0,396		0,088

* significative differences at 0,05

From the tests results it is possible to conclude that both groups are very similar, almost equal, as already shown in the descriptive analysis. The only significant differences were:

- Power average is significantly lower for social than for commercial entrepreneurs
- Standard Deviations of Achievement is significantly lower for social entrepreneurs than for commercial entrepreneurs.

From this analysis it is possible to state that all values but power have a significantly equal importance for both commercial and social entrepreneurs.

Therefore, proposition (4) was not validated as there is no significant difference between the averages of social and commercial entrepreneurs for the universalism and benevolence values dimensions.

Statistical considerations for accepting proposition (4)

Nevertheless, it is important to notice that due to Schwartz theory of congruence and opposition the higher rejection of Power by the social entrepreneurs should be accompanied by a higher valuation of the opposing values which are Benevolence and Universalism. Consequently, the higher rejection of Power and the tendency of Benevolence to occupy a higher position within the social entrepreneurial profile than in the commercial within the descriptive analysis points to the fact that Benevolence might be more important in the social than in the commercial entrepreneurial profile even if the entrepreneurial drive seems to be statistically “strong” enough to make both groups values profile equal in this sense.

Another important aspect is that the single dimensions of benevolence and universalism overlapped and exchanged order with adjacent values forming less fine-tunes dimensions. Consequently, even if these aspects do not invalid the study (Schwartz, 2012) a more profound understanding of the relationships importance between the values could be attained with a more fine-tuned division.

Therefore, perhaps a study with a lower sample variability, hence with a larger number of individuals and the usage of an instrument with a higher internal reliability as the SVS (although requiring more time for responding) should be able to separate the value continuum in more fine-tuned divisions in order to enable a more detailed analysis about the existence or lack of difference between social and commercial entrepreneurs regarding the benevolence and universalism values.

Despite, it is important to notice that the used sample was not random. Therefore the results present a bias. Consequently, it might also be that only for this sample there was no significant difference between social and commercial entrepreneurs. In this sense, the clarifying of this issue requires further statistical studies.

Hypothetical considerations for rejecting proposition (4)

The relative surprise of universalism and benevolence having the same importance for both entrepreneurial types may be explained by the economists (in regard to the universalism value) and by McClelland (1961) (for the benevolence and universalism values).

If one takes a deep look into the economic core of entrepreneurship, universalism seems to be an intrinsic value of entrepreneurship due to its characteristic of making good to society and at the same time to the individual either in commercial or social organizations as by innovating one contributes to the economic development creating new demand, supply and jobs by e.g. giving new utilities to old resources (Say) or moving the whole economy or a sector to a more elevated position (Schumpeter) which finally through the generation of novel knowledge contributes to the progress of human race as improvement can only be done by testing new approaches – hence, innovating – and socializing them – thus, making them available for society through enterprises. Therefore many authors consider the division of commercial and social entrepreneurship unnecessary as any enterprising activity is already social due to its double value creation: for the entrepreneur and society (Schramm, 2010). Marshall (1890, 1930, p. 598) clearly illustrates this point: “Those business men who have pioneered new paths have often conferred on society benefits out of all proportion to their own gains, even though they have died millionaires”.

But according to McClelland (1961) profit is a mere measure of individual competence and not an entrepreneurs’ main goal because the entrepreneurial drive relies on the achievement feeling. Therefore, profit has no intrinsic value but is a “symbol of higher achievement” and “gives [entrepreneurs] only the concrete knowledge of the outcome of their efforts that their motivation demands” (McClelland 1961, p.237). In this line, the differentiation between commercial and social entrepreneurs based on the impact measurement of their actions in the sense that one uses the profit measure and the other the social impact measure along with profit does not seem to proceed as their goals is not the generation of profit or social impact, but the attainment of the achievement satisfaction that is obtained in any entrepreneurial situation. Besides, benevolence and universalism are necessary values for being a successful entrepreneur through the establishment of healthy relations and cooperative relations. Therefore should be values of both entrepreneurs as this study demonstrated. But on the other hand, one can argue that even if both entrepreneurs’ reason for choosing this “career path” relies on achievement need there is much literature pointing to the fact that the difference between these entrepreneurs is the level of preference for pro-social action. Even if both have a pro-social attitude proved by their “career choices” which requires the possession of benevolence values for being successful it is possible to state that their difference relies on the level of preference for pro-social behavior which may be even higher for social entrepreneurs (giving strength to the definition of social entrepreneurs as

selflessness people, Ernst(2012)) due to their decision of getting the achievement satisfaction through social impact measures instead of financial ones, therefore creating “extra” social impact despite the ones defined by the economists. However, the differentiation between commercial and social entrepreneurs or the lack of it still may be argued in innumerable manners and this was the first study about this topic using the values construct. Besides, the study itself is not conclusive due to its sample limitations. Therefore, for further clarifying this issue, new studies with larger and random samples should be conducted.

6. Conclusions

The main objective of the thesis was to compare the value profile of social and non-social entrepreneurs in order to understand their similarities and differences in an attempt to explain through their similar relative values importance (similarities in their value profiles) their state as entrepreneurs and through their different relative values importance (differences in their value profiles) their different entrepreneurial behaviors, one primarily focused in generating social and the other private wealth. To accomplish the main objective, as there was no previous study concerning the entrepreneurial values profile, before comparing social and commercial values profiles it was necessary to analyze if there was a commercial and a social entrepreneurial values profile and which were these profiles. Based on an extensive literature review some propositions about which values motivate the entrepreneurial behavior were created in order to account for the study's objectives. These propositions are the following:

Proposition 1

Value dimensions averages from *commercial and social entrepreneurs* are significantly different from each other forming a *value profile* (independently of their division level into values or higher order values).

Proposition 2

Commercial as well as *social entrepreneurs* give *higher importance for low anxiety values* (self-direction, stimulation, hedonism, universalism and benevolence) than for the anxiety-based values (power, security, tradition and conformity) due to their “entrepreneurial” characteristics that seek for self-expansion and growth and promotion of gain goals instead of prevention of loss goals and self-protection against threat.

Proposition 3

Commercial as well as *Social* entrepreneurs give *highest importance for Self-Direction Value* as autonomy and individual responsibility is the most important entrepreneurial characteristic because it is the main drive for obtaining the achievement satisfaction of McClelland (1961).

Proposition 4

But regarding the *different entrepreneurial focus* between social and commercial entrepreneurs, *Social entrepreneurs* give *higher priority for benevolence and universalism* (self-transcendence

pole) than commercial entrepreneurs as social entrepreneurs seek for social rather than personal benefit.

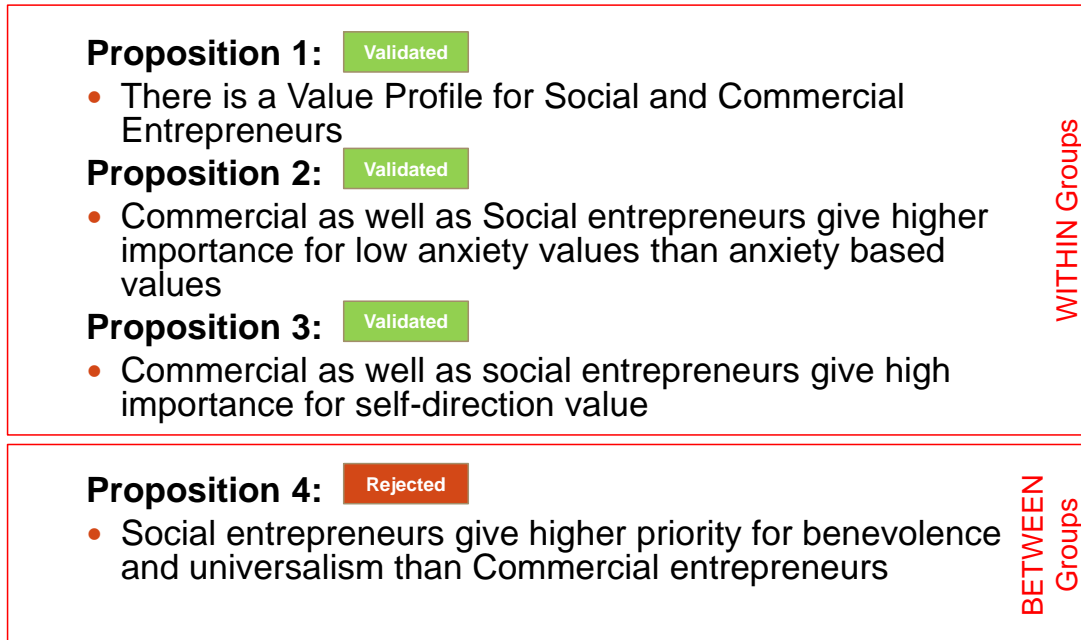


Figure 21: Propositions Validation
Source: Elaborated by the author

As exhibited in figure 21, through the hypotheses testing all propositions but proposition (4) were confirmed leading to the following results:

1. There is a profile for commercial and social entrepreneurs. However, due to some averages overlapping the division of the values continuum was less fine-tuned than the 10 value dimensions forming values profile of “5 dimensions” for commercials and “6 dimensions” for socials. Nonetheless, the less fine-tuned division of both commercial and social values profiles was already enough for identifying values preferences due to the emergence of the dynamic principles that organize the structure of values: (i) congruence and conflict among the values that are implicated simultaneously in decisions (ii) the relation between values and anxiety and (iii) the interests that values attainment serves being these social or individual.
2. Both profiles are very similar as their only significantly difference relies on the higher rejection of Power by social than commercial entrepreneurs, therefore not validating the

proposition that social entrepreneurs give higher importance for benevolence and universalism values than commercial entrepreneurs. Consequently, as shown in Figure 22, their values profile can be described as if there was only one group of entrepreneurs:

- The values with the *highest importance* within the entrepreneurial profile are Self-Direction and Benevolence which might account for the independence, autonomy, individual responsibility, creativity, openness to change (self-determination); interpersonal abilities and empowering leadership (benevolence) of entrepreneurs that generate mutual cooperating networks on which entrepreneurs may rely for accomplishing their goals.
- The *second most important* values are Universalism, Stimulation and Hedonism which may account for entrepreneurial acceptance for diversity, active search for novelty and moderate risk bearing characteristics.
- The *intermediary* value is Achievement which makes the transition between anxiety-free (higher importance) and anxiety-based (lower importance) values.
- The values with the *second lowest* importance are Conformity and Tradition that might account for entrepreneurial rejection of by others determined goals and procedures as stated by McClelland (1961) that entrepreneurs have no intentions of doing routine tasks and following by others determined procedures and norms as this goes totally against their main drive for self-direction, autonomy and individual responsibility. They follow internal rather than external goals.
- The values with *lowest importance* are Security and Power which may account for (i) entrepreneur's rejection of the status quo maintenance due to the entrepreneurial innovativeness, risk bearing capacity and openness to change and for (ii) entrepreneurs' rejection of competing and exploratory relationships which would damage the social network from which a substantial part of the entrepreneurial success depends.

Commercial Values Profile		Social Values Profile	
1. ★ Self-Direction and Benevolence	=	1. ★ Self-Direction and Benevolence	
2. Universalism, Stimulation and Hedonism	=	2. Universalism, Stimulation and Hedonism	
3. Achievement		3. Achievement	
4. Conformity		4. Conformity	
5. Tradition Security and Power	≠	5. Tradition	
		6. Security and Power	

Labels	
	Anxiety free values
	Anxiety based values
★	Self-direction with highest importance in both social and commercial entrepreneurs' values profiles
=	Benevolence and Universalism with the same importance in social and commercial entrepreneurs' values profiles
≠	Power with different importance in social and commercial entrepreneurs' values profiles

Figure 22: Values Profiles of Social and Commercial Entrepreneurs

Source: Elaborated by the author

Finally, through this first study about the differences and similarities between social and commercial entrepreneurial profiles, based on the value construct of Schwartz, significant results for the understanding of social and commercial entrepreneurs' individuals were generated. Nevertheless, there are some limitations of the study that compromise its generalization for the population as the sample was small and not randomly selected. Therefore, new statistical studies with larger and random samples should be conducted.

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Appendix A

Questionnaire about the Basic Human Values of Social and Commercial Entrepreneurs

Perfil de Valores de Empreendedores Sociais e Não Sociais

* Required

Perguntas Gerais

Sexo *

- Feminino
- Masculino

Faixa etária *

- 17-20
- 21-25
- 26-30
- 31-40
- 41-50
- 51-60
- 61 ou mais

Estado Civil *

- Solteiro
- Casado
- Viúvo
- Desquitado
- Other:

Grau de escolaridade *

- Fundamental
- Médio
- Graduação
- Pós Graduação (pós latu sensu, mestrado, doutorado...)
- Other:

Tipo de Empreendedores

De acordo com os objetivos do empreendedor, este pode ser um:

Empreendedor NÃO SOCIAL - É um empreendedor de negócios comerciais cujo principal objetivo é maximizar o lucro e dividendos dos acionistas. Os empreendimentos comerciais podem gerar impacto social, mas não é para isso que os negócios existem. Ex: fundadores do Banco Itaú, Votorantim, Cultura Inglesa, Natura...

Empreendedor SOCIAL: O Empreendedor Social aponta tendências e traz soluções inovadoras para problemas sociais e ambientais. Por meio da sua atuação, ele acelera o processo de mudanças sociais e ambientais e inspira outros atores a se engajarem em torno de uma causa comum. Portanto, os empreendimentos sociais são negócios de causa cujo principal objetivo é gerar impacto socio ambiental de maneira inovadora. Estes podem assumir a forma de ONGs ou empresas privadas. Ex: fundadores do WWF, Ashoka, Fundação Estudar, Geekie...

De acordo com as descrições acima, você se considera um empreendedor social ou não social? *

- Empreendedor Social
- Empreendedor Não Social
- Other:

SE você for um EMPREENDEDOR SOCIAL, de acordo com a definição abaixo, você possui um "social business"?

SOCIAL BUSINESS: Assim como qualquer empreendimento social, o "social business" é um negócio de causa, cujo principal objetivo é gerar impacto socio ambiental de maneira inovadora (ex: gerar aumento da renda mensal de famílias de uma região; aumentar a quantidade de crianças com oportunidade de estudo...). No entanto, a empresa possui uma ideologia mercadológica voltada à performance, accountability e metas. O financiamento do negócio deve advir do mercado. Ou seja, o negócio deve gerar receitas suficientes para ser auto-sustentável e gerar lucro. O lucro pode ser totalmente reinvestido no negócio ou distribuído aos acionistas. Ex: Grameen bank; Aravind Eye Care System; Saútil, CDI...

- Sim
- Não

Empreendimento

Quantos empreendimentos você possui atualmente? *

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- Other:

Em quais setores você empreende? *

Ex: bancário, consultoria, industrial, tecnologia, telecomunicação, educação, saúde, varejo, publicidade...

Motivação Empreendedora

Por que você se tornou empreendedor? *

- Necessidade
- Oportunidade

Explique brevemente os motivos que o levaram a empreender. *

Ex: Paixão por ensino e consciência social da desigualdade da educação brasileira em conjunto com vontade de ser o meu próprio chefe e de criar algo meu

Perfil Empreendedor

Com quantos anos você começou a empreender? *

- menos de 10
- 10-15
- 16-20
- 21-25
- 26-30
- 31-40
- 41-50
- 51-60
- 61 ou mais

Qual das opções abaixo mais se adequa aos seus objetivos como empreendedor? *

CRESCIMENTO DOS NEGÓCIOS

- CRESCIMENTO MÁXIMO: Meu objetivo é fazer com que os meus negócios cresçam o máximo possível. Em última instância, quero que meus negócios mudem a indústria e dominem o mercado.
- CRESCIMENTO NECESSÁRIO: Meu objetivo é que os meus negócios cresçam o suficiente para conseguir o meu sustento e da minha família. No máximo meus empreendimentos podem virar uma referência na minha cidade.

Qual das opções abaixo mais se adequa aos seus objetivos como empreendedor? *

OBJETIVO DE VIDA

- Eu amo empreender. Minha vida gira em torno dos meus negócios pelos quais alcanço satisfação pessoal e auto-realização.
- O principal objetivo dos meus negócios é servir de meio para sustentar a mim e minha família e proporcionar recursos para realizar o que realmente gosto. Minha satisfação pessoal e auto-realização advém de atividades externas aos meus negócios como aquelas relacionadas à família, amigos...

Qual das opções abaixo mais se adequa às suas ações como empreendedor? *

VISÃO

- Costumo me focar no planejamento dos negócios
- Costumo me focar na operacionalização do dia-a-dia dos negócios

Inovação

Quanto à Inovação, os empreendimentos podem apresentar:

INOVAÇÃO RADICAL - Quando não existia ou o empreendedor não tinha ciência de algum modelo de negócio similar ao criar seu empreendimento. Empreendedor cria novo modelo de negócio e/ou novo mercado. Ex: Grameen Bank quando foi fundado como primeiro banco de microcrédito

INOVAÇÃO INCREMENTAL: quando é realizada uma inovação em cima de modelo existente. Ex: Banco Palmas que inovou em cima do modelo do Grameen Bank ao criar moeda própria para a comunidade servida

INEXISTÊNCIA DE INOVAÇÃO: quando copiam modelos existentes Ex: Restaurante por Kilo com o mesmo modelo de negócio que os concorrentes

De acordo com as descrições acima e levando em consideração os seus empreendimentos atuais e momento atual, você se considera em média um empreendedor: *

- que cria empreendimentos com inovações radicais
- que cria empreendimentos com inovações incrementais
- que copia os empreendimentos já existentes

Valores Pessoais

Responda o quanto a pessoa descrita por cada frase abaixo é parecida com você. Obs: a conjugação está no feminino para se adequar ao agente "pessoa".

1. Ter novas idéias e ser criativa é importante para ela. Ela gosta de fazer as coisas à sua própria maneira e de forma original. (SD) *

- Se parece muito comigo
- Se parece comigo
- Se parece mais ou menos comigo
- Se parece pouco comigo
- Não se parece comigo

2. É importante para ela ser rica. Ela quer ter muito dinheiro e possuir coisas caras. (PO) *

- Se parece muito comigo
- Se parece comigo
- Se parece mais ou menos comigo
- Se parece pouco comigo
- Não se parece comigo

3. Ela acha que é importante que todas as pessoas no mundo sejam tratadas igualmente. Ela acredita que todos deveriam ter oportunidades iguais na vida. (UN) *

- Se parece muito comigo
- Se parece comigo
- Se parece mais ou menos comigo
- Se parece pouco comigo
- Não se parece comigo

4. É importante para ela mostrar suas habilidades. Ela quer que as pessoas admirem o que ela faz. (AC) *

- Se parece muito comigo
- Se parece comigo
- Se parece mais ou menos comigo
- Se parece pouco comigo
- Não se parece comigo

5. É importante para ela viver em ambientes seguros. Ela evita qualquer coisa que possa comprometer sua segurança. (SE) *

- Se parece muito comigo
- Se parece comigo
- Se parece mais ou menos comigo
- Se parece pouco comigo
- Não se parece comigo

6. Ela gosta de novidade e mudança, sempre tenta fazer coisas novas. É importante para ela fazer várias coisas diferentes na vida. (ST) *

- Se parece muito comigo
- Se parece comigo
- Se parece mais ou menos comigo
- Se parece pouco comigo
- Não se parece comigo

7. Ela acredita que as pessoas deveriam respeitar as normas. Ela acredita que as pessoas deveriam sempre seguir as regras, mesmo quando ninguém está observando. (CO) *

- Se parece muito comigo
- Se parece comigo
- Se parece mais ou menos comigo
- Se parece pouco comigo
- Não se parece comigo

8. É importante para ela ouvir as pessoas que são diferentes dela. Mesmo que ela discorde, é importante entendê-las. (UN) *

- Se parece muito comigo
- Se parece comigo
- Se parece mais ou menos comigo
- Se parece pouco comigo
- Não se parece comigo

9. É importante para ela ser humilde e modesta. Ela tenta não chamar atenção para si própria. (TR) *

- Se parece muito comigo
- Se parece comigo
- Se parece mais ou menos comigo
- Se parece pouco comigo
- Não se parece comigo

10. Para ela é importante aproveitar a vida. Ela gosta de divertir-se. (HE) *

- Se parece muito comigo
- Se parece comigo
- Se parece mais ou menos comigo
- Se parece pouco comigo
- Não se parece comigo

11. É importante para ela tomar suas próprias decisões sobre o que faz. Ela gosta de ser livre para planejar e escolher suas atividades. (SD) *

- Se parece muito comigo
- Se parece comigo
- Se parece mais ou menos comigo
- Se parece pouco comigo
- Não se parece comigo

12. É muito importante para ela ajudar as pessoas ao seu redor. Ela quer cuidar do bem-estar delas. (BE) *

- Se parece muito comigo
- Se parece comigo
- Se parece mais ou menos comigo
- Se parece pouco comigo
- Não se parece comigo

13. Ser muito bem-sucedida é importante para ela. Ela espera que as pessoas reconheçam suas conquistas e a admirem por isso. (AC) *

- Se parece muito comigo
- Se parece comigo
- Se parece mais ou menos comigo
- Se parece pouco comigo
- Não se parece comigo

14. Para ela é importante a segurança. Ela gosta de sentir-se segura na vida. (SE) *

- Se parece muito comigo
- Se parece comigo
- Se parece mais ou menos comigo
- Se parece pouco comigo
- Não se parece comigo

15. Ela gosta de se arriscar. Ela está sempre procurando aventuras. (ST) *

- Se parece muito comigo
- Se parece comigo
- Se parece mais ou menos comigo
- Se parece pouco comigo
- Não se parece comigo

16. É importante para ela se comportar sempre corretamente. Ela quer evitar fazer qualquer coisa que as pessoas possam achar errado. (CO) *

- Se parece muito comigo
- Se parece comigo
- Se parece mais ou menos comigo
- Se parece pouco comigo
- Não se parece comigo

17. É importante para ela estar no comando e dizer aos demais o que fazer. Ela quer que as pessoas façam o que manda. (PO) *

- Se parece muito comigo
- Se parece comigo
- Se parece mais ou menos comigo
- Se parece pouco comigo
- Não se parece comigo

18. É importante para ela ser fiel a seus amigos. Ela se compromete com eles. (BE) *

- Se parece muito comigo
- Se parece comigo
- Se parece mais ou menos comigo
- Se parece pouco comigo
- Não se parece comigo

19. Ela acredita firmemente que as pessoas deveriam preservar a natureza. Cuidar do meio ambiente é importante para ela. (UN) *

- Se parece muito comigo
- Se parece comigo
- Se parece mais ou menos comigo
- Se parece pouco comigo
- Não se parece comigo

20. Fazer as coisas da maneira como sempre foram feitas é importante para ela. Ela busca a tradição em sua vida. (TR) *

- Se parece muito comigo
- Se parece comigo
- Se parece mais ou menos comigo
- Se parece pouco comigo
- Não se parece comigo

21. Ela gosta de divertir-se pelo prazer que lhe proporciona. Ela fica feliz em aproveitar a vida. (HE) *

- Se parece muito comigo
- Se parece comigo
- Se parece mais ou menos comigo
- Se parece pouco comigo
- Não se parece comigo

Appendix B

Shorter Version of Schwartz Portrait Values Questionnaire (21 PVQ) as validated for Brazil by Porto and Campos (2010).

INSTRUÇÕES

Descrevemos resumidamente abaixo algumas pessoas. Leia cada descrição e avalie o quanto cada uma dessas pessoas é semelhante a você. Assinale com um “X” a opção que indica o quanto a pessoa descrita se parece com você.

	Quanto esta pessoa se parece com você?					
	Se parece muito comigo	Se parece comigo	Se parece mais ou menos comigo	Se parece pouco comigo	Não se parece comigo	Não se parece nada comigo
1) Pensar em novas idéias e ser criativa é importante para ela. Ela gosta de fazer coisas de maneira própria e original.						
2) Ser rica é importante para ela. Ela quer ter muito dinheiro e possuir coisas caras.						
3) Ela acredita que é importante que todas as pessoas do mundo sejam tratadas com igualdade. Ela acredita que todos deveriam ter oportunidades iguais na vida.						
4) É muito importante para ela demonstrar suas habilidades. Ela quer que as pessoas admirem o que ela faz.						
5) É importante para ela viver em um ambiente seguro. Ela evita qualquer coisa que possa colocar sua segurança em perigo.						
6) Ela gosta de novidade e mudança, sempre tenta fazer coisas novas. É importante para ela fazer várias coisas diferentes na vida.						
7) Ela acredita que as pessoas deveriam respeitar as normas. Ela acredita que as pessoas deveriam sempre seguir as regras, mesmo quando ninguém está observando.						
8) É importante para ela ouvir as pessoas que são diferentes dela. Mesmo quando não concorda com elas, ainda quer entendê-las.						
9) É importante para ela ser humilde e modesta. Ela tenta não chamar atenção para si.						
10) Para ela é importante aproveitar a vida. Ela gosta de divertir-se.						
11) É importante para ela tomar suas próprias decisões sobre o que faz. Ela gosta de ser livre para planejar e escolher suas atividades.						

12) É muito importante para ela ajudar as pessoas ao seu redor. Ela quer cuidar do bem-estar delas.						
13) Ser muito bem-sucedida é importante para ela. Ela gosta de ser admirada pelas pessoas.						
14) Para ela é importante a segurança. Ela gosta de sentir-se segura na vida.						
15) Ela gosta de se arriscar. Ela está sempre procurando aventuras.						
16) É importante para ela se comportar sempre corretamente. Ela quer evitar fazer qualquer coisa que as pessoas possam achar errado.						
17) É importante para ela estar no comando e dizer aos demais o que fazer. Ela quer que as pessoas façam o que manda.						
18) É importante para ela ser fiel a seus amigos. Ela se compromete com eles.						
19) Ela acredita firmemente que as pessoas deveriam preservar a natureza. Cuidar do meio ambiente é importante para ela.						
20) Fazer as coisas da maneira como sempre foram feitas é importante para ela. Ela busca a tradição em sua vida.						
21) Ela gosta de divertir-se pelo prazer que lhe proporciona. Ela fica feliz em aproveitar a vida.						