

Entrepreneurs Perspective towards Their Personal and Business Values

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Abstract: Entrepreneurs today possess a sense of mission - to be socially responsible, protect the environment, and to retain their stake holders for long period. Rather than focus exclusively on financial gain, they aim to achieve a balance between values and long lasting of their business. How entrepreneurs perceive the normative expectations and how they deal in their day to day business activities were the questions that has been in focus in this research. Looking into the values and values orientation there has been a strong argument that human behavior in general and business decisions in particular are strongly influenced by the values of the entrepreneurs. Around 150 entrepreneurs were surveyed in Andhra Pradesh to analyze about their personal values and to what extent it is influencing on their business decision making. The research shows that there is a good harmony between personal and business values. However, the harmony among the personal and business values importance doesn't mean that ethical values are followed in the real aspects of business by entrepreneurs.

Key Words: Entrepreneurs, Business Values, Personal Values.

I. INTRODUCTION

Entrepreneurs today are exposed to different normative expectations from the society, environment in which they are located, their stakeholders, Government Regulations and above all the stiff competitions. The discussion about the performance of the business is based on the growing importance of values of the entrepreneurs. The act of starting a business and sustaining it for long requires consideration of certain values for combining what is done to with how it is done. This would be a path setter for entrepreneurs to do business in the long run.

The present research focuses on questions of what values are important to entrepreneurs and how they combine their personal values to that of their business values. The study investigates on personal values in general and their influence on the decision making process in particular.

The paper is structured as follows. The first section discusses the theoretical back ground of study. The second and third section offers an insight into the methodology followed and the empirical findings, finally the last section draws the conclusion.

II. IMPORTANCE OF VALUES FOR AN ENTREPRENEURS

Entrepreneurship is termed as one of the most important factors contributing towards the development of societies and economies. It encourages innovation, generates employment, enhances human potentials and satisfies the needs of the customers. Entrepreneurs today are considered as national asserts, they have the potential to change the way society live and work. Their success can change the standard of living and in additional enhance the wealth of the nation. Rather than focusing exclusively on financial gain, they also aim at achieving a balance between values and long sustaining of their business. On the other hand, entrepreneurs who are guided by a set of values, would enhance their credibility in the business.

Likewise, understanding the personal value systems of entrepreneurs is important because entrepreneurs' personal value system influence the way in which they look at the organizational success and direct the individuals and groups perceptions towards achievement of the organizational goals as well has their personal objectives.

Hornaday and Aboud (1971), entrepreneurs tended to value achievement, independence and effective leadership more so than did the general population. Morris et al. McGrath, MacMillan and Scheinberg (1992) found that entrepreneurs scored higher on values of power distance, individualism and masculinity and lower on uncertainty avoidance. Michael H Morris., Minet Schindehutte., John Walton., Jeffrey Allen (2002) studied the context of the ethical climate of entrepreneurial firms as they grow and develop in their business venture. These authors in turn developed a framework to describe the formal and informal ethical structures that emerged in firms over time and suggested a variety of factors that influence firms such as entrepreneur's psychological profile, lifecycle stage of the business, and descriptive characteristics of the venture.

Low and MacMillan (1988) through their research suggested that entrepreneurship has become eulogized because of its role in furthering economic growth. Venkataraman (2002) argues that ethics and entrepreneurship together represent two sides of the same coin, 'the coin of value creation and sharing'. Buckley and Casson (2001: 314) suggest that 'entrepreneurship is a morally ambiguous role, while Brenkert (1999) argues that an entrepreneurial society and a good society are not necessarily the same. Entrepreneurs may act in

good and bad, moral and immoral ways, and if an entrepreneurial society refers to a society in which entrepreneurship is promoted, we need to know the relationship between this and promoting a good society. Baumol (1990) asserts on the basis of a range of historical evidence, that productive entrepreneurship does really matter for economic development, and that it brings financial and respectability rewards to its practitioners. Sarasvathy et al. (1998) hold a key role in the moral dynamics of the market place. None the less, Baumol (1993) cautions that entrepreneurship should not be taken as a synonym for virtuousness

The empirical finding state that the term value differs according to circumstance such as social virtues like honesty, achievements, power, money independence, power are all associated with complexity such as morality, human rights or democracy. Individual values are referred as the general beliefs that reflect all situations and influence the attitudes of focused people or events. Values are also referred as the dominating forces in the lives of people.

Milton Rokeach the famous social researchers contribution towards values are “an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or end- state of existence and value system as an enduring organization of beliefs concerning preferable modes of conduct along a continuum of relative importance”,. Rokeach had classified personal values as terminal and instrumental. Terminal values are desirable end states of existence and come in form of personal terminal values. The instrumental values refer to the means or modes of conduct used to pursuit of terminals values. Within the instrumental values there are moral values such as honesty that in turn has the influence on the interpersonal focus and arouse feeling of guilt and competence instrumental values such as creativity. When the creativity is violated this in turn cause the feel of inadequacy.

Kluckhohn (1951) describes value as “a conception, explicit or implicit, distinctive of an individual or characteristic of a group. A value thus has therefore different relevance which changes according to the given situation. In the following section we will discuss the question of value perception of personal and business from the entrepreneurs’ perspective.

III. METHODOLOGY

The research was conducted in various cities of Andhra Pradesh in the year 2016-17. The main focus of this research was to explore the entrepreneurs’ perception and attitudes towards ethical values and their importance in business decision making. The research was used as an exploratory study to explore how entrepreneurs manage to bring in their personal values into their business action.

Entrepreneurs were identified based on their employee’s strength of 20 to 200 for the purpose of research. The

entrepreneurs belong to the manufacturing, trade and services sector.

Respondents were selected by stratified random sampling and made sure that the respondents were operating in the above mentioned three sectors were covered. Lists of 180 entrepreneurs’ were selected, but only 150 of them could be contacted. The data was collected in person using a standard structured questionnaire. The questionnaire was designed by cover the various areas of personal and business ethical values. 20 pre-defined values were used to measure their importance in the decision making process by the entrepreneurs. Likert scale was used to measure the correspondence values between personal and business.

Frequency tables were used to describe the importance of both the personal and business values followed by the entrepreneurs. Non- parametric Statistical Krushal- Wallis test for nominal and ordinal data and one way analysis of variance(ANOVA) for interval data were used to examine significance of differences among the entrepreneurs. Results were considered to be statistically significant at the significance level equal or lower than 0.05.

IV. EMPIRICAL FINDING OF THE RESEARCH

The Research Findings presented in this paper focuses on the “Attitudes of Entrepreneurs towards Ethical Values in Andhra Pradesh.

V. DEMOGRAPHIC CHARACTERISTICS

Around 30 (20%) of the respondents were owning small enterprises with only 20 employees. 56(37.3%) of the respondents were owning enterprises with 21- 100 employees. 64 (43 %) of the respondents were owning an enterprise with more than 100 employees. Most of the respondents were operating in the manufacturing sectors (43.3%), while (25.3%) were involved in trade activities and the rest (31.3%) of the respondents were into the services.

VI. THE MOST IMPORTANT PERSONAL VALUES

Entrepreneurs are human being first and there by business people later. They have their personal values that are deeply rooted and are unlikely to change in a short span of time. To explore the entrepreneurs personal values importance 20 so called personal values have being taken focusing on the objectives that the respondents would like to achieve. The respondents were asked to choose and tick five most important and five least important values. The frequency of the selected values from most important to the least important is shown in the descending order is shown in the table 1.

Table 1. The most important Personal Values

The most important Personal Values	Number of Respondents	Percentage
Physical Health	120	80%
Family	101	67.3%

Integrity	93	62%
Responsibility and Accountability	89	59.3%
Trust	81	54%
Business Prosperity	78	52%
Knowledge	69	46%
Cooperation	62	41.3%
Status and Reputation	56	37.3
Affection	49	32.6%
Challenging Problems	37	25%
Security	29	19.3%
Wealth	21	14%
Order (Tranquility, Stability and Conformity)	18	12%
Excellence	11	7.3%
flexibility	9	6%
Discipline	7	5%
Openness	5	3.3%
Commitment	3	2%
Individualism	2	1.3%

Majority of the respondents have strongly expressed that physical health(80%) is considered to be the most important personal value, family stands the second most important personal value with a frequency of (67.3%), Integrity stands the third with a frequency value of (62%), Responsibility and Accountability with (59.3%) stands the fourth and fifth stands the trust with a frequency value of (54%).The personal value with the lowest frequency is the individualism with (1.3%) were commitment stands the second least personal value with a frequency value of (2%), the third least important is openness (3.3%),discipline with a frequency value of (5%) and flexibility with a frequency of (6%). To determine whether there is any statistical significant difference with entrepreneurs relationship to that to that of the number of employees, sector on the perception of personal values importance, kruskal-walis test was used. The only significant difference (Chi-Square=29.959,p=0.000) was focused in the importance of responsibility and accountability. Responsibility and Accountability was perceived to be the most important personal value for enterprises operating in the manufacturing industry.

VII. THE IMPORTANCE OF BUSINESS VALUES IN BUSINESS

Like the personal values, the importance of values in terms of business management was examined in the research, Likewise the personal value system the respondents were asked to mark five values that they consider the most important in their business decision making and their business activities and five

least important values in managing their business activities. Table two analyzes the business values.

Table 2: The most important Business Values

Values	Number of Respondents		Percentage of all	
	Most Important	Least Important	Most Important	Least Important
Professionalism	105	5	70%	6%
Integrity and Honesty	103	6	69%	4%
Quality	98	13	65.3%	9%
Responsibility and accountability	91	19	61%	13%
Team Work	89	23	59.3%	15.3%
Trust	82	41	55%	27.3%
Business Prosperity	78	34	52%	23%
Competition	64	23	42.6%	15.3%
Image and Reputation	61	43	41%	28%
Credibility	59	48	39.3%	32%
Market position	52	35	35%	23.3%
Commitment	50	86	33.3%	57.3%
Respect, Acknowledgement, justice and fairness	47	33	31.3%	22%
Flexibility	28	54	19%	36%
Sustainability	21	81	14%	54%
Community	19	36	13%	24%
Discipline	14	76	9.3%	51%
Openness	9	89	6%	59.3%
Tolerance	6	65	4%	43.3%
Individualism	3	131	2%	87%

There is not much difference in the importance of business values when compared to personal values of the entrepreneurs under this research. The highest frequency as far as the most important business values are considered is professionalism (70%), Integrity and Honesty(69%) is the second most important business value expressed by the entrepreneurs, Quality(65.3%) is the third important Business Value, Responsibility and Accountability with a frequency value of (61%) stands the fourth and Team work with a frequency of (59.3%) is the fifth most important business value. The least important business value with the frequency value is Individualism(87%), openness the second least value of (59.3%), Commitment(57.3%) stands the third least value, Sustainability (54%) fourth least business value and Discipline is the fifth least business value(51%).

The only significantly difference was found in the importance of credibility, respect, acknowledgement, justice and fairness. Entrepreneurs with 20 – 100 employees consider

image and reputation to be important business values then their competitors. Entrepreneurs with 20 employees consider business prosperity is the important business value, in the case of entrepreneurs with more than 100 employees(chi-Square=12.190. p=0.041) Respect, acknowledgement, justice and fairness was consider to be important business values only by entrepreneurs who are in industry and services.

VIII. CONCURRENCE OF THE VALUE

Intense competition and fluctuating business environment forces the entrepreneurs to seek for better returns on their investment and focuses on strategies that would lead to their business prosperity. With the competitive pressure on entrepreneurs, they are forced to make decision and act variance with their beliefs and values in order to achieve their objectives. The research had examined how difficult it is to for entrepreneurs with is team to bring their personal values in concurrence with their business values, and at what circumstance they are forced to make decision that goes beyond their personal values. The respondents were asked to state the degree of their agreement or disagreement using likert scale with six statements that express difficulties in keeping their business decision with that of their personal values. The results are shown in the table 3

Table 3. Concurrence of Personal and Business Values

Degree of Concurrence	It is difficult to keep business values in concurrence with personal values					
	Statements (Responses in %)					
	A	B	C	D	E	F
Absolutely Agree	14	12	17.3	18.6	16	15.3
Rather Agree	16	19.3	21.3	24	26	22.6
Partially Agree	27.3	26	26	24.6	22	23.3
Rather disagree	25.3	25.3	26.6	19.3	21.3	20
Absolutely Disagree	15	11	6.6	4.6	12	9.3
It is Difficult to Express	2.6	7	2	2	2.6	2.6
Total Percentage	100	100	100	100	100	100

Statement A: It is not possible to fulfill expectations of people

Statement B: No Ethical Regulation are followed in the company

Statement C: There is every danger that competition will be stronger

Statement D: Market conditions does not adjust with ethical behavior

Statement E: Not difficult but only uncomfortable

Statement F: It is not difficult but in line to achievements of the companies’ objectives it is disadvantageous.

Majority of the respondents have strongly agreed that it is difficult to bring in their personal values in concurrence with business values. The reasons could be that it is not possible to fulfill the expectations of the people (agreed 80% of the respondents), conditions in the Market (65%), Competitions may be stronger in future(58%) and (55%) respondents have expressed that they donot follow any particular ethical code.

ANOVA Test showed the significant difference in the difficulties faced by the entrepreneurs in keeping their personal values in line to that of their business values based on the above mentioned reasons(F=0.3668,P= 0.031) in Relation to the Number of Employees. Willingness of respondents to act in contradiction to their personal values is presented in table 4

Table 4: Willingness of respondents to act in contradiction to their personal values(in % Responses)

Willingness to act in contradiction with personal values	I would act against my personal values and beliefs if	
	I could increases the chances of success and earn a high rate of return from my business	I could save my company from liquidity crises
Yes, always(in any case)	3.1	27.3
Yes, may be	29.1	42.1
I do not know, I am not sure	36.0	19.4
Rather No	26.3	6.3
Never Under No Circumstances	5.5	4.9
Total(%)	100	100

Three per cent of the respondents have expressed that they would always and 29.1% mayact against their personal values in case they could increase the chance of success and earn a higher rate of return from their business. While saving the business from liquidity crises majority of respondents expressed certainly(27%) or probably (42%) willing to break the personal values. Similarly around (36%) of the respondents have expressed that they would not hesitate to break their personal values in case the business earns higher rate of returns than to that of saving the business from liquidity crises. Statistically significance difference (Chi-Square=11.241, P= 0.039) were found out in willingness to break personal values in an attempt to save the business from liquidity crises.

IX. CONCLUSION

The finding of the research on the ethical values in entrepreneurs show that most important personal values are the physical health, family, Integrity & Honesty, responsibility & Accountability and Trust. In case of business values are concerned professionalism, Integrity & Honesty, Quality, Responsibility & Accountability and team work are the most important business values considered by the entrepreneurs. Out of the top seven values of personal and

business is concerned, Integrity & honesty, Quality, Responsibility & Accountability, Trust and Business Prosperity stands common for both the values for an entrepreneurs. This show that there is a good concurrence of both the values. However, the concurrence among the personal and business values in importance does not mean that ethical values are followed in practical aspects of business. The research clearly shows that more than 60% of the respondents have agreed that is difficult to act or put into practice their personal values in line to that of their business values due to various circumstances such as difficult in fulfilling the people's expectations, the unfavorable market conditions, and stiff competition. More over majority of the respondents have expressed that they donot follow any ethical code in particular that could improve upon their business outcomes. As far as the willing of the respondents to break their personal values in order to enhance the returns from their business is greater than to break the personal values in helping the business to overcome their liquidity problems.

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