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Entrepreneurship in a Global Context

Case Studies from Start-ups in China, Lebanon and Sweden

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Abstract

In this thesis, we have investigated what skill sets entrepreneurs apply in order to become entrepreneurs, how entrepreneurs are influenced by globalisation and how they overcome societal barriers in their countries.

The thesis consists of case studies with entrepreneurs from three firms in China, Lebanon and Sweden. It examines the societal barriers in each country, as well as what skill sets helped the entrepreneurs overcome these barriers.

We found that they were all to a high degree utilising the Internet and the possibility of interacting with the global world. Their societal barriers differed, but the ways in which they overcame them did not differ significantly. In our limited study, the more difficult the local barrier is, the more global the firm is.

We would infer from our analysis that entrepreneurs are influenced both by the global society and their national society. The higher the societal barriers, the more skills were needed to overcome them.

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I Introduction

I.1 Background

Globalisation is occurring at an increasingly fast pace. Only a short time ago, no one could imagine a time with YouTube, Facebook, Smartphones and constant online connectivity. The world is connected like it never was before, and this interconnectedness is creating a new global culture. Friedman (2005:1) even goes as far as to claim that “*the world is flat*”, and that we are experiencing a new era of individual globalisation.

At the same time, differences between countries undeniably still exist (Lombaerde & Lapadre, 2008; Ang et al., 2007). Someone who is based in a country where electricity outages are a frequent occurrence, where Internet access is not commonplace and where corruption is a fact probably does not have the same possibilities as someone from a country with free education, social security and constantly supplied power. With differing conditions like these, it is hard to argue that the world is flat.

Researchers across many disciplines agree that entrepreneurship is an important determinant for growth and development (Cooter & Schäfer, 2012; Kirby, 2003, Schumpeter, 1934). New ventures around the world are started every day (World Bank, 2013b). Entrepreneurs have an opportunity to interact with the global world more than ever before. The inspiration to start a business could come from something seen on a trip to Hawaii or Abu Dhabi. Even if they target their local market, their competition could come from anywhere (Dawar & Frost, 1999).

The ability to take advantage of globalisation is particularly outspoken in the technology and service industries, where the output crosses borders with fewer barriers than in the production industry (Mascitelli, 1999).

For entrepreneurs operating within these highly mobile industries, the global world brings with it both opportunities and challenges. Their potential markets are bigger, their network can grow more diverse and they have more areas from which to attract investors (Lee, Lee & Pennings, 2001). At the same time, having cli-

ents/partners/customers/other stakeholders in different countries, the entrepreneur will have to navigate through different ways of doing things.

Any new company will be created in a context with smartphones, WiFi and 24hr Internet access in an increasing number of places (UN Data, 2013a & b). Already established companies will of course have adapted to this reality, but the newer the company, the more global the context in which it was created. This is why we have decided to zoom in our focus on entrepreneurs with firms in their early stages of development – people who benefit from the opportunities and face the challenges of the global world from the beginning.

During our bachelor's degree in International Management, globalisation has been a part of courses as diverse as HR, marketing, economics, management, organization and entrepreneurship. In most courses, Hofstede's dimensions were the main frame of reference (Hofstede, 1980).

We come from quite diverse backgrounds, as we grew up in three different countries, with mixed cultural backgrounds. We have lived in three to five countries each, from Europe to US to Asia to the Middle East. The view of culture represented in management courses was not the reality that we encountered.

1.2 Problem discussion

As we have experienced first hand, the door to interact with the world is right there. There is no reason to think that entrepreneurs, characterised by a lot of literature as being innovative achievers, would not take advantage of the global opportunities that exist. Most current entrepreneurship research has been conducted with a Western lens (Mueller & Thomas, 2000; Gupta and Fernandez, 2009), not sufficiently addressing the interaction between the global, national and individual level in different countries.

“International comparative studies of entrepreneurship are rare, hampered by barriers such as difficulty in gaining access to entrepreneurs in other countries, high expense, and lack of reliable secondary data.” (Mueller & Thomas, 2000:289) Because of these issues, international examples in context are lacking in order to provide an insight into how globalisation affects entrepreneurs, and how they cope with the

different conditions that they have.

Because of the increasing globalisation, entrepreneurship researchers more than ever need an international lens when determining what brings entrepreneurship to a nation. The much-discussed question of whether entrepreneurs are shaped by society or individual characteristics (Kalantaridis, 2004) is highly relevant to this debate, and therefore an important topic to explore in conjunction with culture.

1.3 Purpose

The purpose of this thesis is to examine globalisation in entrepreneurship in order to see if different environments are providing dissimilar outcomes for the entrepreneurs in our cases.

The entrepreneur as an individual as well as the society he/she is in will be our focal points.

The research questions are:

1. What individual skills shape entrepreneurs, and are there similarities between our cases in different countries?
2. How do these entrepreneurs take advantage of globalisation?
3. How do these entrepreneurs overcome differing societal barriers?
4. How do these entrepreneurs relate to their own and other cultures?

We will investigate different theories in international entrepreneurship and compare entrepreneurs from three start-ups in China, Lebanon and Sweden. Their industries are similarly within the technology and service sectors, but the entrepreneurs are from very dissimilar countries in Asia, Scandinavia and the Middle East.

In the end we aim to create a holistic model that combines *global influences, internal strengths* and *external aids and barriers*.

1.4 Definitions

Globalization: The interconnectedness of markets, technology and communication that is enabling individuals to reach other individuals globally faster, cheaper and more thoroughly than ever before (Friedman, 2005; Ang et al., 2007), though rec-

ognize that *“increasing cultural diversity creates challenges for individuals and organizations, making the world ‘not so flat’ after all”* (Ang et al., 2007:335)

Entrepreneurship: There is no universally agreed upon definition of entrepreneurship (Gartner, 1988; Davidsson, 2003; Kirby, 2003). We describe entrepreneurship specifically as *creation of new organizations* (Gartner, 1988) and *creation of economic activity that is new to the market* (Davidsson, 2003).

Entrepreneurial traits: We define entrepreneurial traits to be the personalities and characteristics that drive a person to become an entrepreneur (Kirby, 2003)

Skill sets: *“a person’s range of skills or abilities”* (Oxford Dictionary, 2013), which is defined in this context as a combination between personality traits, networks, cultural intelligence and education.

Societal Influences: Societal influences are factors from the external environment, which affect the decision to start a venture. Societal factors can be political, economic, socio-cultural, technological, environmental and legal (PESTEL) (Yüksel, 2012). The recognized societal factors influencing entrepreneurship are socio-cultural, political, economic and institutional & organizational (Kirby, 2003).

Culture: We take a holistic view on culture in this thesis. According to Hofstede (2001), culture is the collective programming of the human mind that distinguishes the members of one human group from those of another – a system of collectively held values. Hong and Chiu (2001: 181) elaborated on this further by asserting that through a dynamic constructivist perspective, cultures should be viewed as *“dynamic open systems that spread across geographical boundaries and evolve over time”*. Fang (2011:25) adds that *“potential paradoxical values coexist in any culture and they give rise to, exist within, reinforce, and complement each other to shape the holistic, dynamic, and dialectical nature of culture”*.

Cultural Intelligence: *“defined as an individual’s capability to function and manage effectively in culturally diverse settings”* (Ang et al., 2007:336)

2 Theoretical Framework

This thesis chapter will consist of two parts: entrepreneurship and culture. The entrepreneurship part first looks at the entrepreneur as an individual (traits research, networks and education) and then examines societal factors influencing the entrepreneur. The link between culture and entrepreneurship is then described. The culture part is divided in a similar fashion, continuing from a societal level (cultural dimensions), examining non-western alternatives to cultural dimensions and finally looking at different cultures from the point of view of an individual (cultural intelligence).

2.1 Entrepreneurship

We define entrepreneurship as the creation of new organizations (Gartner, 1990) or new economic activity (Davidsson, 2003).

Our level of analysis remains at the individual level, but we categorize entrepreneurship in our context as the creation of new organizations and new economic activity, therefore also addressing the societal level in the aid and barriers it provides for the individual.

2.1.1 Two approaches

The research of entrepreneurship has been developed into two approaches – the individual approach and the society level approach (Herrmann, 2010).

The individual approach sees entrepreneurship as self-motivated activity on a micro level, while the societal approach observes entrepreneurship as an institutionally embedded activity on a macro level (*Figure 1*).

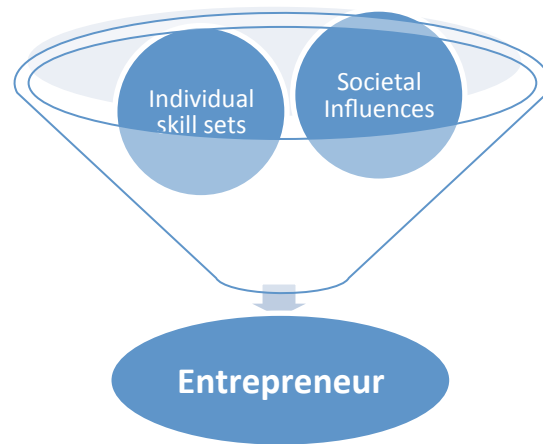


Figure 1: *Individual and Societal influences on the entrepreneur, adapted from theories by Hermann (2010)*

2.1.1.1 The Individual Level – Trait Research, Networks and Education

Schumpeter (1934) was among the first to develop the fundamentals of entrepreneurship. Economist Swedberg (2007:2) wrote that out of “*all the theories of entrepreneurship that exist, Schumpeter’s theory is still, to my mind, the most fascinating as well as the most promising theory of entrepreneurship that we have*”. Schumpeter argued that economic prosperity is more efficiently driven by technological innovation from entrepreneurship or a *wild spirit* (Schumpeter, 1934). That is to say, individual entrepreneurs, their personalities and their will power, provide better results in the economy than other factors such as price or supply and demand.

In line with Schumpeter’s study, a major school of entrepreneurship research has been focused on individual & non-contextual traits (what we define as skill sets) such as personal motivation, educational background, financial endowment etc. (Swedberg, 2007).

Within this school of entrepreneurship research, it is believed that some personality traits can be used to explain or even predict business creation and success. In this thesis we have chosen to narrow down our focus to the four traits *innovativeness, need for achievement, risk taking propensity* and *internal locus of control*, mainly because of their frequency in the literature (Gupta & Fernandez, 2009; Chelariu, Brashear, Osmonbekov & Zait, 2008; Rauch & Frese, 2007; Kirby 2003; Mueller

& Thomas, 2000; Koh, 1996; Pandey & Tewary, 1979; Brockhaus, 1975) Moreover, innovativeness, risk taking propensity and need for achievement have been linked to entrepreneurship across cultures by the authors in the above studies. The locus of control-concept is widely used but some literature has found only a weak link with entrepreneurship, especially in an international context. We have included it to see if we find any interesting evidence in the matter.

The following will introduce the reader to the four traits mentioned above.

Innovativeness: The innovative ability is essential for entrepreneurs as noted in Schumpeter's classical view. New economic cycles are driven by product innovation, and this originates from entrepreneurs' wild spirit and desire to create something new (Schumpeter, 1934). Innovativeness also refers to creative thoughts and behaviours dealing with existing or new problems, or something being done differently (Kirton, 1976). Indeed, Carland, Hoy, Boulton and Carland (1984) include in their definition of the entrepreneur that he or she "*is characterised principally by innovative behaviour*" and Drucker (1985) describes innovation as the "*specific tool of entrepreneurs*".

Risk taking propensity: Entrepreneurs are not averse to risk due to the nature of what they do. They are starting up a business, which undeniably necessitates some form of risk (Schumpeter, 1934). Entrepreneurs tend to be more likely to take risks than those who are not entrepreneurs (Koh, 1996).

Need for achievement: Need for achievement refers to a person's strong desire for recognized accomplishment and aspiration for success under pressure (McClelland, 1961). According to McClelland (1961) people with a strong need for achievement are characterised by high individual responsibility, a character trait that is important when opening a new organisation or firm.

Internal locus of control: Locus of control refers to a person's orientation towards whether external influences control action, or that the individual has the power to change his or her surroundings. If individuals believe that the outcome of a situation is subject to their own actions, then they have an internal locus of control (Rotter, 1966; Brockhaus, 1975; Pandey and Tewary, 1979).

A meta-analysis by Rauch and Frese (2007) tested the validity of relationships between proposed specific traits and entrepreneurial behaviour and success. They comprehensively analysed databases and previous literature within entrepreneurship and psychology. They found locus of control and risk taking to be frequently mentioned, and their analysis showed that personality traits such as “*Proactive personality* (related to need for achievement)”, “*generalized self-efficacy*”(related to internal locus of control) and “*innovativeness*” were most strongly related to business creation and business success. Johnson (1990) found that twenty out of twenty three articles in his literature review presented a positive relationship between need for achievement and entrepreneurship.

Risk-taking propensity is generated from the classical view of entrepreneurs with the view that a wild spirit drives economic development (Schumpeter, 1934). Koh (1996) confirmed this link through a survey of 100 MBA students in Hong Kong.

Rauch and Frese (2007) found that the link between *internal locus of control* and entrepreneurial propensity were either weak or strong, according to their survey of experts and their meta-analysis respectively. Brockhaus (1975)’s study of MBA students showed a link between entrepreneurial intentions and internal locus of control, and Pandey and Tewary (1979) showed a link in supervisors’ judgment of entrepreneurial potential in employees and internal locus of control.

Traits research has largely been done by researchers from the US and Western Europe. Mueller and Thomas (2000) brought up statistics of the most prominent researchers in organization studies, and pointed out that all 62 are from the Western world.

The question whether US-based research is applicable in the rest of the world continues to engage entrepreneurship researchers. According to some existing research on intercultural entrepreneurship, these traits might indeed not hold in settings outside of the Western world.

No universal model

In order to know whether entrepreneurs share the same traits across cultures, Mueller and Thomas (2000) conducted survey research across 9 countries with

1800 respondents. They tested risk-propensity, need for achievement, innovation, locus of control and energy level, commonly agreed upon in Western literature, to see if there was any basis for applying them universally.

They found that *innovation* was positively correlated with entrepreneurial potential in all countries, but the results concerning *risk-propensity*, *internal locus of control* and *energy level* were either too weak or not affirmative. The authors therefore emphasise the significance of the ethnocentric lens, through which we may be observing entrepreneurship. Seeing that their test was done using university students and not with actual entrepreneurs as respondents, the link with entrepreneurial potential is unclear. The proposition that these traits are not universal is nonetheless interesting.

Gupta and Fernandez (2009) examined characteristics associated with entrepreneurs. In their cross-cultural study from 3 nations: Turkey, India and the US, respondents rated the degree to which each individual attribute (traits or behaviours) is characteristic of entrepreneurs. The results showed that some traits were perceived to be the same across these countries and some were perceived differently. *Competency* and *need for achievement* were both assumed to be an entrepreneurial characteristic in all countries, but helpfulness and awareness of feelings were not. An important takeaway from this study is that entrepreneurial traits are possibly not *perceived* in the same manner.

Through a self-report survey handed out to 157 students and sales people in Romania, Chelariu et al. (2008) found that internal locus of control had a weak link with entrepreneurial propensity in their country.

The use of university students as a basis for testing entrepreneurship (Mueller & Thomas, 2000; Chelariu et al., 2008; Koh, 1996; Brockhaus, 1975) shows an interesting lack of studies focusing on actual entrepreneurs.

Some researchers have argued that entrepreneurs share *more similarities* with other entrepreneurs across countries than with non-entrepreneurs in their own country (Mueller & Thomas, 2000; Baum et al., 1993; McGrath, MacMillan &

Scheinberg, 1992), but no conclusive evidence on what similarities they share is agreed upon.

Apart from personality traits, the literature also views networks and education as advantageous skill sets for the entrepreneur.

Networks

An “*external network is a major contributor to performance*” (Leenders & Gabbav, 1999). Having a network will bring more opportunities, be it in the shape of ideas, constructive feedback, employees or financing.

Data from 137 Korean technology start-ups showed that the most important linkages in regards to firm performance were those with venture capitalists (Lee, Lee & Pennings, 2001). Venture capitalists can help not only with funding, but also with experience and expertise to bring the organisation further.

Education

Stuart and Abetti (1990) studied self-evaluation questionnaires from business founders. They found that business education and experience in managerial positions lay the foundation for becoming a successful entrepreneur. Furthermore, they add that the most successful entrepreneurs believed they were experts in their fields – a belief often bolstered by education within a particular field.

As Mueller and Thomas (2001:52) phrase it, business education provides: “*not only the technical tools (i.e. accounting, marketing, finance, etc.), [but also helps] to reorient individuals toward self-reliance, independent action, creativity, and flexible thinking*”.

On the other hand, Kirby (2003) describes the education system in many countries to develop strong conformist behaviour, countering entrepreneurial behaviour. Handy (1985:133) even believes that the current education system “*harms more people than it helps*”. Despite these assertions, there is no denying that specialized technical knowledge helps in starting a business in the technology sector – whether this knowledge is self-taught or has come from an official education system is another matter.

Whatever the skill sets of the individual entrepreneur, the barriers and assistance present in their society inevitably affect entrepreneurs. The societal approach takes a birds eye view of creation of economic activity that is new to the market.

2.1.1.2 Societal Approach: Non-trait research

Schoonhoven and Romanelli (2001) do not examine the entrepreneur as an individual, but see entrepreneurship as a phenomenon in the economy. They note the trend of certain types of start-ups being founded in particular times and certain types of start-ups existing in one area of a country, but not somewhere else.

This brings the origins of entrepreneurship into question. Schoonhoven and Romanelli (2001) argue that the trait research is somewhat biased and not systematically and objectively based on the origins. If traits are changing from time to time, no one can predict entrepreneurial outcome. Thus, in their view, the research of entrepreneurship generated by social context has been neglected.

When an institutional environment is negative to start-ups, we would not expect large numbers of start-ups to emerge. Thus if we see only a small number of ventures in a considerable period of time, there could be some accumulated negative experiences that lead to the unwillingness to build a company.

Therefore, institutional elements will not only affect creation decisions, but also affect various decisions in the early stage of a venture.

2.1.1.3 Societal factors – PELT

A classic way of describing societal factors is the PESTEL model (Yüksel, 2012). It refers to the Political, Economic, Socio-cultural, Technological, Environmental and Legal factors in a society.

Lim, Morse, Mitchell, & Seawright (2010) launched an investigation to figure out the relationship between institutional elements and entrepreneurial decisions. The results showed that institutional elements such as the legal system, financial system, education system and trust relations have an effect on venture arrangements, venture willingness and venture ability. Lim et al., (2010) conclude that venture arrangements are crucial for the decision to establish a business venture.

We have here chosen to adapt PESTEL to a PELT (Political, Economic, Legal and

Technological) model, since environmental factors are not relevant to our research, and socio-cultural matters will follow below in a more comprehensive culture framework. We will here briefly go through the mentioned factors. The culture part further below will discuss socio-cultural factors.

Political issues and Technology (Infrastructure)

Corruption means risk, and controlling corruption would help increase innovation and entrepreneurship. *“When corruption is present, entrepreneurs and innovators face greatly increased risk that those involved in her value chain will be opportunistic and appropriate profits to which the prospective entrepreneur is entitled”* (Anokhin & Schulze, 2009). Cooter and Schäfer (2012) add to that the notion that economic growth is obtained only when entrepreneurs can keep much of what they earn.

As for the political system, Kirby (2003:59) notes that *“entrepreneurship can be promoted or discouraged through the political system [...] in the more egalitarian and democratic countries entrepreneurial attitudes and behaviors tend to be encouraged by the non-interventionist policies of the state”*. There is less incentive to invest in a country when governments or other actors may take rewards away unfairly, and even less so if the country is threatened by war.

Munemo (2012) observed that political stability appears to be relatively more important for business creation in countries that are not politically stable. Peng and Shekshnia (2001) on the other hand investigated entrepreneurs in transition economies in Asia and noted a remarkable *“rise of entrepreneurship in such an ambiguous environment with little protection of private property”*, thus suggesting that entrepreneurs do not necessarily need political stability. He further argues that more complex and dynamic environments have a higher level of innovation, risk-taking and proactivity.

We have already discussed the importance of technology in the background to this thesis, in the sense that the advancements in Internet technology are what made it possible for entrepreneurs to become global from the beginning. Not everyone has equal access to technology and power, as well as computer literacy. It is easier to take advantage of computer technology in developed countries than in developing countries due to of course the differences in income, but also the differences in infrastructure. Access to technology can be conditioned by whether the government

supplies electricity or not.

Economic and Legal factors

Cooter and Schäfer (2012) describe the basic law of property rights as being fundamental in order to start up a business venture in a country. They argue that incentives to start businesses were low in Soviet Russia and pre-Xiaoping China, and that property rights reforms led to growth through entrepreneurship. This ties back to knowing whether they will be able to keep a substantial amount of the wealth they create; if not, the initiative to start a business is low – therefore property rights are essential.

A large proportion of Cooter and Schäfer (2012) is dedicated to the dual trust issue – in order for entrepreneurial ventures to be started, the entrepreneurs need to trust investors with their secrets, and investors need to trust entrepreneurs with their money. They muse that early rounds of funding frequently come from family, friends and fools – and it is especially difficult to trust for both investors and innovators in countries where financial markets are not well developed.

As noted above, Lim et al. (2010) emphasise that legal systems have a large impact on how entrepreneurs set up business in different countries. This goes hand in hand with developed financial markets. Of economic importance is of course also the income level in a country, as it determines what its citizens can buy, as well as the level of access to technology. The individual financial endowment as described by Swedberg (2007) is naturally higher among more people in OECD countries than in less developed countries.

2.1.1.4 A mixed approach between the individual and societal level

Kalantaridis (2004) portrays the entrepreneur as an institutionally embedded entity, as opposed to a non-contextual individual setting up business on his own. He combines some fundamental assumptions of psychology, sociology and economics, and argues that entrepreneurs are not only individually motivated but also channelled by their institutional context.

Notably, Kalantaridis is not going against the individual approach, but giving the societal approach as a holistic understanding of entrepreneurship. He introduces

three propositions on how decisions are driven by both individual factors and institutional factors. He argues that *‘the actions of the entrepreneur are shaped by the interaction between purpose and context’* (Kalantaridis, 2004:79) and *‘the interaction between purpose and context is influenced by the distinct (and in cases individual) positions that economic agents occupy in relation to their context’* (Kalantaridis, 2004:81)

The actions of the entrepreneur are conditioned by their purpose, and the societal context helps or impedes the ease of becoming an entrepreneur. We want to consider both the individual and societal factors influencing an entrepreneur. This in itself is not a new way of looking at entrepreneurship, as it has been put forth by Kalantaridis (2004). What is new is the global context, and we will therefore devote the next part of the theoretical framework to culture research.

Since we want to observe how entrepreneurs take advantage of globalization and relate to their own and others’ cultures, the combination of cultural and entrepreneurial theory provides important tools.

2.1.2 The link between entrepreneurship and culture theory

	Individual	Societal
Entrepreneurship	Traits	PESTEL-barriers
Culture	Cultural Intelligence	Modified cultural dimensions

Table 1: *The societal and individual levels in culture and entrepreneurship*

The figure above depicts the individual/societal level relationship between prominent entrepreneurship and culture theories.

“The assertion that there is a greater predisposition or propensity toward entrepreneurship in some societies than in others points to the implicit role of culture in the theory of entrepreneurship” (Mueller & Thomas, 2000:289). This statement emphasizes that there are more differences between societies than what can be measured in terms of income and political/legal issues. They further add that understanding cultural influences is essential in order to make entrepreneurship theory international and create efficient entrepreneurship policies.

It is becoming increasingly difficult to avoid global influences, so entrepreneurs and researchers alike need to consider the effect of different cultures.

Culture is an important factor in encouraging entrepreneurship. If we want to know what societal barriers affect entrepreneurship in this globally interconnected world, we need to identify culture's role and relationship with the individual entrepreneur. As a contextual factor, it affects the entrepreneurial potential of a nation. Knowledge about culture can help not only entrepreneurs operating globally, but also governments in improving motivation for new venture creation (Mueller & Thomas, 2000)

Culture creates some of the barriers and shapes some of the traits, and *cultural intelligence* can help the entrepreneur to function globally and overcome some of the societal barriers.

In the following part, we will describe what is meant by "modified cultural dimensions" and "cultural intelligence".

2.2 Culture

Culture permeates every level of our existence, and it is therefore quite difficult to get a definition of culture that everyone can agree on. There might be a culture within our family, our village, our organization, our occupational community, our spare time activities, our ethnicity, our religious community, our country or our region – the list goes on.

Hofstede's (1980) extensive culture study, leading to the development of four culture dimensions, provide a clear articulation of differences between countries in values, beliefs, and work roles. Although Hofstede did not specify the relationship between culture and entrepreneurial activity per se, his culture dimensions are useful in identifying key aspects of culture related to the potential for entrepreneurial behaviour (Mueller & Thomas, 2001:59)

Though we do not have the intention to apply his framework extensively, a brief summary of his dimensions and research (Hofstede, 1980) is in order, due to their widespread usage in the literature.

Hofstede describes culture by using an “onion” diagram, with symbols on the outside (easily replaceable), heroes closer to the middle, followed by rituals, and in the end values as the core of the individual. Symbols can change without it having an effect on core values, but values are formed before the age of 10 and then relatively *difficult to change over time* (Hofstede, 1991).

2.2.1 Cultural Dimensions

Hofstede analysed survey data from IBM in the 1960ies and 1970ies to identify four (later five) cultural dimensions, thus making researchers and laymen alike aware of important differences between cultures. Respondents’ values were aggregated and statistically analysed to produce the five dimensions *power distance*, *masculinity/femininity*, *uncertainty avoidance*, *individualism/collectivism*, and since 1990, *long term orientation* (Hofstede and Minkov, 2011).

Minkov added the *indulgence/restraint* dimension in 2010 (Hofstede, Hofstede & Minkov, 2010).

The dimensions and country scores are publicly available via Hofstede’s personal website¹, except for the indulgence/restraint dimension, which we have chosen to not include. The scores have been updated, and more countries have been added since the initial IBM study. The following definitions are adapted from Hofstede et al. (2010):

Power distance deals with a society’s view of inequality. A high power distance country would to a higher degree accept a hierarchical order.

Individualism/collectivism concerns whether or not members of a society take care of each other, or prefer to take care of themselves.

Masculinity/femininity describes a society’s preference for achievement and assertiveness, vs. cooperation, modesty and care.

Uncertainty avoidance expresses the degree to which the members of a society embrace uncertainty and ambiguity.

¹ <http://geert-hofstede.com/>

² Please note that the name Global A is an alias for the company’s real name, which will not be used

Long-term orientation societies tend to save a lot, and believe that the truth depends on context, whereas short-term oriented societies respect traditions and have a lower propensity to save.

From the figure below, it is possible to make a comparison between the three countries of our report, namely Sweden, Lebanon and China.

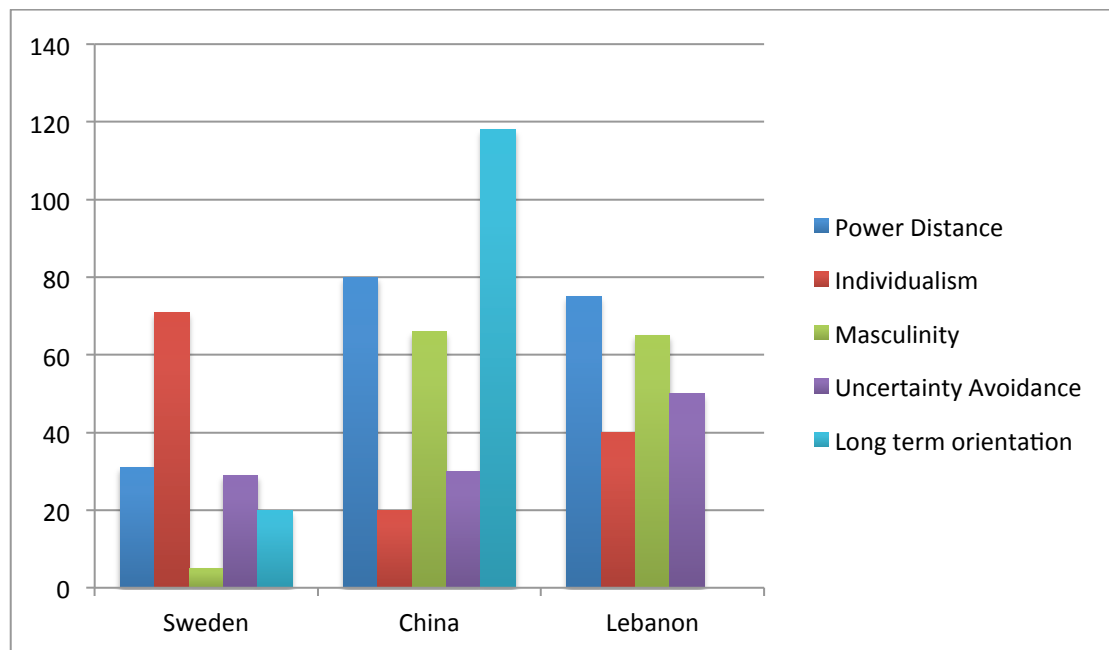


Figure 2: *Cultural Dimensions in the three countries. Adapted from Hofstede, Hofstede & Minkov (2010).* Values range between 0 and 100 except for long-term orientation, where the maximum value is 120.

There is unfortunately no data on Lebanon's long-term orientation, but we would, from the model above, expect large differences between the long-term orientation of the Swedish and the Chinese society. Further, the Swedish society is characterized by being more feminine and having a lower power distance than the other two societies, and is also far more individual. Lebanon is higher in uncertainty avoidance than the other two countries, but the scores are otherwise centred around the middle.

2.2.2 From cultural dimensions to a different approach

Hofstede has received almost 90,000 citations and growing (Google scholar citations). This fact alone makes it quite clear that his research is remarkably widespread. Scholars from a large research project refer to the phenomenon as the "*Hofstedeian hegemony*", and emphasize that it is not reasonable for any researcher

to own the field (Javidan, House, Dorfman, Hanges and De Luque, 2006:910) – thus implying that Hofstede currently does. Hofstede has throughout the years defended his research from criticism, citing the widespread usage and positive feedback of the framework for more than 30 years (Hofstede, 2010).

Javidan et al. (2006) are not the only authors to criticise Hofstede. With such widespread usage, a lot of researchers have looked into the viability of the research. The recurring themes in the criticism are:

- The dimensions' applicability *on the individual level* (Brewer & Venaik, 2012; Peterson & Søndergaard, 2011; Javidan et al., 2006; Smith, 2006; Earley, 2006) and continued usage of the dimensions on the individual level in spite of the criticism (Brewer & Venaik, 2011), in effect committing an “*ecological fallacy*” (Hofstede & Minkov, 2011:12)
- *Nations as a proper foundation* for culture, due to geographic characteristics, subgroups, religions and ethnicities within a country (McSweeney, 2002; Peterson & Søndergaard, 2011; Dickson, Den Hartog & Mitchelson, 2003; Tung & Verbeke, 2010; Jackson, 2011)
- Hofstede's *survey methods* as a correct way of measuring culture (Earley, 2006; Peterson & Søndergaard, 2011; McSweeney, 2002)
- The *statistical validity* of the research (Javidan et al., 2006; McSweeney, 2002)
- *The mentioned dimensions* not being enough (Javidan et al., 2006; McSweeney, 2002; Peterson & Søndergaard, 2012)
- *Values* not being the correct tool for measuring culture (Javidan et al., 2006; Smith, 2006; Earley 2006)
- The research being *Western-centred* or bipolar (Ailon, 2009; Javidan et al., 2006; Fletcher & Fang, 2006; Hong, Morris, Chiu & Benet-Martinez, 2000; Leung, Bhagat, Erez, Buchan & Gibson, 2005; Fang, 2011)

The large scale Global Leadership and Organizational Behaviour Effectiveness (GLOBE)-project (House, Hanges, Javidan, Dorfman & Vipin, 2004) tries to tackle the issues with statistical validity, lack of dimensions, values as the correct measurement as well as the Western centeredness of the research. The project has around 200 researchers on all continents, pilot projects, many different companies and levels as well as a division between values and practices. It deals with some important criticisms but leaves a more complex framework, criticised by Hofstede (2006).

We will not discuss the contribution of GLOBE in this thesis, due to its relative similarity with Hofstede's work and similar lack of applicability on the individual level.

In our view, the critical issue with Hofstede's model is its suitability to the individual level.

In the case of entrepreneurship, every entrepreneur is unique and may indeed be very different from his/her country, as mentioned by Mueller and Thomas (2000) and Baum et al. (1993). The entrepreneur will still have been influenced by national culture, but every instance of entrepreneurship is unique, and this research thus receives a minor place in our analysis.

2.2.2.1 The ocean metaphor

Fang (2006) suggests an "ocean" metaphor in contrast to the "onion" analogy proposed by Hofstede (2001). Fang's ocean analogy is best described in his own words:

At any given point in time, some cultural values may become more salient, i.e., rise to the surface, while other cultural values may be temporarily suppressed or lie dormant to be awakened by conditioning factors at some future time. Today, in most societies, globalization and the Internet have re-kindled, activated, empowered, and legitimized an array of 'hibernating values' to rise to the surface of the 'ocean', thereby bringing about profound cultural changes in these societies. (Fang, 2006:83-84)

This is in line with Hong et al. (2000:709)'s concept of "*frame switching*". When frame switching, the individual person "*shifts between interpretive frames rooted in*

different cultures in response to cues in the social environment". Bird and Osland (2000) also emphasise how values can sometimes be in the background and sometimes in the foreground. Leung et al. (2005) further suggest a model that considers culture as a multi-level, multi-layer construct that consists of various levels nested within each other from the macro-level of a global culture, through national cultures, organizational cultures, group cultures, and cultural values that are represented in the self at the individual level.

2.2.3 Cultural Intelligence

Since we are examining entrepreneurs on the individual level, theories that belong to this level are of particular interest. Any individual would need to deal with both his own culture and that of others, when switching between frames and navigating cultural layers.

(Ang, Van Dyne & Tan, 2011:582) describe cultural intelligence (CQ)'s origins within the same content that we describe for our study: *"Cultural intelligence was conceived at the turn of the 21st century, when the world was experiencing unprecedented globalization and interconnectedness"*.

The CQ framework builds on the idea that *"intelligence applies beyond the classroom"* (Ang et al., 2011:583). Ang et al. (2011) describe how emotional intelligence and practical intelligence complement cognitive intelligence in determining work effectiveness, and argue that cultural intelligence is also an important determinant. They further point to research suggesting that leaders high in emotional intelligence are effective leaders at home, whereas those high in cultural intelligence are more effective in intercultural settings than those high on emotional intelligence alone.

As previously discussed, the possibilities to interact globally have grown in most of the world (apart from extremely poor areas). It is therefore natural for an individual to utilize the global potential to become successful, and for that, cultural intelligence could be an interesting skill.

The CQ model builds on four factors: *Metacognitive* CQ (Strategy), *Cognitive* CQ (knowledge), *Motivational* CQ and *Behavioural* CQ (Ang et al., 2011; Livermore, 2010)

Motivation is described as essential for interacting with different cultures – if an individual does not want to do something it becomes much harder to do it. There are several kinds of motivation, in both intrinsic and extrinsic forms (Livermore, 2010).

Knowledge, typified by demographic characteristics, norms and values (for instance as in Hofstede's research) (Livermore, 2010), how the family system works, how the legal system works and so on, is important, but knowledge cannot stand by itself.

Adair, Tinsley and Taylor (2009) researched negotiation techniques of 100 seasoned Japanese and American researchers, and found that they would sometimes, in anticipation of the other's culture actually overcompensate, so that the cultural clashes arose not because the negotiator stayed anchored in his own culture, but because he tried to adapt so much to the other culture that he in fact overshot. They call this phenomenon *schematic overcompensation*. The concept of schematic overcompensation has important implications as to how we interpret theories such as Hofstede's – when cultures meet, we need to take into consideration each party's perception of the culture with which they meet (Ang et al., 2011).

Therefore, knowledge cannot stand alone, but a *Strategy* is needed. This strategy should not be one track. It should be modifiable the strategy as new cues are received from people in the other culture – both about them and about their perception and understanding of us (Livermore, 2010).

The three above are described as internal variables (Livermore, 2010), whereas the fourth and final one, *Behaviour*, is the factor that other people see immediately. Things such as speaking clearly, having a common language and adapting the distance with which you stand from someone from a different culture are clear behavioural aspects that anyone from another culture will see immediately.

2.3 Summary

The theories presented in this thesis provide an important context – The cultural dimensions framework gives us the idea that cultures are different and it is important to take into consideration these differences between nations. It is widely used, but static and not applicable on the individual level. In Hofstede (2001)'s theory, culture is like a layered onion. Societal level entrepreneurial theories tell us about the political, technological, economic and legal barriers to entrepreneurship in a nation. Together these form societal barriers as described in Table 3. Kalantaridis (2004) emphasises that individual as well as societal levels are important.

Fang (2011) expands on the holistic approach and provides us with the ocean metaphor replacing the onion metaphor for culture, and the idea that cultures can be several things at the same time. It is in the interaction between cultures that synergies occur, and not in their differences. Knowing that cultural values can change over time helps practitioners and individuals alike avoid schematic overcompensation.

The cultural intelligence framework is not focused on any ultimate truths about culture; rather it is focused on how individuals can increase their ability to interact with different cultures. Cultural dimensions could be argued to fit in within the “knowledge” dimension of CQ, whereas the ocean metaphor emphasizes that an individual should not focus only on static knowledge if one wants to be successful in interacting with different cultures. CQ, along with traits, network and education form the individual level as described in Table 3.

3 Method

The method part will first present the reader with the philosophies behind the study. It will then present our case studies, how we found the respondents and how we conducted the research through qualitative interviews, personality tests and quantitative background data. This section is ended by a description of the limitations of this method.

3.1 Abductive Reasoning

With this thesis, we would like to explore novel ways of thinking in the realm of entrepreneurship and globalization. Since the interpretivist approach focuses on how human actors make sense of their own and other people's actions in a multifaceted and complex process (Schwandt, 2000) and views social reality in new ways, that challenge normally accepted views (Burrell & Morgan, 1979), we believe that the interpretivist philosophy fits our purpose, at least in part.

Saunders, Thornhill and Lewis (2009) suggest that an inductive approach suits the interpretivist research philosophy, and that a deductive approach goes well with the positivist research philosophy. The relevance of these categorizations has been discussed at length, but this distinction offers a guideline as to how to conduct our research (Saunders et al., 2009).

Seeing that we aim to answer a broader "how" question about the effect of globalization on entrepreneurs, culture and overcoming societal barriers, we believe that the interpretivist and inductive approach would be relevant to our research – starting from the field and creating new theories from what we see (Saunders et al., 2009). At the same, we recognize the limits of the time frame and resources available for the completion of this thesis, as well as the merits of a more deductive approach. Thus, we have chosen a combination – the abductive approach.

We started our journey by extensively reviewing the existing literature within entrepreneurship and culture, in order to build a framework before engaging in our empirical data collection. During and after collecting our data about globalization in entrepreneurship, we added other theories and re-evaluated the use of theories with little relevance to our final research question. In the end we developed a new model, influenced by existing theories.

3.2 Case Studies

We have elected to do case studies because we want to go deep in our formation of theory. Using case studies will allow us to examine people and processes in a holistic way (Eisenhardt, 1989).

Furthermore, as Blumer (1969) put it, in depth case studies allow flexibility in the process, and allow a researcher to “*change his recognition of what are relevant data as he acquires more information and better understanding*” (Blumer, 1969:40).

Using the case-study approach allowed us to investigate every aspect of the entrepreneur, and at the same time remain flexible enough to adapt our investigation to new directions.

We have formed our ideas about the companies through *qualitative interviews*, *personality tests* and *personal correspondences* with the respondents. Furthermore, we read *brochures*, *company websites* and *business presentations* from the companies, and visited their *social media pages* to gauge how they present themselves, estimate how they network as well as their level of global appeal. Finally, we addressed *quantitative secondary data* from reliable databases to examine their context more broadly.

We maintained informal contact with our respondents throughout. According to Yin (2011), it is preferable to observe and feel and not rely solely on formal conversation. Along with the statistical data from the countries, this gives an overall context for the three companies, rather than being just interviews without a backdrop.

3.2.1 Finding Respondents, primary data collection

We set up 3 criteria for selecting respondents. We wanted to have some similarities between them for the sake of comparability, but at the same time we wanted them to be from different geographical and cultural locations. In order to be able to go into depth within our time constraint, we decided not to go above three countries.

3.2.1.1 Criterion I: Entrepreneurs in an Early Stage

We wanted the entrepreneurs to be in the same stage of development, in order to properly compare them. We opted to select entrepreneurs who have established and registered their business but not yet become profitable. In this stage they are facing similar strategic choices like raising funds, marketing the product/service and building up networks in their respective industries. An established firm could also be called entrepreneurial, and someone with a business plan but no customers

could be called an entrepreneur, but we needed them to at least have the legal part in order as well as some customers.

3.2.1.2 Criterion 3: Technology & Service Industry

The third criterion is that the business should not be in the manufacturing sector, since globalization affects the technology and service sector more substantially. Goods do not cross borders as easily as services and technology due to tariffs, taxes and import laws (Krugman, Obstfeld & Melitz, 2012). The entrepreneurs and their firms should share some similarities by being in the technology & service industry, like facing a fast changing environment, enterprise customers etc.

3.2.1.3 Criterion 3: Cultural Diversity

We wanted the entrepreneurs to be from countries distinctly different from each other, so that we would be able to compare different contexts for entrepreneurship.

After a few weeks of searching through personal contacts as well as institutions such as the local business incubator *Science Park* in Jönköping, we found three entrepreneurs based in China, Lebanon and Sweden who were willing to participate.

The geographical properties and position on the globe, language differences and religious differences of these countries were all important aspects of their being chosen. Sweden represents developed high-income countries and Lebanon and China are developing countries (World Bank, 2013a). Lebanon has an interesting religious background with the highest proportion of Christians in the otherwise Muslim dominated Arab world (CIA factbook, 2013). China is a big developing country with the world's largest population and a growing middle class. Entrepreneurs from such different backgrounds might have different concerns and expectations in regards to starting up a business, so we believe they meet the criterion of cultural diversity.

The table below describes the two entrepreneurs and one entrepreneurial team in the three countries:

Xu JiaQiang	Tony	Sandro & Mikeal
<ul style="list-style-type: none"> • China • Co-founder of Seafire • Online File-sharing 	<ul style="list-style-type: none"> • Lebanon • Founder of GlobalA¹ • Social media proximity platform 	<ul style="list-style-type: none"> • Sweden • Founders of Inceptus • Recruitment and consulting

Table 2: *The entrepreneurs, their countries and their companies.*

3.2.1.4 Using Networks to Find Respondents

We put resource accessibility as a priority, because it is difficult to consider neutrality when we do not have resources at hand. The identification of a population of practicing entrepreneurs across a wide sample of countries is extremely difficult (Mueller & Thomas, 2000).

We decided to discover resources through our own social contacts. Having a social connection, the respondents would be less likely to expect anything in return, leaving us more freedom to focus on the research task. Personal contacts may also be more likely to participate honestly in in-depth interviews. What is more, many qualitative researchers have done in-depth studies with their affiliations (Yin, 2011).

As long we do not have a vested interest in the company, and our affiliation with the respondents is not too close, we consider using our networks to be an advantage.

² Please note that the name Global A is an alias for the company's real name, which will not be used in this paper, upon request of our respondent.

3.2.2 Qualitative Primary Data: Semi-structured Interviews and personality tests

Interviewing is acknowledged as a useful way to investigate how actors experience and interpret their everyday life (Fontana & Frey, 1994; Stake, 2000)

In order to figure out how globalization has affected entrepreneurs and compare how their decisions to start up a business were influenced by their respective countries, we chose to conduct qualitative interviews with practicing entrepreneurs in different countries. The interview method enables the collection of data that goes beyond the surface. Saunders et al. (2009:324) explain that when “*it is necessary for you to understand the reasons for the decisions that your research participants have taken, or to understand the reasons for their attitudes and opinions, you are likely to need to conduct a qualitative interview.*” In order to understand and evaluate differences between entrepreneurs and how they have been affected globally, we need to understand their reasons and opinions of their contexts.

We decided to do several rounds of *semi-structured in-depth interviews*. Structured interviews would have required the respondents’ answers not to stray from the predetermined questions. When leaving the simple question-and-answer type of interview behind, the interview becomes a fruitful exchange of points of view between the researcher and the interviewee (Saunders et al., 2009). Open-ended interviews are a versatile way of reflecting on and interpreting events, issues, and processes that are otherwise difficult to grasp. (Hall, Hall, Melin & Nordqvist, 2009). Interviews with open-ended questions would have encouraged our respondents to talk completely freely and take the interview in their desired direction, but may have made the interviews difficult to compare.

Semi-structured interviews follow a predetermined list of questions and themes. This allowed for comparability of the answers and simultaneously enabled us to dig deeper into some questions and let the respondents lead us into areas that we had not ourselves thought of.

3.2.3 The Interview Questions

Before we began the interviews with the entrepreneurs we decided on the different aspects of the start-up that we considered relevant and subsequently designed

our questions. The initial themes were the decision to start a business, finance, HR and society's influence. After the first interview we added globalization in business, corruption and legal conditions to the list.

The structure enabled us to let the respondents lead us to what they thought was interesting and/or important. To truly go in-depth we asked follow-up questions throughout the process and asked the respondents to elaborate more when needed as well as giving real-life examples (Saunders et al., 2009). For a full interview guide, see appendix 2.

3.2.4 Implementation

3.2.4.1 Several Rounds

According to Seale (2004) transparency is an important way to support the trustworthiness of results. As a result of this, we have written a full interview diary (appendix 1) and questions asked (appendix 2) as well as a summary and selected quotes (appendix 4). As recorded in the interview diary, our interviews can roughly be divided into 3 rounds of interviews.

We recorded and transcribed all interviews in order to facilitate the processing of the information given by the respondent, and also to help capturing the information in a way that eliminates the risk of misrepresentation (Megafon, 2013).

The *round one* interviews were conducted on a one-on-one basis where we met the respondents face to face in Lebanon, China and Sweden respectively. We wanted to have the interviews in their own environment, in order to enable the interview to be as personal as possible. The interviews were conducted by the same person, in order to "*adopt the same consistent behaviour and demeanor when interviewing every participant*" (Yin, 2011:133), and they varied in length from 22 minutes to 56. There was about a month between the first interview with the first and last respondents, so the questions asked to the third respondent were already adapted from the first one – therefore making a round two personal interview unnecessary.

Before engaging in *round one* interviews, we visited the company websites and saw power points about the business plans, in order to get an overview and eliminate superfluous questions.

We got more of an in-depth look during *round two* interviews. At this point, we had already directed our research after examining what they had told us, and followed up with these questions to fill the gaps. Due to the distance, cost and time constraint we were not personally able to meet the interviewees in Lebanon and China face to face a second time. Instead, we asked a contact in the country to do a structured interview with the respondent in Lebanon, and communicated online with the respondent in China.

After the second round, two *personality tests* were sent out to all respondents via e-mail, in order to get more information about their personality traits to examine the personality traits in the literature and if they then see if they shaped them to become entrepreneurs. We looked at the tests used by Mueller and Thomas (2000) to examine entrepreneurship in different cultures. They described using a test based on the work of Jung ([1921] 1971), evolved into the Myers and Briggs typology (MBTI), (Briggs & Myers, 1995) for general personality, and Rotter's I-E scale (Rotter, 1989) for locus of control.

Without a background in psychology, it was difficult for us to determine their personality types through interviews, so we decided to use a personality test developed by HumanMetrics (2013) to test "MBTI", and Wilderdom (2013) for Rotter's I-E scale.

The MBTI test determines the psychological type of the respondent through the consciousness function of sensing & intuition, thinking & feeling, and either extrovert & introvert attitudes. Substantial research has been done on these personality types, and the results were therefore a useful aide in assessing the respondents' entrepreneurial traits. According to Pittenger (1993) it is the most widely used personality questionnaire in the world. Things have changed in those twenty years, but we still feel that it is relevant. We have chosen to use the analysis interpretations from the American consulting agency BSM, which offers free online interpretations of the MBTI types (BSM, 2013).

The other test (Wilderdom Psychology, 2013) measured locus of control – a trait specifically under debate in the entrepreneurship literature, for which we used an adapted version of Rotter's I-E scale (Rotter, 1989). Test respondents answer 29

questions, 23 of which are scored. The test answers were indicated as a/b answers, individually assigned an “internal”/“external” locus of control orientation – the more “internal” answers, the more points. Interpretations of results were simpler to conduct, so for this test we did not employ any online resources.

Unfortunately neither of the founders from Sweden had time to fill in the personality tests, but we still obtained some clues through our interviews and observations.

Round three consisted of several follow-ups to confirm details. These were done via email, Gmail chat³, Facebook⁴ and Wechat (weixin)⁵. Williamson (2002) underlines the merits of “*effective and timely communication*” (Williamson, 2002:117) that arise from using modern communication technology. Our respondents had limited time to respond to our queries, so efficiency was of the essence. During round three, we also visited the respondents’ LinkedIn profiles and Facebook pages to get more information about them. In the very end, we sent out what we had written about each person as well as the full thesis to the entrepreneurs, for them to give any final comments. All entrepreneurs agreed for us to submit the information that was sent.

The reasons for not having more rounds were a combination of time pressure on the entrepreneurs’ side, as well as having collected substantial amounts of information from the first rounds and not wanting to branch out from the core information too much.

3.2.4.2 Unexpected Non-response and Backup Plans

We initially planned to interview only one founder from each company. We approached one of the founders of the Swedish company for a second interview via Facebook on April 10th, 2013, and did initially get a reply but no concrete meeting date. After over a week, we decided to contact the other founder of the company, to see if he would be willing to answer our round two questions.

³ A chat service provided by Google’s email client Gmail (www.gmail.com)

⁴ A popular social networking site (www.facebook.com)

⁵ A cross-platform mobile messaging application similar to Whatsapp but more popular in China (www.wechat.com)

Since researchers cannot control the real life environment, non-response is very common, and adequate planning is essential (Williamson, 2002). *“Unanticipated changes to case participants’ schedules and availability must be accommodated within the overall data collection schedule”* (Williamson, 2002:117). We had prepared to find another company if the other founder was also not available. Luckily we got a positive response from the other founder and could continue the research with this company.

3.2.5 Quantitative Secondary Data

The entrepreneurs all emphasised the importance of societal factors during the interviews. Their point of view is of course subjective, so we decided to investigate national data about doing business, because we wanted to a more objective perspective on the societal level factors that influence the entrepreneurs.

The *ease of doing business rankings* by The World Bank provides key indicators of the regulatory environment in different countries. Some of the indicators are very relevant to our study, such as the ease of starting a business, registering property, getting credit, paying taxes, enforcing contracts etc. These indicators objectively portray the external regulatory environment facing an entrepreneur. The *Corruption Perceptions Index* from Transparency International provides an estimate of the level of corruption in the different countries.

Data from the *Central Intelligence Agency Factbook* tells us about the GDP levels, populations and demographics in the three countries, and *news agency overviews* with historical facts tell us about the recent developments and political conditions in the countries. The full list of quantitative secondary data can be found in Appendix 3 for the data and the reference list for historical facts. This forms the background for our interpretation of the answers given to us by the entrepreneurs.

3.2.6 Data analysis

According to Williamson (2002): *“a well-organized and categorized set of case data will facilitate the task of analyzing the case study evidence and maintaining a chain of evidence to support the derivation of case study conclusions”* (Williamson, 2002:117). We therefore collected data from varied sources and categorised and

structured our data, in order to make a proficient analysis. Miles and Huberman (1994) define data analysis of being made up of three parts: *data reduction*, *data display* and *drawing conclusions*.

“Data reduction refers to the process of selecting, focusing, simplifying, abstracting and transforming the data that appear in written-up field notes or transcriptions” (Miles & Huberman, 1994:10). We have looked at the repetition of words, concepts and themes in our cases to find similarities and differences to build our cases and make comparisons.

“A display is an organized compress assembly of information that permits conclusion drawing and action” (Miles & Huberman, 1994:11). Williamson (2002:117) also emphasizes the importance of organizing the case data, as it *“will facilitate the task of analyzing the case study evidence and (assist in) maintaining a chain of evidence to support the derivation of case study conclusions”*. We therefore categorised and structured our data in a table under separate topic headings, so as to enable readers to better understand the information. It also allowed us the necessary overview to be able to make a proficient analysis.

The final part of data analysis is that of conclusion drawing and verification. It entails noting *“regularities, patterns, examinations, possible configurations, casual flows and propositions”* (Miles & Huberman, 1994:11). This process is natural to commence from the very beginning of the data collection but the researcher should not draw any conclusions until the end of the research. Miles and Huberman (1994) Thus we have kept an open mind and critically continued to look at our data and revisit literature on the basis of what our data told us.

Below is an overview of which methods were used to analyse our specific research questions:

Research Questions	Method applied for every Research Question	Complementary Methods for each question	Relevant Theory	Inductive/Deductive
What individual skill sets shape entrepreneurs and are there similarities between different countries?	1. Interviews (face to face, e-mail, online-chat, mobile phone message); 2. Observation of online presence 3. Interview diary	1. MBTI personality typology test; 2. Locus of control test; 3. LinkedIn profiles	Entrepreneurial traits suggested by literature; Cultural Intelligence	Abductive, leaning towards Deductive
How do entrepreneurs take advantage of globalisation?		1. Brochures; 2. Business Presentation Slides; 3. Company websites; 4. Country data	1. Cultural Intelligence; 2. PESTEL framework	Abductive, leaning towards Inductive
How do entrepreneurs deal with differing societal barriers?		Quantitative data (corruption, regulatory environment, ease of starting a business etc.)	Adapted PESTEL framework	Abductive
How do they relate to their own and other cultures?			1. Cultural Intelligence, 2. Modified Cultural Dimensions, 3. Ocean Metaphor	Abductive

Table 3: *The research questions and the specific methods used*

3.3 Limitations

3.3.1 Limitations within the qualitative approach

This research only provides limited evidence, as we had only 3 entrepreneurs and entrepreneurial teams from 3 countries. The results can therefore not be generalized. Therefore we need to inform our readers that this study provides a glimpse into international entrepreneurship, but a limited reference for starting an international business. This is a general drawback of the qualitative approach – it provides depth and answers questions, but findings are not generalizable (Williamson, 2002). Hopefully further research will test if our findings can be generalized to global entrepreneurs.

3.3.2 Limitations with the collection of statistical data

While it was easy to find data for Sweden, finding data for Lebanon and China (particularly on numbers of started businesses in recent years) proved to be extremely difficult. Even when native speakers of the languages in China and Lebanon conducted the searches, the data was not forthcoming. This could have to do in part with the political instability in Lebanon and very large population of China. We have been mindful not to lend too much credence to statistics that were not transparent.

3.3.3 Limitations with our data analysis and interpretation

Having found the respondents through personal networks does not guarantee their cooperation. We cannot assume that the entrepreneurs have let us know everything that we need to know (Yin, 2011). Though introduced to us through friends and contacts, the entrepreneurs do not have an obligation to answer our questions. Usually companies have different concerns with confidentiality, like for instance the amount and source of initial capital. Some respondents were open about this topic and some were not – they may have neglected to tell us other information.

Having two respondents from one company and only one respondent from each of the other two companies may also have coloured our perception. We tried to consider second hand information about other partners as well and treated the entrepreneurs that we had as teams.

Self-response personality tests are also not necessarily the best way of estimating a person's personality type, so there may be some error in the judgements based on these tests (Lamb, 2006). We also utilised a consulting agency that we know little about for the interpretation of the personality types. This could mean that our estimation of the entrepreneurs' personality profiles is flawed. We applied their descriptions of the types and combined them with our own best judgment in order to make a statement about the entrepreneurs' personality traits.

Furthermore, our personal contacts with and previous knowledge of these entrepreneurs may influence our interpretation of the research (Yin, 2011). We may have had informal conversations with our friends or acquaintances about the respondents, which may have coloured our understandings in ways that we are not aware of.

The respondents' personal characteristics will also affect the validity (Yin, 2011). There are no right or wrong answers in interviews, but the entrepreneur might already have some assumptions and purposes in mind that might lead to invalid answers. Some entrepreneurs want to show people how great and intelligent they are, thus they will describe how much effort they have done and how excellent the results are. This tendency to embellish results (Yin, 2011) might make our conclusions unclear.

4 Empirical Findings and Analysis

This chapter first presents background data about the countries, and then the entrepreneurs and their companies. It will then address the extent to which they take advantage of globalization, followed by an analysis of their individual/team skill sets and conditions. It will subsequently analyse how the entrepreneurs use networks to expand their business. The final part will combine the entrepreneurs' perception of their society with international statistics and theories. Full summaries of the interviews can be found in appendix 4. Statistics can be found in appendix 3. The empirical findings and analysis are presented together in order to give the reader a more coherent overview of the direction the analysis is going and avoid excessive back-referencing.

Having only three case studies, we can of course not generalize our findings to all entrepreneurs. From the following data analysis we have built a hypothesis about global entrepreneurship that will be presented in the discussion.

4.1 Background about countries

The demographic compositions of the three countries vary substantially. China is a culturally diverse country, though more than 90% belong to the same ethnic group. But given the large population, the population of the 55 other ethnic groups is not negligible (CIA factbook, 2013). There have been skirmishes in China with Tibetan and Uighur minorities as well as some social unrest (Hsu, 1999; Economist, 2009). There are also disputes with Japan over DiaoYu/Senkaku islands (BBC, 2013b), but the latest war affecting the majority of the country was the civil war that ended in 1949 (Hsu, 1999). China's government consists of one party and power is centralized in Beijing (CIA factbook, 2013). Due to this fact it is difficult to control corruption, as can be seen from the mediocre rankings (World Bank, 2013c). In such a large country, there are also large geographical and social differences from place to place.

Lebanon, on the other hand, is relatively low on most of the "ease of doing business" lists. The country has a very diverse list of religions, and a large minority of Christians. The Lebanese Republic is a democracy (CIA factbook, 2013). Lebanon fought a long and bloody civil war from 1975 to 1990, which ended in the Taif agreement, distributing government positions among the sects in certain proportions (Krayem, 2013; BBC, 2013a). The latest war was with Israel in June 2006 (BBC, 2013a). According to personal communication with our respondent as well as Wikipedia⁶ (2013), there have been no less than 16 assassinations and assassination attempts of politicians and 10 bombings since 2004. This instability would presumably make it a more difficult country to invest in, as can be seen by the low rankings (World Bank, 2013a) and high corruption (CPI, 2012).

Sweden has a fair amount of foreign-born immigrants, but otherwise the majority of the population are Swedish Lutherans. There are some minority languages in

⁶ See the Wikipedia article for several news articles and sources referring to each individual incident.

Northern Sweden, but the country is otherwise rather uniform in its composition. The country is a constitutional monarchy with elections on both state and municipal levels (CIA Factbook). Sweden has not had a war since the 1814 campaign against Norway (Historiesajten, 2013) and is a high-income country with a high literacy rate, low corruption and a long life expectancy (World Bank, 2013a). The country is not in the complete top of the “ease of doing business” lists, but it placed in the higher end of most of the lists (World Bank, 2013c).

4.2 The entrepreneurs and their businesses

The entrepreneurs that we have interviewed are Chinese, Lebanese and Swedish. They are founders of service and technology start-up companies in their early stage of development.

4.2.1 Xu JiaQiang

Xu JiaQiang and his partner Pan LingTao founded Seafire in 2011. Xu JiaQiang is 29 years old and grew up in the Southern Chinese business hub Guangzhou (Canton). In 2003, he entered Tsinghua University, where he received both his bachelor’s and master’s degree in computer engineering in 2007 and 2010, respectively. He then worked for a year and a half as a senior software engineer in an international technology company.

Seafire is an IT start-up business based in China, providing software for online file collaboration globally. The software has the functionality of file syncing and file sharing on the Internet, similar to the popular program Dropbox. The product is open-source, and anyone with technological knowledge can use it freely. Seafire is geared towards the enterprise market, and provides the possibility to download your own server, enabling safer file sharing within a company (Seafire website, 2013)

Currently, six people work for Seafire, including the founders. They operate from an apartment complex in Northwest Beijing – close to ZhongGuanCun Science Park, “China’s Silicon Valley”(ZhongGuanCun, 2013).

4.2.2 Tony Abdel Malak

Tony Abdel Malak, 31, is a serial entrepreneur who has started, or been involved in the start of, 3 currently running companies and one discontinued venture.

He was born in Lebanon and schooled within a French education system for a few years. Because of the civil war, his family moved to the United States when he was 4 years old, and then later to Canada where he obtained Canadian citizenship. He completed the last four years of his high school education in Lebanon (in English). He then obtained a bachelor's degree in computer engineering at the American University of Beirut, graduating in 2003. After his graduation he worked as regional IT director for a company in Morocco before returning to Lebanon in 2009. He is now running his own digital service company and is partner in a company specializing in QR codes for the Arab world. The current venture that we have chosen to focus on his start of is run from Beirut, Lebanon but registered in Dubai.

GlobalA uses innovative solutions to target the global market. It has previously created and sold a successful time sheet that is purely visual, providing the end user with intuitive tools that simplify their work process. Tony Abdel Malak, along with a team of four minor equity holders, is currently working on a new project, which is a social media proximity platform similar to Facebook. It allows the user to meet new people who are nearby and share their interests. The time sheet idea was conceived in 2008, and they have been working on the social proximity platform since 2011, expecting it to be ready in 2014. He is currently looking for a second person to take care of the business side, allowing him to focus on product development.

4.2.3 Sandro Savarin and Mikael Goldsmith

We interviewed both founders of the company Inceptus: Mikael Goldsmith, who is CFO and Sandro Savarin, who is CEO. They are both in their early twenties. Mikael Goldsmith has a Swedish father and a British mother, and studies economics and tax law in Jönköping, Sweden.

Sandro Savarin, who was born in Croatia and moved to Sweden at a young age, studies mechanical engineering with a specialization in industrial economics at Jönköping School of Engineering.

Both were involved in student union activities, Mikael Goldsmith as vice president for the business school student association, and Sandro Savarin took a year off to be president of the university student union.

Inceptus, founded in 2012, is a recruitment and consulting agency, which employs ambitious and qualified students and alumni from Jönköping University. Inceptus works in close partnership with their clients, which are mainly SMEs in the region. They currently have a staff of four interns and three sales people, and run the company from the local business incubator Science Park in Jönköping.

4.3 Taking advantage of globalization

The following paragraphs will explain the businesses in greater detail and evaluate and compare their global scope.

Xu JiaQiang started out with a local focus, but the Chinese market that they were targeting was already saturated with similar businesses, so they decided to target the international market because of high competition. The result of this strategy is illustrated by the fact that today, 70% of the around 7000 downloads of their software come from abroad. Their initial contact with the global world was through a post on the popular social news site “Reddit”. Altogether 13 posts about Seafire in English and French can be found on Reddit, and the many “upvotes” and comments show a very positive response (Reddit, 2013). Recently a Belgian Museum engaged them to tailor a software service. In addition to having global customers, the company has received support in translating their software from volunteers all around the world. According to Xu JiaQiang: *“our users are all over the world. Our product supports French, Spanish, Russian, Italian...many languages. It’s translated by volunteers [...] [in] most of the cases they just do it. And they just tell you that hey, I just translated your application, can you put that on your code base?”*

Xu JiaQiang and his partner do not have any international investors. They took advantage of globalization by creating their product in English and making it open source. Important aspects utilized for taking advantage of international markets were their English skills as well as knowledge about foreign websites and how to

use them properly. Without these, they would be limited to China, thus not getting the high number of downloads and foreign market access.

In Tony Abdel Malak's case, the scope of the current project was global from the beginning; they aim for their social media proximity platform to have a global reach. The founders chose to register the company in Dubai, due to legal-, infrastructure- and investment problems in Lebanon and additional benefits for investors in Dubai, such as better enforcement of contracts and different classes of shares. The five Lebanese founders of Global A *"searched for funding globally"* and managed to get roughly half a million USD from Russia, the Middle East and France. Tony Abdel Malak started by contacting friends who work with venture capitalism. *"It's extremely difficult. I mean, you need to know the contacts"*. Because of the unstable market situation in Lebanon as described in the background data above, Tony Abdel Malak aims at creating a product that can be sold globally, and investors around the globe have shown an interest in their product. Compared with the Arab World, the market for technology is small in Lebanon (World Bank, 2011), so if he had to limit himself within the borders of his country, his expertise might not have come to the fore.

Tony Abdel Malak took advantage of globalization by getting investors from all over the globe and aspires to have users for the end product from potentially anywhere. Supporting this aspiration are the Internet, English as a common language and ease of transportation between countries.

As for Sandro Savarin and Mikael Goldsmith, their company boasts a number of international employees and interns, with one previous full time employee from Romania and three interns from Nepal, Vietnam and Iran. They target anyone who is ambitious and driven, independent of their nationality. Sandro Savarin explains the international outlook of Inceptus: *"we push on our international background and that we kind of reflect what's happening on the university. So we are looking into international questions when companies want to start a business in another country."* They currently only target local companies, but their vision is to expand and make their business global in the long run.

Sandro Savarin and Mikael Goldsmith have taken advantage of globalisation by having staff and interns from all around the world. This allows them to prepare for a business that can go global in the future; English and ease of transportation between countries supports this goal. They have not considered funding from abroad, as they do not believe funding to be essential at this point.

In sum, the entrepreneurs in the three companies all take advantage of globalisation in the form of increased connectivity. Knowing English along with international websites and how to use them has pushed all of them ahead in a way that would not have been possible before the Internet. Comparatively, Tony Abdel Malak appears to be the most global, with both investors and customers on a global scale, Xu JiaQiang has global customers and volunteers and Sandro Savarin and Mikael Goldsmith have a global long-term vision and international staff.

4.4 Individual skill sets and conditions

4.4.1 Demographics and subgroups

All founders are male and in their twenties/thirties. The age group could have to do with our method of utilising networks, since we are ourselves in this age group.

A survey made by the OECD shows that there are relatively low rates of entrepreneurial activity among women OECD (2012), so the fact that they are male is not out of the ordinary.

Xu JiaQiang is part of the Han-Chinese ethnic majority, is based in Beijing and belongs to the well-educated Chinese middle class. He grew up in business hub Guangzhou and natively speaks Cantonese. This places him in a relatively privileged subgroup.

Tony Abdel Malak is part of the around 10% Greek Orthodox in Lebanon, belonging to the Christian minority. He has lived abroad as a child during the civil war and holds a Canadian passport. Although part of a minority group, he is still relatively privileged compared to other Lebanese. These two examples point to the importance of financial endowment, as recognized by Swedberg (2007).

Sandro Savarin's family emigrated from Croatia, and Mikael Goldsmith's father from the UK. Since they both grew up in Sweden and went to Swedish schools, it is not relevant to place them within any minority groups. As mentioned above, Sweden is a high-income country with low inequality (a Gini coefficient of 23, CIA Factbook).

4.4.2 Interacting with other cultures and cultural intelligence

Because of the global scopes of the businesses as explained above, examining how the entrepreneurs interact with other cultures is an interesting aspect.

They all highlight having command of the English language as an important communication tool. Mikael Goldsmith and Sandro Savarin's employees form a workforce that is both Swedish and international with 3 out of 5 interns being foreigners. The corporate and legal language is Swedish, though all the communication within the company, such as at meetings, is conducted in English. Advertisements for Inceptus are also in both Swedish and English in order to also target the large number of international students at the local university.

Tony Abdel Malak usually speaks English in business settings, and tries to keep the conversation in English even if he knows the language of the person he is talking to (such as French or Arabic). All major interviews for this thesis were conducted in English. English is not the native language of any of our respondents, but they all felt confident enough to conduct the interview in English.

The cultural intelligence framework (Ang, Van Dyne & Tan, 2007; Ang et al., 2011, Livermore, 2010) consists of the four pillars motivation, knowledge, strategy and behaviour. All four have the *motivation* to communicate with people abroad - namely the opportunities in a bigger market and sources for funding. It is difficult to expand without an international mindset – especially in Tony Abdel Malak's example.

Sandro Savarin did not describe any different *behaviour* when interacting with other people – he said that he is just himself no matter who he talks to. When prompted, Xu JiaQiang explained that he feels more open and active when speaking English, and Tony Abdel Malak mentioned that Lebanese people are more interest-

ed in the PR of the project, but that he tries to be extremely professional when outside Lebanon.

They did not explicitly mention any *knowledge* or *strategy*, but this does not necessarily mean that they do not have it. Tony Abdel Malak describes differences between the French and the Lebanese culture, thus implicitly expressing his knowledge of other cultures. Sandro Savarin's strategy of "being himself" is also a valid approach to intercultural communication, and Xu JiaQiang's feeling of being more open could be linked to a perception of other countries being more open.

The entrepreneurs either did not know or find any use for investigating theories such as cultural dimensions (Hofstede, 1980) when interacting with other cultures. They are, in fact, doing well without any stereotypes in mind. Hofstede's dimensions and other static information was an interesting contribution in its time, but when meeting individuals it is perhaps more important to have an individual framework in mind. People's perception may be coloured towards what they expect to see instead of taking events on a case-by-case basis, if using generalized theories. Cultural intelligence seems to be an important step towards an individual-level action-based framework. Though they appear to be doing well without, the entrepreneurs in our cases might benefit from further investigating and improving their cultural intelligence.

4.4.3 Personality traits

From observing our cases, we believe that our entrepreneurs share *innovativeness*, *a need for achievement* and *a willingness to take risks*, though to varying degrees. It is important to emphasise before going further that none of the founders are alone. They all have co-founders/teams, allowing for a broader base of skills to come to use.

We used online personality tests to examine Xu JiaQiang and Tony Abdel Malak's personalities. Mikael Goldsmith and Sandro Savarin were unfortunately not available to do the tests.

Between Tony Abdel Malak and Xu JiaQiang, their Myers Briggs typology (MBTI) test results were quite similar, except Tony Abdel Malak was extroverted and Xu

JiaQiang was introverted, a result which came across to us during the interviews as well. Tony Abdel Malak's type was "ENTJ" and Xu JiaQiang's was "INTJ", where E/I=extroverted/introverted, and N=intuition, T-thinking, J-judgement.

Their personality types show their preference to be intuitive, thinking and judgemental over sensing, feeling and perceptive, and this indicates a high level of *innovation*. We have chosen to interpret the personality profile through the words of the consultancy company BSM, which frequently works with the MBTI: "*INTJs focus their energy on observing the world, and generating ideas and possibilities*" "*ENTJs live in a world of possibilities [...] (they are) usually successful at identifying plans to turn problems around*" (BSM, 2013).

INTJ's such as Xu JiaQiang have a high *need for achievement*: "*They value intelligence, knowledge, and competence, and typically have high standards in these regards, which they continuously strive to fulfil.*" (BSM, 2013). The need for achievement is also seen in Xu JiaQiang's aspiration to "*be unique*" and "*make something bigger*". Sandro Savarin and Mikael Goldsmith also emphasise wanting to create something that they cannot get out of normal education, and Tony Abdel Malak wants to "*create an outstanding business where I can finally bring research and development to the region instead of just purely being [a] consumer oriented region*". These statements all show a need for achievement.

Koh (1996) suggests a higher *risk-taking* among entrepreneurs. ENTJ's such as Tony Abdel Malak usually do not shy away from risk: "*[...] they see all sorts challenges to be surmounted, and they want to be the ones responsible for surmounting them.*" (BSM, 2013) Tony Abdel Malak explains risk taking and entering the unknown in his own words: "*Being a highly paid person, deciding to leave my work, where I could get easy money, to go into what we call the unknown is I think the biggest challenge*". All our entrepreneurs are at the early stage, which is characterised by ambiguity and uncertainty (Peng & Shekshnia, 2001). Sandro Savarin and Mikael Goldsmith are students with no previous experience within human resource industry. They are taking risks, but not through extensive levels of self-funding. Furthermore, Sweden has a social security system to fall back on if things go wrong. Both Xu JiaQiang and his partner quit their jobs with good salaries, as did Tony

Abdel Malak. Their willingness to take risk is further illustrated by the fact that they invested their own funds, and the fact that social security systems are not as comprehensive in China and Lebanon.

It appears then, that Xu JiaQiang and Tony Abdel Malak are taking higher risks than Sandro Savarin and Mikael Goldsmith. This goes hand in hand with Peng and Shekshnia (2001)'s interpretation that the more dynamic and unpredictable the country, the more risk needs to be taken. We cannot confirm whether our entrepreneurs' risk-taking propensity is above average in the population, but they did indeed take risk.

The *locus of control* (Rotter, 1966; Brockhaus, 1975; Pandey and Tewary, 1979) on the other hand does not seem to be internal in the personality tests of Tony Abdel Malak and Xu JiaQiang. Out of 23 questions on Rotter's I-E scale, Xu JiaQiang had an "internal" score of 9 and Tony Abdel Malak had an "internal" score of 5, indicating that they both have a relatively *external* locus of control.

This lends credence to the weak international correlation between entrepreneurial propensity and internal locus of control found by Mueller and Thomas (2000). In fact, having an external locus of control may even be natural when entrepreneurs face a complex environment where a fast reaction to changes is required. While a high internal locus of control sets the entrepreneur's actions in focus, it may take his focus away from adapting to external forces.

4.4.4 Education

All founders of all three businesses have a university background. Mikael Goldsmith and Sandro Savarin have not yet graduated, but are studying law and engineering. Xu JiaQiang and Tony Abdel Malak both have degrees in engineering as well as some work experience. They learnt skills relevant to their business and built important networks through their universities. Their use of networks will be expanded upon below.

This is in line with the assumption that the pool of potential entrepreneurs is likely to be larger among university students (Mueller & Thomas, 2000; Brockhaus, 1975). Still, Xu JiaQiang describes the Chinese education system as stifling for crea-

tivity, but refers to some of his previous teachers as important influences to starting a business. This backs up Kirby (2003) and Handy (1985)'s view of the education system as rather anti-entrepreneurial. Xu JiaQiang emphasises that he became an entrepreneur because he wanted to be different and not because the education system was encouraging.

The fact that all three companies have university-educated founders facilitates comparison, but may also explain similarities. This limitation should be kept in mind when generalizations to entrepreneurs are made in our model. There might be start-ups created by people who did not attend university that are significantly different. So when comparing these cases, the reader would have to keep in mind that similarities could be caused by their similarities in educational background.

4.4.5 The role of Networks in Expanding Business

The founders expand their businesses in two major ways – hiring people and sourcing funding.

4.4.5.1 Hiring People

Xu JiaQiang prefers hiring former schoolmates, and makes decisions based on friends' recommendations. He explains: *"For such a small company, I think it is hard to find top talent if you don't know them before, because we don't have venture capital [...] if you are friends from before, you can trust each other and work better together. It won't be so easy for them to quit. That's part of the culture in China"*. He has kept in touch with other alumni and new talents through seminars and networking events since his graduation from Tsinghua University.

Tony Abdel Malak explains that when it comes to hiring friends, he does use his networks, though he has become reluctant to use this approach due to past experiences where managing proved to be difficult. *"My friends who work for me or with me, [...] I either involve them with relatively fun activities, or I try to involve them with equity [...] so they no longer think of it as "oh, you're my friend and boss", no, it's their business as well."*

Mikael Goldsmith and Sandro Savarin use their networks when they know someone who would fit the job, but they also post everything through a more standardized process through advertisements and social networking.

4.4.5.2 Sourcing funding

Xu JiaQiang and his partner want to maintain autonomy in decisions. The offers for funding they have had so far, other than the funds invested by the other founder's family, wanted to change the business too much, so they declined.

When it comes to investors, Tony Abdel Malak's main motivation for finding funding is that *"having key partners globally helps the business model develop [...] it is not mainly for funding [...] I was looking more for an expertise in the matter, it means what the investor can bring [...] rather than just his money."* He adds that he invested his own money in the business, because *"if you don't put money or time or effort yourself [...] the investor will come and say "oh no, you're not serious".*

Mikael Goldsmith and Sandro Savarin are not currently looking for investors because in the current phase of the business they aim to expand the business via sales, and having money would not add anything to their effort. They would only be interested in investors if they could bring something else to the table.

4.4.5.3 Networks as a key to expanding business

In order to successfully start a business, external networks are a key contributor to performance (Leenders & Gabbay, 1999). All three entrepreneurs use their networks. Linkages to venture capitalists have been linked to firm performance (Lee, Lee & Pennings, 2001), so Tony Abdel Malak is following the approach described as successful in literature. Sandro Savarin and Mikael Goldsmith's considerations to involve venture capital if the investor can bring something to the business shows that they also see the advantages mentioned by Lee, Lee and Pennings (2001).

Xu JiaQiang's has elected to retain autonomy rather than aiming for the advantages that come with venture financing, but the strong connection to Tsinghua is a positive influence in finding people to work for them. He mentions networks as a large

part of the network in China, and the term “*Guanxi*” is often encountered in literature as synonymous with Chinese networking culture (Fang, 2011).

Mikael Goldsmith describes how he feels official support in society lacks information on where exactly to network. He networks with the local business life in an event *“where half of Jönköping’s business life gets together [...] and you mingle and then you change partner every ten minutes. That’s not from the book. And that’s one of the biggest things, where to find these places and where to mingle and where to network”*.

They all see the importance in networking. The respondents’ LinkedIn profiles show that they are also utilising social media to network. Tony Abdel Malak has a very extensive profile with all his positions and 238 connections. Xu JiaQiang only has around 90 connections, his partner 61 and not very extensive profiles. Sandro Savarin has a very extensive and frequently updated profile and 330 connections – Mikael Goldsmith has around 150.

A very important use of network is that they found other founders. Sandro Savarin’s LinkedIn profile attests to him being more active on this method of networking, whereas Mikael Goldsmith may reach other networks. As stated before, being several founders has certain advantages. More than just bringing more skills to the table, it lends a larger base from which to reach more people. Tony emphasises that finding a partner from abroad to take care of the business side would be very beneficial for GlobalA.

4.4.6 Individual summary

The individual skill sets as represented by their cultural intelligence, need for achievement, risk-taking, innovativeness education, middle class demographics (financial endowment) and use of networks have helped them to both start a business and gain access to the global world. Having access to the global world in turn helped them reach further with their businesses. Networking is important for finding human capital in all three businesses, as well as for family funding in Xu JiaQiang’s case and global funding in Tony Abdel Malak’s case. Tony Abdel Malak appears to have reached a global audience on more fronts than the other two – in his words this was in order to overcome barriers in his society. It also appears that he

has taken more risks, as he has invested funds himself and does not have a public social security system to support him.

The following part will address the societal barriers according to the entrepreneurs and statistics, and bring into light how they used the skills described above to overcome them.

4.5 Societal barriers and solutions (PELT)

The societal barriers in the three countries are quite different, as can be seen at a glance from the data in appendix 3.

4.5.1 Political Issues and Technology (Infrastructure)

The *corruption perception index* ranking of China is 80/174 (Transparency International, 2012), which is moderately high. Xu JiaQiang explains that it is quite common that buyers charge extra money from suppliers. This is something that he would prefer to avoid, but he does not know whether that would be possible, especially when doing business with bigger companies.

Tony Abdel Malak, on the other hand, deals with corruption in a very straightforward way – he puts it in his income/revenue. He explains that *“here, with most of the business ventures that I’ve dealt with [...] you need to plan for a huge amount of discounts and a large overhead, because you need to pay people in the company to actually sign in the end.”* The corruption perception ranking in Lebanon is 128/174 (Transparency international, 2012), which indeed indicates high corruption.

Tony Abdel Malak alluded to infrastructure problems in Lebanon being politically induced, because of the government’s limited supply. However, he described in the interview that the lack of government electricity supply is not a problem, because the Lebanese *“have 24 hour electricity, supplied by two suppliers. One is the government, the other private motors. We find solutions. Our type of rational is we try to find a solution, not try to fix the problem”*. When prompted about how the political situation in Lebanon affects business, he explained that *“power outages, closed roads, slow business”* affect them, but that he is affected less since his solutions are global.

In Sweden, corruption is nothing that Mikael Goldsmith has experienced first hand. The country ranks fourth best on the corruptions perceptions index (Transparency International, 2012). He does mention, however that he has heard about corruption in Sweden, and shares a story about bribing in sales, in which the responsible for the contracts got valuable gifts from the interested companies.

In general, the rankings confirm the information we received from our respondents. Sweden is a politically stable country, and the local market is functioning, according to Sandro Savarin and Mikael Goldsmith's targeting and the general rankings. China is in the middle in the rankings, and Xu JiaQiang recognizes corruption, but hopes to not have to personally deal with it.

Beijing is assumed to be relatively politically stable at the moment and indeed the main problems Xu JiaQiang lists in China are those of competition.

Lebanon on the other hand is ranked quite poorly on the CPI and has had several recent conflicts, an image that is confirmed by Tony Abdel Malak's incorporation of corruption as an inevitable overhead. The political instability in the region is affecting Tony Abdel Malak, but he has found a way around it through utilising global solutions.

4.5.2 Economic and legal aspects

In order to register their company in China, Xu JiaQiang used a professional company's service. He explains that *"it's very time consuming, you need to fill tons of forms, go to many government agencies, and [the workers' attitude there] is not very good, they don't want to serve you"*. He adds about service contractors that they *"are relatively inexpensive (800 RMB [800 SEK]) which is still affordable for most businesses in China. The process takes about a month."* The legal process in China is rather convoluted, and they score quite low on the World Bank ease of doing business rankings, but it seems that there is a way to go around the legal process.

Tony Abdel Malak explains about Lebanon: *"very few people are content with "hey let's talk honest" and do something numerically [...] the law here [...] is just very rigid, non-business friendly laws, versus for example the law in Dubai, it is much more friendly, [...] based on UK law [...], (an investor) will not invest if the company is reg-*

istered in Beirut. That's a very big challenge for us right now." He therefore chose to set up his company in Dubai.

Inceptus is registered and run in Sweden and faces comparably business-friendly laws. Mikael Goldsmith, from the perspective of being a law student, says that he does not really feel it is impossible to navigate through the legal landscape, though he did discover inconsistencies in the business process at the tax agency. Businesses can, according to Mikael Goldsmith, easily talk to Bolagsverket, which is a government agency that mainly handles the registration of new companies and registry changes for existing businesses.

The legal structure in Sweden is not ranked at the very top on the ease of doing business lists (particularly when it comes to starting a business), but Mikael Goldsmith confirms that legal knowledge and free legal assistance from business incubators help individual entrepreneurs overcome that. As with the political and technological barriers, the economic and legal World Bank rankings show a positive image of Sweden.

4.5.3 Socio-cultural (support from society and culture)

As the legal, economic, political and infrastructure aspects vary from country to country, so do of course the socio-cultural aspects. We described the link between culture and entrepreneurship in our theoretical framework, and here combine aspects of that with our findings.

4.5.3.1 Family support

Influence of the family and previous experiences can but do not have to have an influence on entrepreneurial propensity. Xu JiaQiang explains that both his and his partner's families are very supportive: *"My father gives much advice. He has also run a company before [...] that may be one reason why I wanted to start a company"*. The support for the company from friends and family was very positive from the beginning.

Tony Abdel Malak shares a similar story: *"My father at a certain point in his career was able to create his own company, even though it is not sustained till now, but it was a very fulfilling experience for him, and I think I've taken that from him"*.

Tony Abdel Malak lives with his family, describes himself as family-oriented and explains it to be a normal circumstance in his society. At the same time, he went against his family's wishes when he started his company: *"[they would say] You know, you still have time, keep working, get more experience, it is not time for you to open a company"*.

Mikael Goldsmith recently discovered that his mother also had her own business before, but he did not know of it before he started Inceptus. Sandro Savarin's grandfather also had a business, but likewise he does not think it influenced him. Both describe that their friends and family in general have been quite supportive.

4.5.3.2 Society support

Xu JiaQiang believes that external support is hard to obtain without the right connections. He mentions that officially the government encourages people to create firms because it is good for the economy and provides job, but states that: *"if you don't have connections with government officials, it's not easy to get that support"*.

Tony Abdel Malak also did not receive much support from his society when he started his business. He explains, however that *"Now it is a little easier, [...] we have those entrepreneurship forums, so if you have an idea, you have a straightforward way to meet the investor directly"*. The support is growing for new businesses in Lebanon through government funded programs, low-cost loans, incubators etc. Tony Abdel Malak however has his doubts about the effectiveness. He speculates: *"it is done mainly for image related, sponsor related event, rather than the end product to push for really improving the sector"*. He believes that external economic factors may help the region grow. He thanks the global economic downturn for bringing employment to the region: *"When the global recession hit, I think they realized that it is a lot cheaper to hire labour in their initial country than bring them across the sea."*

Sandro Savarin and Mikael Goldsmith received support from the local incubator Science Park, which has a law department that helps businesses for free. Their office is located within Science Park, and being there helps them stay close to the school and other new businesses in the area. As described above, they still had to do a lot themselves to find the right networks, however.

4.5.4 Societal summary

Different levels of corruption in the three countries have caused the entrepreneurs to cope in different ways – from factoring it into expenses in Tony Abdel Malak’s case, to worrying about it in Xu JiaQiang’s case and as an abstract construct in the case of Sandro Savarin and Mikael Goldsmith. Political stability is yet another element that have caused different outcomes in the three countries – Tony Abdel Malak describes it as a main reason to look abroad, Sandro Savarin and Mikael Goldsmith do not have this issue.

Infrastructure and access to technology is mainly an issue for those without funds in Lebanon and was not a concern for Tony Abdel Malak. Daily power cuts necessitate different way of handling things, but he does not see it as a problem without a solution. Similarly, although some people in China have electricity supply issues, this was not a problem for Xu JiaQiang.

When it came to setting up a business, it is easy to get legal assistance and aid in Sweden. Our respondents in China and Lebanon described the support systems in their countries as just for show, or at least hard to come by without contacts. Tony Abdel Malak’s decision to set up his company in Dubai rather than Lebanon is a strong example of the poor rankings of Lebanon overall.

Their actions could be related to their association with the subgroups that they are affiliated with, or their family and personal experiences as discussed above – national culture dimensions alone do quite poorly in explaining entrepreneurial solutions in our view.

4.5.5 Culture

We did not expect to find any evidence for Hofstede’s dimensions on the individual level, as it is a societal level construct. When talking about his culture, Tony Abdel Malak describes that that Lebanon has *“a very strongly knit society [...] it’s not very individualistic as much as it is family oriented”*. This is in line with Hofstede’s cultural dimensions description of Lebanon as a not-so individualistic country. Tony Abdel Malak describes himself as family oriented and lives with his family, but went against his family’s advice when opening a business. He is, perhaps due to his upbringing abroad, different from many other Lebanese – this fact again shows the

importance of addressing cultural influences as a complex multi-level phenomenon.

The entrepreneurs were perhaps also influenced by the higher power distance in Lebanon and China, in that they did not have access to weekly mingles with business leaders as described in Sweden. This could also have to do with lack of development of this or lack of knowledge about similar events among our entrepreneurs in China and Lebanon. There was no immediate basis for any difference in masculinity/femininity or long-term orientation. This lends credence to the belief that cultural dimensions frameworks alone are not useful in evaluating an individual context and should not be applied on the individual level, as argued by Brewer and Venaik (2012) as well as Hofstede and Minkov (2011).

It is perhaps more appropriate, then, to address the ocean metaphor (Fang, 2012). Culture is more complex than what can be measured and aggregated with a simple survey – sometimes some values are at the surface, sometimes others.

5 Discussion

The discussion will provide the reader with a new framework for the entrepreneur in a global context. It will address the global influences, societal barriers as well as personal skill sets employed to overcome the societal barriers. It will finally combine these in a new model for global entrepreneurship.

The cases provide us with examples in context of entrepreneurship in different countries. As can be seen from the analysis above, the entrepreneurs in our cases are affected by both local and global influences.

On the national level traditional entrepreneurship research is interesting, pertaining to the individual traits that are positively correlated with entrepreneurship, as well as the societal factors that encourage entrepreneurship.

Expanding this to a global level, societal level research into theories such as cultural dimensions did not assist our study substantially due to the non-dynamic nature of the theories.

As described in the analysis, the “ocean metaphor” (Fang, 2012) presents a more realistic point of view, namely that values change over time and can take on characteristics of being dormant or salient at different points in time. Rather than holding influences constant, some factors such as family, nation, subgroup and global influences can hold more or less importance at different points in time. Please see Appendix 6 for a visual interpretation of the influences on entrepreneurs at different points in time.

Due to this dynamic conceptualization of culture, individual level theories are an interesting addition to entrepreneurship studies. Developing cultural intelligence could help entrepreneurs take advantage of the increasing possibilities that come with globalization.

5.1 A framework for the global entrepreneur

5.1.1 Taking advantage of globalization

In the following, we revisit the ways in which the entrepreneurs take advantage of globalization, in order to build our model.

The entrepreneurs are influenced by the global trends and the possibility to interact with the globe.

Xu JiaQiang’s level of English and knowledge of technology websites in other countries were paramount to his company’s burgeoning success. Tony Abdel Malak could not have found financing without being able to communicate with people in other cultures. Sandro Savarin and Mikael Goldsmith can share international perspectives with companies in their Swedish community through the international environment at their university. Xu JiaQiang does not have any global investors, due to lack of trusted connections abroad – Tony Abdel Malak’s company is more global in this regard.

In short, the entrepreneurs in our study are positively influenced by global trends, thus enabling their companies to become (more) successful. Although a business can be highly successful locally, a global reach creates more and different opportunities exemplified by these cases, necessitating cultural intelligence to create trust between countries.

Though all of our entrepreneurs have business partners, neither of the founders founded the business with people from another country. Perhaps there would be even more to gain from synergies with international teams.

It could from the analysis of societal barriers be hypothesised that the higher the societal barriers, the more relevant it is to take advantage of globalisation.

5.1.2 Societal barriers

Setting up a company and having access to the global market can be difficult. In addition to dealing with corruption, weak property rights and a convoluted legal system, Tony Abdel Malak has to manage rent, internet and electricity, which, in Lebanon, can become quite costly. Sandro Savarin and Mikael Goldsmith's living conditions on the other hand are easier to manage because of political stability, low corruption and very easy access to electricity and internet. Culture and pressure from family can create additional barriers to entrepreneurship, and in order to overcome these barriers, entrepreneurs in different societies need different combinations of skill sets.

5.1.3 Skill sets

Rather than talking about individual traits of the entrepreneur, we believe that they possess certain skill sets (defined in this context as personality traits, networks, cultural intelligence and education) along with financial endowment helped them along.

From the personality tests we conducted as well as general observations, the entrepreneurs appear to be quite *innovative*. They all need to adapt to local and international needs to become profitable. This skill is frequently associated with entrepreneurship.

They also all expressed a desire to *achieve* something of the ordinary – Tony Abdel Malak wants to generate opportunities to keep talented people in Lebanon; Sandro Savarin and Mikael Goldsmith want to create a better link between students and working life; Xu JiaQiang wants to invent something unique that other companies are not able to do.

They all have had to take *risk* but differing in magnitude. Tony took a fair amount of risk by investing his own funds. Sandro Savarin and Mikael Goldsmith have put in their time and efforts, but have the social security system in Sweden to fall back on if something goes awry. Willingness to take risk to some extent is clear with all of them.

Our entrepreneurs all have or are undertaking a university degree. This, coupled with their level of English, fits with the general image in literature that *education* can help if one wants to become an entrepreneur, particularly in the in technology and service sectors.

Utilising *networks* has brought co-founders and funding to Tony Abdel Malak's company; employees to Xu JiaQiang's company; and clients and staff for Sandro Savarin and Mikael Goldsmith. Using *global networks* and *cultural intelligence* has helped push Xu JiaQiang's product onto the global market, and is the basis for Tony Abdel Malak's global social media platform.

5.1.4 A Holistic Integrative Model of Entrepreneurship in Globalisation (HIMEG)

We are suggesting an integrative and holistic model, encompassing individual entrepreneurs, the globe and the societies that they are in. The most noticeable difference between the entrepreneurs and teams is on the societal level, seeing that they are all in countries with varying political stability and legal conditions. They take advantage of globalisation in a lot of ways, including to network, find funding and find customers. The figure below presents barriers of varying heights in different societies, skill set ladders to overcome these barriers, and how global influences affect the picture.

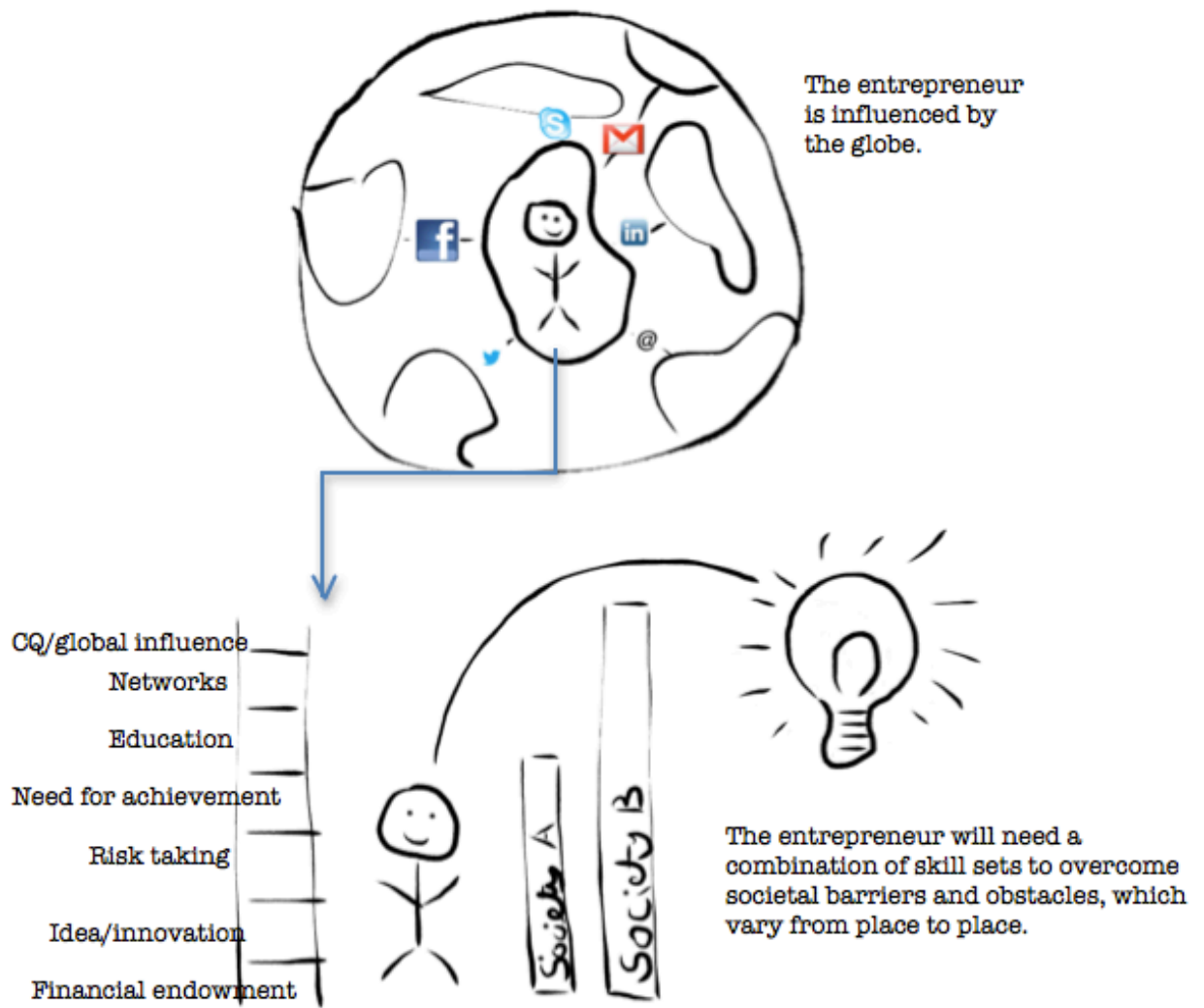


Figure 3: *A Holistic Integrative Model of Entrepreneurship in Globalisation (HIMEG)*

Entrepreneurs have the opportunities of the global world, and are influenced by the possibilities that are available to them. At the same time they are also influenced by the society that surrounds them. The barriers, such as the legal situation, the corruption, the culture etc. can be high or low, depending on which country they are in. In order to cross these barriers, entrepreneurs need to have certain blocks in their skill set “ladders” as depicted above. Entrepreneurs can have higher or lower degrees of some aspects, but the point is that each can function as a building block to push them over the barrier of their society to create new economic activity. Tony Abdel Malak’s building blocks may need to be bigger overall than those of Mikael Goldsmith and Sandro Savarin because of the higher barriers in his society. He does have a very large global network with friends who know venture capitalists, and he has a lot of experience in the industry. This emphasises that strength

in some areas could perhaps make the need for the other blocks smaller. No block is essential, but having none of them would make entrepreneurship very unlikely.

The world is flat for those who have an open mind, speak English, use the Internet, but there may still be a lot of differences with those who do not share the global community.

6 Conclusions

Our cases suggest that corruption, convoluted legal systems and other societal factors may make it difficult for the entrepreneur and support functions may make it easier. Education, innovativeness, strong networks, cultural intelligence, willingness to take risk and a desire to get ahead help overcome these societal barriers. In general, though entrepreneurship might be more prevalent if it is easier to set up a business, societal factors do not make it impossible. Global influences overall have been a positive force for our entrepreneurs. Below are the specific answers to our research questions:

1. What individual skills shape entrepreneurs, and are there similarities between different countries? The entrepreneurs had similar skill sets shaping them to become entrepreneurs. They had an idea/innovation, took risk, pushed for achievement, utilised their education and had enough cultural intelligence to work globally. Entrepreneurs may indeed be part more similar across countries than with non-entrepreneurs in their own countries.
2. How do entrepreneurs take advantage of globalisation? The entrepreneurs in our cases are to a high degree taking advantage of globalisation in targeting global markets and investors. We hypothesise that the more difficult it is to start a business in a particular country, the more relevant it becomes to *take advantage of globalisation*.
3. How do entrepreneurs overcome differing societal barriers? Different societal factors in different countries might make it easier or harder for people to become entrepreneurs, but the entrepreneurs in our cases have found ways to overcome the societal barriers with their skill sets.

4. How do the entrepreneurs relate to their own and other cultures? Cultural differences are not very prevalent between our three well-educated English-speaking entrepreneurs. They relate to their own and other cultures in varying ways, from being themselves to professionalism and openness. More culture research is needed to go beyond Hofstede and into individual level ways to cope with the global world and avoid *schematic overcompensation*.

7 Limitations and further research

1. The small number of cases that we have does not prove anything, and is rather aimed at theory creation. Tests should be done to see if our model is valid on a broader scale.
2. Entrepreneurial success is different from entrepreneurial propensity. We cannot say anything about successful entrepreneurs since most businesses fail within the first few years and it has not been more than a few years. We can only say something about how they started.
3. More extensive ground-up theories are needed, looking at who entrepreneurs are and what they do (instead of giving out questionnaires to students who might start a business, as done in a lot of research).
4. Research from manufacturing industries could be significantly different than what we have found, and needs to be taken into consideration, as could businesses started by non-entrepreneurs.
5. Cultural intelligence is not a mature framework. Hofstede is not applicable on the individual level but still dominant in the societal culture research. We suggest that individual level culture theories are developed and tested in future research.

8 Writing process

Working in a group was trying at times. The members in the group did not always agree on how much work was required for a particular task, and some put in more work than others.

Throughout the process we made use of Dropbox, which was a very handy tool for sharing documents. We split the thesis into several different parts (method, dis-

cussion, introduction etc.) and worked on different parts simultaneously. The comment function in Word was very useful in the reviewing process.

We also used Google documents for working on the same document at the same time and Facebook for communicating needs, tasks, processes and progress. If all members are dedicated to working online, this method is very efficient and recommendable.

Towards the end, we were having meetings every day with specific micro managed tasks assigned to each member. This appeared to work better than working mostly online, since some members of the group were not as frequently online as others.

We decided to swap theses with our friends in three other thesis groups in the last two weeks, in order to better prepare for the role as opponent as well as receive constructive feedback on our writing. We would recommend this approach to others, but only if they have a sufficient command of their analysis and feel strong enough to incorporate only those comments that are really relevant.

Through the process, individual members of the team figured out their strengths and weaknesses. Some team members focused more on research, some on data structuring and the final report was mainly written by one group member, as this member had a stronger command of the English language than the others.

We recommend future thesis writers to work with people they know well, in order to not encounter any unexpected differences in work ethic.

Our final recommendation is for other thesis writers to experience working in teams with people from other cultures. It can be difficult at times when language/culture/communication styles differ, but it will improve your cultural intelligence and give experiences to use in the real globalized world.

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10 Appendices

10.1 Appendix I: Interview Diary

1. Xu JiaQiang

	Method	Date & Place	People Present	Length	Additional Information
1 st Interview	Face to face interview	Apr 2, 2013, 14:42, McDonalds next to Seafire’s office/apartment block	Eva (interviewer) Xu JiaQiang (interviewee)	46 minutes and 37 seconds	No questions sent out in advance
Follow-ups	Email, WeChat, LinkedIn	Almost daily, Apr 2013-May 2013	Informal conversations with additional questions		
		May 8	Sent the preliminary thesis for review		
		2010	Became Facebook and LinkedIn friends.		
Personality tests	Online responses, report via email	Time and Date of reply: April 27, 09:55			

2. Tony Abdel Malak

	Method	Date & Place	People Present	Length	Additional In-
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			sent		formation
1 st Inter-view	Face to face inter-view	February 28, 19:28, Respondent's home, Louaizë, Beirut	Eva (interviewer) Tony (interviewee) Louis (bystander)	51:24	No questions sent out in advance
2 nd Inter-view	Face to face inter-view	March 30 21:27 Respondent's home, Louaizë, Beirut	Louis (interviewer) Tony (interviewee)	03:56	Questions sent out via email March 27, 14:34
Follow-ups	Email, Gmail chat, LinkedIn, Facebook, Personal meetings	Lebanon , 1-5 of March	Informal meetings		
		April 23	Informal email exchange (13 emails)		
		April 30	Gmail chat (105 lines)		
			Became LinkedIn and Facebook friends		
		May 1	Gmail chat (19 lines)		
		May 8	Sent the preliminary thesis for review		
		May 11	Gmail chat (18 lines)		
		May 12	Gmail chat (89 lines)		
Personality tests	Online responses, report via email	Time and Date of reply: April 23, 15:08			

3. Mikael Goldsmith, Sandro Savarin

	Method	Date & Place	People Present	Length	Additional Information
Mikael Goldsmith	Face to face interview	March 11, 14:22, Books and Coffee Student Union Café, Jönköping	Eva (interviewer) Mikael (interviewee)	22:55	No questions sent out in advance
Sandro Savarin	Face to face interview	24 Apr 2013, 10:15, Science Park Meeting Room, Jönköping	Eva (interviewer) Sandro (interviewee)	09:25	No questions sent out in advance
Note: Sandro was contacted after it was not possible to schedule a meeting with Mikael.					
Follow-ups	Email, Facebook, Informal meetings, LinkedIn	2011	Became Facebook and LinkedIn friends. Worked in Jönköping International Business School Student Association with both.		
		April 24-26 May 5 May 8	Email correspondence (3 emails) Facebook Chat Sent the preliminary thesis for review		
Personality tests	Emails about personality test on April 24, unfortunately they were unable to take the tests.				

10.2 Appendix 2: Interview Guide

1. Part 1: General Questions for all Companies

1.1. Entrepreneurship

- Why did you start a business?
- What were your most impressive experiences?
- What was the biggest challenge?
- Happiest moment?
- What kind of obstacles did you face?

1.2. Finance

- How did you find money?
- How do you make money?
- How do you spend money?

1.3. HR

- How do you hire people?
- From where would you hire people?
- How do you get people to be interested in a start-up?

1.4. Society

- How does the society support you?
- Do you have any problems with society?
- Outside influences on your business?
- Any problems with corruption?
- How is the legal framework for starting up a business in your country?

1.5. Culture

- Do you interact with people from other countries?
- How do you prepare?
- Do you behave differently than if they were Chinese/Lebanese/Swedes?
- International contact? Do you work only with people from your country?

2. Part 2: Additional Questions and Follow-ups

2.1. Additional questions for Seafire, China

- Any family members started a business?
- Why did you not try to find funding abroad?
- Any contracts newly signed?
- Something else you would like us to know?

2.2. Additional questions for GlobalA, Lebanon

- How many and which countries did you get funding from for your last project?
- When interacting with people from other countries, how do you prepare?
- Did you behave differently from how you would behave, had they been Lebanese?
- What motivated you to look for funding abroad?
- How will you spend the money when the business starts making money? Reinvest it into business projects or take it out? Do you have a plan for how much will be reinvested?
- Something else you would like us to know?

2.3. Additional questions for Inceptus, Sweden

- How many and what countries are your employees from?
- How do you attract employees from different countries? What motivated you to look for employees from different countries?
- Do you work with firms from different countries?
- How do you prepare when interacting with people from other cultures?
- Do you act differently than if they had been Swedish?
- Language? Always Swedish? Communication issues?
- Intention to expand globally?
- Personal international experience? Did this help in any way?
- Something else you would like us to know?

I0.3 Appendix 3: Secondary Data

This data is taken from the World Bank, CIA factbook and CPI indexes. Although coming from trusted sources, we don't expect it to encompass everything there is to know, but give an overview of relevant data for the countries.

1. China

1.1. General data:

- Population: 1.344 billion (possibly higher)
- GDP: 7.318 trillion USD
- GDP/capita: 8390 USD
- World Bank classification: Upper middle-income
- Life expectancy: 73 years
(World Bank, 2013a)
- Indigenous population: Han Chinese (91.5%), 55 minorities
- Languages: Standard Chinese (Mandarin) based on the Beijing Dialect
- Religions: Officially atheist. Taoist, Buddhist, Christian, Muslim religious minorities.
(CIA Factbook)
- Corruption index ranking: 80/174 (moderately high corruption)
(Transparency International, 2012)
- Gini Coefficient: 47 (CIA)

1.2. Starting a business:

- Time required to start a business: 33 days
- Ease of doing business ranking: 91/165
- Starting a business ranking: 161/185
- Enforcing contracts: 19/185
- Getting credit: 70/185
(World Bank, 2013c)

2. Lebanon

2.1. General data:

- Population: 4.259 million
- GDP: 40.09 billion USD
- GDP/capita: 14,470 USD
- World Bank classification: Upper-middle income

- Life expectancy: 73 years
- (World Bank, 2013a)
- Indigenous population: Arab (95%), Armenian (4%)
- Languages: Arab (official), French, English, Armenian
- Religions: Muslim 59.7% (Shia, Sunni, Druze, Isma'elite, Alawite or Nusayri), Christian 39% (Maronite Catholic, Greek Orthodox, Melkite Catholic, Armenian Orthodox, Syrian Catholic, Armenian Catholic, Syrian Orthodox, Roman Catholic, Chaldean, Assyrian, Coptic, Protestant)
- (CIA Factbook)
- Corruption index ranking: 128/174 (high corruption)
- (Transparency International, 2012)
- Gini Coefficient: 37.5(CIA)

2.2. Starting a business:

- Time required to start a business: 9 days
 - Ease of doing business ranking: 115/185
 - Starting a business ranking: 114/185
 - Enforcing contracts: 121/185
 - Getting credit: 104/185
- (World Bank, 2013c)

3. Sweden

3.1. General data:

- Population: 9.449 million
 - GDP: 537.7 billion USD
 - GDP/capita: 42,210 USD
 - World Bank classification: High-income OECD
 - Life expectancy: 82 years
- (World Bank, 2013a)
- Indigenous population: Swedish, with 14.3% foreign-born immigrants
 - Languages: Swedish (official), small Sami/Finnish speaking minorities
 - Religions: Lutheran (87%) Other (13%)

- Corruption index ranking: 4/174 (very low corruption)
(CIA Factbook)

- Gini Coefficient: 23 (CIA)

3.2. Starting a business:

- Time required to start a business: 16 days
- Ease of doing business ranking: 13/185
- Starting a business ranking: 54/185
- Enforcing contracts: 27/185
- Getting credit: 40/185

(World Bank, 2013c)

10.4 Appendix 4: Summary of Interviews

The interview summary only provides a brief context of each interview as well as all the quotes used in the case study. Plenty of information was also collected in follow-ups via e-mail, Gchat, WeChat etc.

Interview with Tony Abdel Malak

Eva asks about Tony's company. Tony describes *having created three companies, one of which was a QR reader for the Arab market*. He describes the company using "we". When prompted about who "we" are, he answers: "I always say we, because a good leader always says we, never says I, always says we." Then Tony describes other founders in this company.

Eva asks Tony for the reason why he started businesses. He first explains his *previous two start-ups*, then explains his *current business GlobalA and the on-going project, a social media proximity platform*.

When it comes to need for achievement, Tony says: "I'm trying to push with different ideas, trying to find different opportunities to be able to create an outstanding business where I can finally bring research and development to the region instead of just purely, purely being consumer oriented region. "

Eva mentions societal influences, Tony continues: (...) “When the global recession hit, I think they realized that it is a lot cheaper to hire labour in their initial country than bring them across the sea.” After explaining some other societal influences, he says: “ my father at a certain point in his career was able to create his own company, even though it is not sustained till now, but it was a very very fulfilling experience for him, and I think I’ve taken that from him.”

Eva: “If you’re starting a company right now, are there funds where you can apply for money?” Tony says *it’s easier to get such societal support nowadays*, and “it is done mainly for image related, sponsor related event, rather than the end product to push for really improving the sector.”(...)

Eva asks his biggest challenge in order to know his attitude towards risks.

Tony: “my biggest challenge was, ok, being a highly paid person, deciding to leave my work, which I could get easy money, to go into what we call the unknown is I think the biggest challenge” (...) but Tony’s family said “no, you know, you still have time, still work, get more experience, it is not time for you to open a company.”

Tony then explains that *he managed to convince his family* and continues with the legal problem in Lebanon and why he registered his business in Dubai: “very few people are content with “hey let’s talk honest” and do something numerically, especially that, the law here, especially, not in this region, in this country per se, is just very rigid, non-business friendly laws, versus for example the law in Dubai, it is much more friendly, it is based on UK law(...)(an investor) will not invest if the company is registered in Beirut. That’s a very big challenge for us right now.

Eva: “So how did you find the money, how did you get investors, how did you find the money for these businesses?”

Tony stress on important aspect: “If you don’t put money or time or effort yourself, (...) the investor will come and say “oh no, you’re not serious.” Then he describes how the actual procedure is.

Then Tony takes as an example his first venture in Morocco how they deal with corruption in this region. "You need to plan ahead a huge amount of discounts and a large overhead, cause you need to pay people in the company to actually sign in the end."

Not only corruption, but also some other problems occur as societal barriers: " (...) we have 24 hour electricity, supplied by two suppliers. One is the government, the other private motors. We find solutions. Our type of rational is we try to find a solution, not try to fix the problem. "

Eva then asks about finding customers. Tony explains for each company, *and he thinks the technology market is relatively small in his region.*

Talking about human resource, the current business all the people in the team *live in Lebanon and they meet on a regular basis and keep in touch online. They got to know each other through their own networks. When hiring people, he posts ads and get CVs, which is preferred by Tony rather than finding employees within networks.* He explains: " my friends that work for me or with me, I either involve them with relatively as a fun activity, or I try to involve them with equity, to incentivise, because once you bring them into with equity, they now have a share of the business, so they no longer think of it as "oh, you're my friend and boss", no, it's their business as well."

Eva asks about his education and Tony explains *his experience within different cultures. And that this might shape him differently from other Lebanese, except for one thing that he is family oriented, and he still lives with family, which is very common in his culture:* "we are a very strongly knit society in that aspect, it's not very individualistic as much as it is family oriented."

Interview with Mikael Goldsmith

Eva asks the motivation to start up a business. Mikael says it was something that *he has been thinking for a long time, another important reason is he does not really*

want to work in a “normal” organization. And he describes the business as a recruitment/consulting firm.

When asked about his most impressive experience, he explains that *they got a meeting with one of the biggest companies in Sweden and this gave them confidence.*

Eva asks about the biggest challenge, and Mikael thinks that *students take things for granted but in real life many things do not work like that, e.g. textbook tells you that networks are important, but such tips are not practical.* In his city, “half of Jönköping’s business life go together and work every month (...) and you mingle and then you change partner every ten minutes. That’s not from the book. And that’s the one of the biggest things, where to find these places on where to mingle and where to network.”

Eva: “Did you find financing for this or how did you finance this?” Mikael says *they got no external funding, and he doesn’t tell the actual number.* He explains *time is money too.*

They make money from companies, and he explains the *contract procedures, which are project based, but it’s more complicated than described.*

When asked how many companies they have contacted, Mikael *does not want to say, but describes how the business procedure is.*

About spending money, Mikael explains *the main costs are rent, service, IT and marketing etc.*

Eva asks about employees, he says there are 8 including interns and employees from different countries. They found them through contacts, social media and ads. Candidates who passed CV selection and interviews finally got employed.

He does *not really know how to get people interested in this company since there is a high demand for jobs, so basically it’s about supply and demand.*

Eva then asks about society support. Mikael describes that *they got recommendations, but many of these people just want Inceptus to be their client.*

As for legal aspect of setting up a business, Mikael thinks *there is something wrong with the instructions* and he gives *some examples*.

Mikael *does not think they should look for investors at this moment, but increase the sales. Of importance now is to contact more companies and talk to more companies.*

Eva asks about the laws in Sweden, Mikael says *the Science Park has helped a lot. And he has not noticed anything about corruption, but there were some cases in the past*, he says. And he again stresses that *it's nothing he can learn at school to do that*.

When asked entrepreneurs from any family members, he says his mom perhaps was, but he didn't know that until he started this company.

Second interview with Tony Abdel Malak

(Our contact Louis in Lebanon helps to interview Tony).

Louis asks which countries Tony got funding from for his last project, Tony says: “For my last project, I searched for funding globally.” *The places were Russia, Middle East mainly, and one angel investor from France.*

Louis: “when interacting with people from other countries, how do you prepare?”

Tony explains *he usually speaks English when talking from a business perspective, and he tends to be more professional when in such occasions.*

Louis: “What motivated you to look for funding abroad?”

Tony: “(...) having key partners globally helps the business model develop (...) It is not mainly for funding (...) I was looking more for an expertise in the matter, it means what the investor can bring himself on board rather than just his money”

When asked spending this money and reinvestment, Tony thinks it *depends on product life cycle; and the profit will be split into two parts for investors and business, respectively.*

Interview with Xu JiaQiang

Eva and Xu JiaQiang first start with the background information of Xu JiaQiang's business, *online file sharing and collaboration*.

Eva then asks about motivation. Xu JiaQiang describes that *he wants something of his own; the love for technology is another motivation*.

When asked about his most impressive experiences so far, he answers that *he is very happy about the 7000 downloads, most of which are from abroad; though they initially targeted the local market. He also explains the next steps*.

Eva asks about the biggest challenge in this process, Xu JiaQiang thinks *it is to find the market, while local market is full of similar products, and the obstacle is to make it different and get users interested*.

As for registering a company in the Chinese legal framework, Xu JiaQiang says *it is not easy but they got help with cheap cost from a professional company*: "It was 800 RMB not expensive (...) it's so time consuming, you need to fill tons of forms, go to many government agencies, and the workers in government agencies their attitude is not very good, they don't want to serve you. (...) It took about one month" Generally he thinks *it is easier to start a high-tech company than other types of company*.

Eva asks whether Xu JiaQiang got support from society, he says *it is almost impossible without a connection with the government*.

Corruption is a problem in China, and Xu JiaQiang admits that *it is very common, he has not yet been affected by it, does not know about the future – maybe big companies will force them? But he does not want to participate in corruption*.

Next question is about international connections, Xu JiaQiang explains: "our users are all over the world. They speak different languages and...our products support French, Spanish, Russian, (...) Also Italian, many languages, it is translated by volunteers. The users translated it (...) most of the case they just do it. And they just tell you that "hey I just translated your application, can you put that on your code base?" So that everyone can use it"

He also says *only technical people can do that since it's open source, most clients do not have advanced knowledge to do so. The communication is in English, as described by Xu JiaQiang, he feels more open and active when speaking English*

As for financing, Xu JiaQiang explains *it was provided by another founder, and both of them get equity percentages once gaining profit.*

Later he speaks about the *source of revenue. It is mainly from selling the non-technical product and tailored service.*

Eva asks about spending money, he thinks *the main cost will be salary to employees;* talking about hiring people, “for such a small company, I think it is hard to find a top talent if you don't know them before, because we don't have VC, not much money to pay. If you are friends before, you can trust each other and work better together. It won't be so easy for them to quit. (...) That's part of culture in China.”

Xu JiaQiang *also sees himself and most people in his company as technical geeks, who are eager to make great products.*

In the end, Eva asks about his background, especially within education. He explains *though the education system is anti-entrepreneurial, he always tries being unique, which might be influenced by his father:* “My father gives much advice. He also ran a company before. His experience influences me much when I was a child. That may be one reason why I want to start a company”

Interview with Sandro Savarin

Eva starts the question with Sandro's education background, *he studies engineering in the same university with the other founder, Mikael. Later he also explains that he moved to Sweden when he was 3 years old.*

Eva asks for details about their employees, Sandro explains their employment type and working functions, where 8 people currently work, 3 of whom are international.

Their business plan is international: “ when we present our business model to the business life of the Jönköping region we push on our international background and that we kind of reflect what’s happening on the university. So we are looking into international questions when companies want to start a business in another country. ”

Sandro further explains *how they work in an international environment. Basically they speak English; aiming to become international in the long run is the motivation of employing international students; and one of the pillars of Inceptus.*

Eva asks about their customers: “Do you also work with companies from different countries or are the companies you work with mainly Swedish?” Sandro explains that they currently work with *SMEs in this region, but these companies could have international branches, and this is in line with their international intention.*

The last questions are about international communication: “When you interact with people from other countries, do you change the way you behave in any way? Sandro says *he will always be himself. He has confidence when communicating with international people and he feels comfortable*

Sandro *finally stresses one of Inceptus grounds: internationalisation and that he looks for people who have competence and ambition.*

10.5 Appendix 5: Personality Tests

Part 1: Jung Typology Test (MBTI)

The test questions are YES/NO based, developed by HumanMetrix (2013). The MBTI test determines the psychological type of the respondent through the consciousness function of sensing & intuition, thinking & feeling, and either extrovert & introvert attitudes.

1. You are almost never late for your appointments
2. You like to be engaged in an active and fast-paced job
3. You enjoy having a wide circle of acquaintances

4. You feel involved when watching TV soaps
5. You are usually the first to react to a sudden event, such as the telephone ringing or unexpected question
6. You are more interested in a general idea than in the details of its realization
7. You tend to be unbiased even if this might endanger your good relations with people
8. Strict observance of the established rules is likely to prevent a good outcome
9. It's difficult to get you excited
10. It is in your nature to assume responsibility
11. You often think about humankind and its destiny
12. You believe the best decision is one that can be easily changed
13. Objective criticism is always useful in any activity
14. You prefer to act immediately rather than speculate about various options
15. You trust reason rather than feelings
16. You are inclined to rely more on improvisation than on prior planning
17. You spend your leisure time actively socializing with a group of people, attending parties, shopping, etc.
18. You usually plan your actions in advance
19. Your actions are frequently influenced by emotions
20. You are a person somewhat reserved and distant in communication
21. You know how to put every minute of your time to good purpose
22. You readily help people while asking nothing in return
23. You often contemplate the complexity of life
24. After prolonged socializing you feel you need to get away and be alone
25. You often do jobs in a hurry
26. You easily see the general principle behind specific occurrences
27. You frequently and easily express your feelings and emotions
28. You find it difficult to speak loudly
29. You get bored if you have to read theoretical books
30. You tend to sympathize with other people
31. You value justice higher than mercy
32. You rapidly get involved in the social life of a new workplace

33. The more people with whom you speak, the better you feel
34. You tend to rely on your experience rather than on theoretical alternatives
35. You like to keep a check on how things are progressing
36. You easily empathize with the concerns of other people
37. You often prefer to read a book than go to a party
38. You enjoy being at the center of events in which other people are directly involved
39. You are more inclined to experiment than to follow familiar approaches
40. You avoid being bound by obligations
41. You are strongly touched by stories about people's troubles
42. Deadlines seem to you to be of relative, rather than absolute, importance
43. You prefer to isolate yourself from outside noises
44. It's essential for you to try things with your own hands
45. You think that almost everything can be analysed
46. Failing to complete your task on time makes you rather uncomfortable
47. You take pleasure in putting things in order
48. You feel at ease in a crowd
49. You have good control over your desires and temptations
50. You easily understand new theoretical principles
51. The process of searching for a solution is more important to you than the solution itself
52. You usually place yourself nearer to the side than in the center of a room
53. When solving a problem you would rather follow a familiar approach than seek a new one
54. You try to stand firmly by your principles
55. A thirst for adventure is close to your heart
56. You prefer meeting in small groups over interaction with lots of people
57. When considering a situation you pay more attention to the current situation and less to a possible sequence of events
58. When solving a problem you consider the rational approach to be the best
59. You find it difficult to talk about your feelings
60. You often spend time thinking of how things could be improved

61. Your decisions are based more on the feelings of a moment than on the thorough planning
62. You prefer to spend your leisure time alone or relaxing in a tranquil atmosphere
63. You feel more comfortable sticking to conventional ways
64. You are easily affected by strong emotions
65. You are always looking for opportunities
66. Your desk, workbench, etc. is usually neat and orderly
67. As a rule, current preoccupations worry you more than your future plans
68. You get pleasure from solitary walks
69. It is easy for you to communicate in social situations
70. You are consistent in your habits
71. You willingly involve yourself in matters which engage your sympathies
72. You easily perceive various ways in which events could develop

Part 2: Locus of Control

The test is adapted version of Rotter's I-E scale (Rotter, 1989). Test respondents answer 29 questions, 23 of which are scored. The test answers were indicated as a/b answers, individually assigned an "internal"/"external" locus of control orientation – the more "internal" answers, the more points. Interpretations of results were simpler to conduct, so for this test we did not employ any online resources.

1. Children get into trouble because their parents punish them too much/The trouble with most children nowadays is that their parents are too easy with them.
2. Many of the unhappy things in people's lives are partly due to bad luck. /People's misfortunes result from the mistakes they make.
3. One of the major reasons why we have wars is because people don't take enough interest in politics/There will always be wars, no matter how hard people try to prevent them.
4. In the long run people get the respect they deserve in this world/Unfortunately, an individual's worth often passes unrecognized no matter how hard he tries.

5. The idea that teachers are unfair to students is nonsense./Most students don't realize the extent to which their grades are influenced by accidental happenings.
6. Without the right breaks one cannot be an effective leader./Capable people who fail to become leaders have not taken advantage of their opportunities.
7. No matter how hard you try some people just don't like you./People who can't get others to like them don't understand how to get along with others.
8. Heredity plays the major role in determining one's personality./It is one's experiences in life which determine what they're like.
9. I have often found that what is going to happen will happen./Trusting to fate has never turned out as well for me as making a decision to take a definite course of action.
10. In the case of the well-prepared student there is rarely if ever such a thing as an unfair test./Many times exam questions tend to be so unrelated to course work that studying is really useless.
11. Becoming a success is a matter of hard work, luck has little or nothing to do with it./Getting a good job depends mainly on being in the right place at the right time.
12. The average citizen can have an influence in government decisions./This world is run by the few people in power, and there is not much the little guy can do about it.
13. When I make plans, I am almost certain that I can make them work./It is not always wise to plan too far ahead because many things turn out to be a matter of good or bad fortune anyhow.
14. There are certain people who are just no good./There is some good in everybody.
15. In my case getting what I want has little or nothing to do with luck./ Many times we might just as well decide what to do by flipping a coin.
16. Who gets to be the boss often depends on who was lucky enough to be in the right place first./Getting people to do the right thing depends upon ability, luck has little or nothing to do with it.

17. As far as world affairs are concerned, most of us are the victims of forces we can neither understand, nor control./By taking an active part in political and social affairs the people can control world events.
18. Most people don't realize the extent to which their lives are controlled by accidental happenings./There really is no such thing as "luck."
19. One should always be willing to admit mistakes./It is usually best to cover up one's mistakes.
20. It is hard to know whether or not a person really likes you./How many friends you have depends upon how nice a person you are.
21. In the long run the bad things that happen to us are balanced by the good ones./Most misfortunes are the result of lack of ability, ignorance, laziness, or all three.
22. With enough effort we can wipe out political corruption./It is difficult for people to have much control over the things politicians do in office.
23. Sometimes I can't understand how teachers arrive at the grades they give./There is a direct connection between how hard I study and the grades I get.
24. A good leader expects people to decide for themselves what they should do./ A good leader makes it clear to everybody what their jobs are.
25. Many times I feel that I have little influence over the things that happen to me./It is impossible for me to believe that chance or luck plays an important role in my life.
26. People are lonely because they don't try to be friendly./There's not much use in trying too hard to please people, if they like you, they like you.
27. There is too much emphasis on athletics in high school./Team sports are an excellent way to build character.
28. What happens to me is my own doing/Sometimes I feel that I don't have enough control over the direction my life is taking.
29. Most of the time I can't understand why politicians behave the way they do./In the long run the people are responsible for bad government on a national as well as on a local level.

Score card:

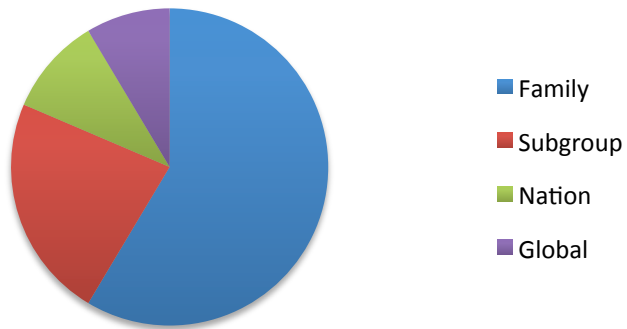
Score 1 point for each of the following:

- 2b
- 3a
- 4a
- 5a
- 6b
- 7b
- 9b
- 10a
- 11a
- 12a
- 13a
- 15a
- 16b
- 17b
- 18b
- 20b
- 21b
- 22a
- 23b
- 25b
- 26a
- 28a
- 29b

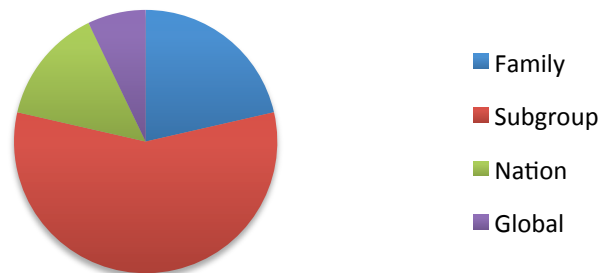
10.6 Appendix 6: Influences on the Entrepreneur

The figures below show the influences on the entrepreneur at different points in time.

Influence on the entrepreneur at time A



Influence on the entrepreneur at time B



Influence on the entrepreneur at time C

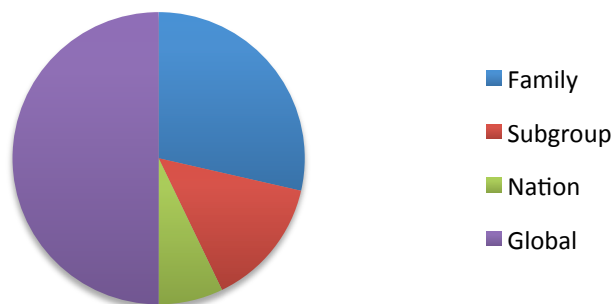


Figure 4: *Influences on the entrepreneur.*