

## **Entrepreneurial Typology in Developing Economy The Jordan – Case Study**

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### **ABSTRACT**

Kilby ( 1971 ) writes that : “ The search for the source of dynamic Entrepreneurial performance has much in common with hunting the feffalump” An entrepreneur is a controversial issue in economic and management literature. One paradigm suggests that entrepreneurial formation results from the interaction of social and cultural forces, whereas McClelland’s theory was based on an economic growth. In developing economics, there is keen debate between development economists on the question of whether there is a capital gap or entrepreneurial deficiencies in these economies. The objective of this study is to participate in closing the gap and to contribute effectively to entrepreneur body of knowledge and particularly in developing economics (Jordan). Based on comprehensive interview guidelines, pertinent data were collected from 40 manufacturing firms operating in the Jordanian economy. The research findings have theoretical and policy implications. The economic reward and financial gain were cited by the vast majority of entrepreneurs as the main motive for farming their businesses. The study has identified entrepreneurs deficiency and entrepreneurial gap Jordan, in that firms were managed in a personalized way. The study goes further giving evidence that entrepreneurial motivation for going business can not be explained only by economic forces but is rather an interaction of multiple goals.

Keywords: Entrepreneurial Typology ; Developing Economy; The Jordan – Case Study

### **1. Introduction :**

There appears to be a growing awareness among both economists and policy makers that entrepreneurship scarce resource in many parts of the world, and that its appearance cannot be attributed entirely to the presence of economic opportunities. Baumol (1968) articulated that: “encouragement of the entrepreneur is the key to the simulation of growth... the police maker thus is interested primarily in what determines the supply of entrepreneurship and in the means that can be used to expand it”.

Carroll, J.J (1965) added that the entrepreneur in a developing economy is a powerful agent of change, not only of economic change but also of the social change which almost inevitably accompanies it. Most of the writers on economic development on underdeveloped countries, assert that underdeveloped countries suffer from a deficiency in dynamic entrepreneurs and the entrepreneurial class pointed out by McClelland and Hagen is almost nonexistent in most of the poor countries (Award, 1979) broehl (1983) added that the entrepreneurial process in the less develop world is impeded by the conflicts of old and new. Another advanced case for modern small scale enterprises in developed and developing countries runs in terms of their contribution to the developed of entrepreneurship (p. Neck, 1977; Churcjhill and Lewis, 1983; and Knight 1984). Timmons, J.A (1984) rightly that:

**“Central to nearly all models of venture creation  
Is the individual entrepreneur as a catalyst,  
Energizer, project champion, innovator, creator  
And team leader”**

Policy makers wishing to foster entrepreneurship seek to identify the entrepreneur. Financiers recognize that they are essentially financing people, but what characteristics of entrepreneurs ? Management development institutes desire to develop an entrepreneur, but what are their training needs? This part of the study is attempting to provide understanding of the Jordanian entrepreneurs (heffalump) as one of the facets of a small enterprise development model.

It was established in the body of knowledge that the motive of an entrepreneur for going into business often determines how he finance and urns the business. It was also asserted that age, level of education, occupational origin, industrial experience and social factor in terms of family are an important determinant factors of entrepreneur performance in managing and developing the business ( Brohel, 1984).

## **2. Entrepreneurial Motivation**

McClelland (1961) and Atkinson (1964) have developed a theory of psychological motivation that has been widely used in the study and practice of management and entrepreneurship (Timmons, Smollen and Dingee, 1977). The theory of psychological motivation suggests that people are motivated by three principal needs:

- a) The need for achievement ( n Ach),
- b) The need for power (n pow), and
- c) The need for affiliation (n Aft)

In addressing the issue of small enterprise development in the U.K Bolton (1971) argues that :

**“the desire for independence appears to be overriding and indeed may on occasions even operate against their own interest.....Many businessmen in small firms recognize that money is not their prime motivation”.**

Dunkelberg and Copper (1984 ) and other writers provide confirmation to Bolton finding, showing that entrepreneurs are independence oriented in forming their business. A number of writers including Atkinson (1964), money has a very special meaning to the successful entrepreneurs. Timmons (1978) articulated that :

“ The entrepreneur is involved in a continuous process of Making money, going out and investing out in another company, and then starting all over again. The cycle never seems to end and the money is a way of measuring performance”.

### **3. Research methodology**

The evidence from this research was on small firms at inception and growing stage of development and their large private enterprises counterparts provide confirmation to Timmons (1978) and in some respect challenge the Bolton (1971) contention and statement. The vast majority of entrepreneurs in this survey (76%). Ranked economic reward as most critical motivation factors in forming their business.

### **4. Data analysis, Results, and Discussion**

Based on matrix of the motivating factors reported and ranked by respondents. Tables (1 , 2 and 3 ) show that family as a socio economic factor has been ranked as a second motive for going into business, either to expand family business or to meet family demand. This finding was observed in Nigeria and the Philippines by Harris, 1974 and Carroll (1965) respectively. Family as a motivating factor stems from the fact 38% of company owners and belong to the family business.

Borland (1974) found that the variable most commonly associated with a business student's declared entrepreneurial expectations was the professional independence of the student's father. (Shapero and Sokol, 1984).

In response to the question why did you decide to start this enterprise, 60% of entrepreneurs of the current starting-up small firms had the same opinion. This finding based on the total sample of small firms provides a positive support to Timmons (1978) and other studies on entrepreneurship (Morris and Somerset, 1974; and Borland, 1974).

**Table No 1: Most important factors which motivated founders to set-up the business current starting up small firms sample “Matrix Representation”**

Motivating Factors	1	2	3	4	5	6	7	8	9	Total Score		
										No	%	Rank
1. Outlet for personal abilities	2	3	1-	1	-	-	-	-	-	55	11	3
2. Independence	-	3	1	-	-	-	-	-	-	33	6.4	6
3. Status	-	-	2	3	-	-	-	-	-	32	6.7	5
4. Job Satisfaction	2	-	1	-	1	-	-	-	-	30	6.2	7
5. Economic Rewards	16	1	1	1	1	-	-	-	-	170	35	1
6. Meet Family Demands	-	3	3	-	-	-	-	-	-	45	9.4	4
7. Expand and Diversify Family Bus.	-	5	4	1	-	-	-	-	-	74	15.4	2
8. Market Niche	-	1	-	-	-	-	-	-	-	8	2	9
9. create family enterprise	-	2	-	2	-	-	-	-	-	28	5.8	8
10. new company in the field	-	1	-	-	-	-	-	-	-	8	2	10
Total	20	19	13	8	2	-	-	-	-	481	100	
Family (6 + 7 + 9)	-									147	30.6	

**Table No. 2: Current Small Growing Firms Sample**

	1	2	3	4	5	6	7	Total Score		
								No	%	Rank
1. Outlet for personal abilities	-	3	2	1	-	-	-	34	10	4
2. Independence	2	1	1	1	-	-	-	29	8.2	5
3. Status	1	2	1	-	1	-	-	27	7.6	6
4. Job Satisfaction	1	1	2	1	-	-	-	27	7.6	7
5. Economic Rewards	14	3	1	1	1	-	-	128	36	1
6. Expansion and Diversification of Family Business	-	4	3	-	-	-	-	39	11	2
7. Meet Family Demands	-	-	2	1	1	1	-	19	5.4	8
8. Market Niche	-	1	-	-	-	-	-	6	2	9
9. create family enterprise	2	2	1	1	-	-	-	35	10	3
10. level of achievement is high	-	-	1	-	-	-	-	5	1.4	11
11. Successful Endeavor	-	1	-	-	-	-	-	6	2	10
Total	20	18	14	6	3	1	-	355	100	
Family (6 + 7 + 9)								93	26	

The large private enterprises taken as a control group in this study shared the opinion of small firm sample, that the economic reward is a most important motivating factor (35%). This could be explained by the fact that most of the large firm sample in this survey started very small under family domination (53%). The main difference has been put on family dimension by large firms which started very large. This observation can be attributed to ownership structure of the firms.

Based on the classification of entrepreneurs sample on occupational origins into those originated from family business or father business (58%) and those started from scratch as ex-employees or developed their business traders from their personal savings (42%), in relation to the motivating factors, the analysis of the survey provides interesting results. The matrix representation of the motivating factors ranked and reported by entrepreneurs shows that the economic reward is the most prominent factor in both groups with a certain degree of variation in the weight. The economic reward has a higher degree of weight in the group of entrepreneur emerged and operated under the family umbrella or business (35%) than those started as an independent owner (28%). In studying the entrepreneurship in Taiwan, Giesbrecht (1968) observed that :

“ A person measures the success of his behavior by how it influences the status of his family. Clearly, anything that would bring increased honour, power, pleasure, or income to the family would be worth striving for and this is a good basis for the profit motive”.

**Table No. 3: Large private Enterprises Sample**

	1	2	3	4	5	6	7	8	Total Score		
									No	%	Rank
1. Outlet for personal abilities	2	1	-	1	-	-	-	-	28	8.5	2
2. Independence	1	2	-	1	-	-	-	-	27	8.2	3
3. Status	-	-	-	-	1	-	-	-	4	1.2	14
4. Job Satisfaction	-	1	1	-	-	-	-	-	13	4	9
5. Economic Rewards	12	-	3	-	-	-	-	-	114	35	1
6. Meet Family Demands	-	1	-	-	-	-	-	-	10	3	10
7. Expand and Diversify of Family Business	-	2	1	-	-	-	-	-	22	6.7	6
8. create family enterprise	-	2	2	-	-	-	-	-	27	8.2	4
9. Ambitious	-	-	1	-	-	-	-	-	6	1.8	12
10. Family Image	-	-	-	1	-	-	-	-	5	1.5	13
11. Market Niche	-	2	1	-	-	-	-	-	20	6.1	7
12. Availability of R. Mates	-	2	2	-	-	-	-	-	26	7.9	5
13. Diversification of Bus.	-	1	2	-	-	-	-	-	19	5.8	8
14. New Industry in the Jordan	-	1	-	-	-	-	-	-	7	2	11
Total	15	15	13	3	1	1	1	1	328	100	
Family (6 + 7 + 8 + 10)		5	3	1		1	1	1	64	20	

The main difference between the two groups embodied in the fact is that those emerged from family business or connected to family business put more emphasis on family as a second motivating factor in terms of creating family enterprise, expansion and diversification of family business and meeting extended family demands (42.7%). By contrast, the other group of entrepreneurs maintained the desire for independence as a second motivating factor, in connection with job satisfaction. Outlet for personal abilities and status (41.4%). Table 4 – shows that the desire for independence is not an important factor for an entrepreneur who emerged or belong to a family business with a score of 0.9%. The explanation of this observation is that this group of entrepreneurs is already independent, working for themselves and / or for their families. Thus the motivating factors in forming the business is determined partially by the occupational origin of an entrepreneur and to what extent they belong to finally business.

It deserves to be noted that, despite the importance attached to independence by those who formed their business under no family umbrella (group-2), table shows that job satisfaction also seemed to be important with 8.8% score. Boswell (1971) identifies that :

**“ The emigration of frustrated men from corporations as a prime generator of new engineering and hosiery / knitwear firms in the united kingdom”.**

Shapero and Sokol (1984) observed in the U.S. that “Job dissatisfaction of many kinds is mentioned with great Frequency by company formers; they include boredom and what Might be called technical frustration”.

“ I entered the field of business to stand by my own, to build my image and reputation out of my business. Moreover, the government job was too narrow to embody

My ambition and innovative ability”.

The last rows of tables 1 and 2 show clearly the effect of occupational origin on entrepreneur motivation in forming a business. As has been explained before. The first group of entrepreneurs identified in this study put more emphasis on family dimension with (42.7%) score whereas the other group put emphasis on desire for independence, job satisfaction, outlet of personal abilities and status with (50.5%) score as motivating factors.

In response to the question on what currently is your motivation, small firm research sample put more emphasis on expansion and development of business activities and profit motive as an over-riding current motivating factor; (58%) 35 per cent of small firms at inception sample reported that continuity and survival in

the market was the most important factor. This finding explained the difference between small firms at start-up facing a critical stage of development and established and growing firms (Churchill and Lewis, 1983). The vital and pertinent question to be raised in this context is to what extent the classification of entrepreneurs into two groups with a degree of variation in the motivation of forming business, can be explained by entrepreneurial profile measured into level of education, age, occupational origin and industrial experience. To this point, we direct attention now.

**Table 4 : Most critical factors which motivated founder/s to set-up business emerged from family business group 132/55 = 58% Matrix Representation**

Motivation Factors	1	2	3	4	5	6	7	8	Total Score		
	No	%	Rank								
1. Outlet for personal abilities	3	-	2	1	-	-	-	-	41	5.8	5
2. Independence	-	1	-	1	-	-	-	-	7	0.9	12
3. Status	-	-	-	1	1	-	-	-	13	1.8	10
4. Job Satisfaction	-	1	1	-	-	-	-	-	13	1.8	10
5. Economic Rewards	26	4	2	-	-	-	-	-	248	35	1
6. Meet Family Demands	-	4	2	-	-	-	-	-	47	6.6	4
7. Expand and Diversify of Family Business	-	7	7	1	2	-	1	-	106	15	3
8. Market Nice	1	1	2	2	-	-	-	-	37	5	6
9. create family enterprise	2	9	8	4	1	-	-	-	151	21	2
10. Level of achievement high	-	-	-	-	-	-	-	-	-	-	-
11. Successful endeavor	-	-	-	-	-	-	-	-	-	-	-
12. new industry	-	2	-	-	-	-	-	-	14	2	9
13. Availability of R. Mates	-	-	3	-	-	-	-	-	18	2.5	8
14. Diversification of Bus.	-	3	-	-	-	-	-	-	21	2.9	7
Ambitious											
Total	32	31	25	13	6	-	1		712	100	
Family (6 + 7 + 8 + 10)									304	42.7	
1+2+3+4									70	9.8	



**Table . 5: Group 2 23/55 = 42% (Not family business origin entrepreneurs)**

	1	2	3	4	5	6	7	8	Total Score		
									No	%	Rank
1. Outlet for personal abilities	2	5	2	2	-	-	-	-	73	12.8	3
2. Independence	6	7	3	-	-	-	-	-	115	20	2
3. Status	0	2	5	1	-	-	-	-	49	8.6	5
4. Job Satisfaction	2	2	1	2	1	-	-	-	50	8.8	4
5. Economic Rewards	13	1	4	3	2	-	-	-	158	28	1
6. Meet Family Demands	-	0	0	2	-	1	-	-	13	2.3	9
7. Expand and Diversify of Family Business	-	1	0	2	-	-	-	-	17	3	8
8. Market Nice	-	3	1	-	1	1	-	-	34	6	6
9. create family enterprise	-	-	1	3	2	-	1	-	29	5	7
10. Level of achievement high	-	-	1	-	-	-	-	-	6	1	12
11. Successful endeavor	-	-	-	1	-	-	-	-	5	0.8	13
12. new industry	-	1	-	-	-	-	-	-	7	1.2	11
13. Availability of R. Mates	-	-	2	-	-	-	-	-	12	2.1	10
<b>Total</b>	<b>23</b>	<b>22</b>	<b>20</b>	<b>16</b>	<b>6</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>568</b>	<b>100</b>	
Family (6 + 7 + 8 + 10)									59	10.3	
Outlet for personal abilities + independence & job satisfaction = status									287	50.5	

### Entrepreneurial profile

Many studies suggest that there is a significant association between personal traits such as age, Education and work experience and the capacity to become an entrepreneur (Ahmed, 1977). In this part of the study, an attempt is made to give insight and provide a clue for the understanding of the Jordanian entrepreneur as an individual, as a platform for public policy aiming to develop entrepreneurial activities. Broehi, Jr. (1983) rightly articulated that:

“ A better understanding of entrepreneurship in the less developed countries could have a particularly high return for mankind”.



**Table 6 : AGE DEISTRIBUTION OF SMALL FIRM ENTREPRENEURS AT FORMATION STAGE AND AT PRESENT**

Range of Age	AT FORMATION		AT PRESENT	
	No	%	No	%
1. Under 30 years	4	10	-	-
2. 30 – 40	20	50	11	27.5
3. 41 – 49	17	42.5	18	45
4. 50 – 59	-	-	11	27.5
5. 60 and over	-	-	-	-

Table 6 shows the percentage of entrepreneurs falling in different age groups at formation of business and at the present. It can be observed that more than 90% of the sample entrepreneurs formed their business between 30 and 49. The proportion in the years 30 – 40 years age is higher than that in the group 41 – 49 years of age. The survey provides inevitable evidence that the Jordanian individuals entrepreneurial debut to be concentrated in their thirties. This finding is consistent with an observation made by Watanabee (Japan) (1970).

Regarding the age distribution of the sample entrepreneurs at present (field work time ). 45% of the sample are in the 41 – 49 years age group, and an equal distribution between 30 – 40 and 50 – 59 age group with 27.5. This classification and grouping of the sample entrepreneurs according to age will help explain the profile of entrepreneurs in terms of educational level and stands as a platform for a public policy and initiatives to develop the supply of entrepreneurs in Jordan.

**Entrepreneurs Sample and Management Training**

Table 7

		1		2		3 = (1 + 2)	
		Current ST – UP S.F.		Current G. S. P.		Total Sample	
		No	%	No	%	No	%
1	None	11	55	11	55	22	55
2	Business Admin. Course one year programme	1	5	0	0	1	2.5
3	Mgt. Training programme – local	5	25	4	20	9	22.5
4	Mgt. Training programme - abroad	-	-	3	15	3	7.5
5	Ent with Mgt. Edu. Training	6	30	7	35	13	32.5
6	Son of founder ent with Mgt. Degree	2	10	1	5	3	7.5
7	Mgt. with Business Education	1	5	1	5	2	5

Occupational Origins And Industrial Experience: Occupational origins, mobility and industrial experience are important determinant factors of entrepreneurial

profile and the way he runs the business. To what extent does this hold true for the Jordanian entrepreneurs in small manufacturing industry and from what occupational background do they come? And what is the industrial experience of the entrepreneur’s sample and to what extent is influenced by family domination as a socio mirror economic phenomena? These questions and points are examined in depth in the following discussion.

**Table 8 : Industrial Experience of Entrepreneurs Sample Before Establishing Business**

		1		2		3 = (1 + 2)	
		Current ST – UP S.F.		Current G. S. P.		Total Sample	
		No	%	No	%	No	%
1	Civil Service and public sector	5	25	2	10	7	20
2	Banking Industry	1	5	0	0	1	2.5
3	Family Business (Trade, Com, Manuf.)	14	70	15	75	29	72.5
4	Professional	2	10	2	10	4	10
5	Private sector employees	3	15	02	10	5	12.5
6	Traders I ( own business)	2	10	2	10	4	10

Table (8) Shows the different occupation in which the entrepreneurs. Sample were engaged preceding their establishment of their own small manufacturing firm. The table shows that 72.5% of the entrepreneurs sample ( small firm ) had an industrial experience in working in a family business and ex-employees. Professional and small traders make up the rest (27.5%) the table shown an interesting point that despite the importance of agriculture in the Jordanian economy none of these entrepreneurs sample come from the farming father or farming family as farmers. This could be explained by the low level of education in the population engaged in agriculture and trading activities which is most widely to be found in the rural areas. The occupational origin. Background and industrial experience has an implication on entrepreneurs managerial knowledge and the way the business is rum. The activities of the entrepreneurs emerged from family business and operating under the family umbrella in the summer and rainy season, are affected by the family ability to provide needed capital for start up and funds for further investment as well as executive personnel this controversial issue on the positive and negative side of family involvement in business has been raided by many writers on underdeveloped and developed economy ( Carroll, 1965).

The survey shows that family enterprise in the Jordan is the rule. In the sense that a vast majority of small firms in the sample received and were financed at inception from entrepreneurs or their family. Shows that 60% of entrepreneurs of small firms

sample had a managerial experience as a chief executive or assistant manager in a family business before establishing their own entrepreneurs were most likely to move to their businesses with the preceding managerial experience of a family business. In their research work on Michigan manufacturing firms hood and roscoe (1964) found the prior experience in managerial or non managerial work has an influence on the way entrepreneurs run the business and seemed to correlate with greater success ( A. Cooper, 1983).

The occupational origin and background combined with industrial and managerial experience has an implication on the management set up of business. The survey shows that an entrepreneur and / or his relatives held the office of the chief executive and performed key management functions in most cases and the offices of chief executive have tended to remain throughout stages of development in the family of entrepreneurs or founders. This finding was observed in developed countries. Anthony Japan 1983 : beak hard – US. 1982: Bolton – UK 1971 and in developing countries kilby 1974 and Carroll, Philippine. 1965 rightly articulated that:

Controlling families may be willing to sacrifice some degree of corporate profitability in order to retain some degree of direct family control over the corporation.

**Table No. 9: Managerial Experience of Entrepreneurs Sample Before Establishing Business**

		1		2		3 = (1 + 2)	
		Current ST – UP S.F.		Current G. S. P.		Total Sample	
		No	%	No	%	No	%
1	Chief executive in their family business	10	50	10	50	20	50
2	Chief executive in private sector	-	-	2	10	2	2
3	Chief executive in public sector	-	-	3	15	3	7.5
4	Asst. Mgr. in their family bus.	3	15	1	5	4	10
5	Asst. Mgr. in Private Sector	-	-	1	5	1	2.5
6	Asst. Mgr. in Public Sector	-	-	1	5	1	2.5
7	Finance Director in F. Bus.	-	-	-	-	-	-
8	Finance Director in Private Sector	-	-	-	-	-	-
9	Finance Director in Public sector	-	-	-	-	-	-
10	Production director in Family Bus.	-	-	-	-	-	-
11	Production director in private sector	-	-	-	-	-	-
12	Production director in public sector	-	-	-	-	-	-
13	Inspector / middle Mgt. in private sector	2	10	2	10	4	10
14	Inspector / middle Mgt. in private sector	4	20	-	-	4	10
15	Entrepreneurship in Trading	4	20	5	25	9	22.5
16	Entrepreneurship in Manufacturing	0	-	4	20	4	10
17	Others	0	-	-	-	-	-
18	Managerial experience in family business	13	65	11	55	24	60

**ENTREPRENEURIAL MANAGEMENT PRACTICE AND ATTITUDE:** The survey indicates that small firms were based round the technical knowledge and managerial ability of their owners and managers. The survey shows that 60% of the small firms sample were registered as an individual ownership 20% as a partnership and 20% as a limited liability companies under family domination in most cases.

**Table 10 : Type of legal organization of the small firms sample**

		Starting Small Firm		Small G. Firms		Total	
		No	%	No	%	No	%
1	Individual Ownership	13	65	11	55	24	60
2	Partnership	4	20	4	20	8	20
3	Registered Company 1925 Act	3	15	5	25	8	20
		20	100	20	100	40	100

In contrast, the survey shows that all large private enterprises samples were registered as limited liability companies under the company act.

In response to the question : was any technical advice or assistance received at the outset, the respondents reported that the technical advice and assistance received was based on an informal and personal basis and ground, and in most cases from friends in the concerned field of industry of relatives.

Table shows that most of the small firms covered or this study was established round the technical ability of entrepreneurs and informal advice received from friends on personal grounds ( 72.5% ). This results was a good indication of the personalized way of forming business and reflects the traditional way of establishing or industrial establishment in the Jordanian. This practice, in turn, has an implication on the way business in handled, controlled and managed, built round the ability of an authoritarian entrepreneur. This observation and finding proposes an empirical justification for an action of public policy, look for fostering and developing small business sectors in the Jordanian. Hood and Rosko (1964) articulated that :

That successful founders were some what more likely to have sought information and advice from professionals and consultants”.

With respect to the experience of developed countries (U.S., U.K. Japan) and developing countries ( India, Nigeria, Egypt ) in relation to small business development, a public policy and comprehensive schemes have been launched by governments to provide technical and managerial advice to small business.

**Table 11: Technical advice or assistance received at the outset, and if so, from whom?**

		1		2		3 = (1 + 2)	
		Current ST – UP S.F.		Current G. S. P.		Total Sample	
		No	%	No	%	No	%
1	Received technical advice	15	75	13	65	28	70
	From local specialist body	3	15	1	5	4	10
	From foreign specialist body	4	20	3	15	7	17.5
2	X formal advice	7	35	4	20	11	27.5
	On informal and personal basis	8	40	10	50	18	45
3	Family Business ( Trade, Com, Manuf.)	14	70	15	75	29	72.5
4	A. from friends in the field	9	45	9	45	18	45
	B. from banker	0	0	0	0	0	0
	C. from relatives	2	10	1	5	3	7.5
	D. from partner / s	1	5	1	5	2	5
	E. other (s)	1	5	-	-	1	2.5
	(did not receive for/in for) advice	5	25	7	35	12	30
5	Skill inherited by father (family)	0	0	1	5	1	2.5
	Entrepreneur expert in the field	0	0	1	5	1	2.5
	Simple and traditional industry	4	20	4	20	8	20
	Previous experience of entrepreneurs	5	25	3	15	8	20
	Son of the founder expert in the field	1	5	0	0	1	2.5

**Table (12) :Management set-up of business and family relationship :**

		1		2		3 = (1 + 2)	
		Current ST – UP S.F.		Current G. S. P.		Total Sample	
		No	%	No	%	No	%
1	Entrepreneur/s and	20	100	18	90	38	95
2	Brother/s	13	65	11	55	24	60
3	Son/s	7	35	8	40	15	37.5
4	Brother/s + son/s and other F.M.	5	25	3	15	8	20
5	Non family members (outside management)	1	5	7	35	8	20
6	Bank rep under Mishawaka	1	5	0	0	1	2.5
7	Shareholder/s (non family)	0	0	1	5	1	2.5

The historical background of the firm, ownership structure, and personalized ways of forming has an effect on the way a firm is organized, controlled, run and managed. The size of management in most of the survey firms was found relatively small built round the entrepreneurs in most of the family, and the power was centralized in the entrepreneur who was in charge of almost all activities of the business. This finding on small management practice was observed in the U.K.

(Bolton, 1971), Philippine, (Carroll, 1965). Christensen, C.R. added that: “These men are ‘enterprisers’ whose primary skill lies in “doing” rather in “delegating”. In small companies these managers can work with a smaller executive group and participate personally in the job of producing and selling. In this way the small business offers the “non organizational manager a chance to work and make a contribution”.

Table (11) shows the domination of owner-managers and the degree of family involvement in the management of small firm. The table illustrates the non-existence of professional management and outsiders at start –up stages of development and their in-significant existence at growing stage. The table shows that 80% of the small firms sample were managed and controlled wholly by entrepreneur and his family members. This observation can be explained by the ownership and personality of an entrepreneur, who has an often authoritarian personality and is adverse to sharing responsibilities. This conclusion is somewhat similar to the conclusions of Allen and Ponien (1982) and Geeraerts (1984) and the effect of ownership on administrative intensity and management of the firms. Pody (1969) added that:

“owner-managers are unwilling to dilute their personal power and control over the organization by adding professional, non family personnel”.

The non-existence of professional management in most of the small firms sample is aggravated by the fact that few owner-managers (32.5%) have any training in management. With respect to the small growing firms sample, the research finding challenged the contention and statement made by scholars (Peiser and Wotton, 1969; Levington, 1971) that growth is often accompanied by professional management. Atabani (1980) offered an explanation, arguing that the introduction of family members, usually at higher echelons in the hierarchy was acting as a frustrating and alienating factor as far as other personnel and their careers were concerned.

Table (12) shows that the Jordanian entrepreneurs tended to keep all decisions on sales (87.5%), finance (92.5%) and overall planning (92.5%) under their sole responsibilities and in some cases with the assistance of their son/s and/or brother/s, regardless of the stage of enterprise development. This observation might give a clue and insight into understanding of the personality and typology of an entrepreneur as a money seeker, with financial gain as a prominent objective. The centralization of decision-making on financing and any transaction with direct

monetary connotation in the hands of an entrepreneur, provides an empirical examination of the research analytical framework and gives inevitable evidence that small firms financing is influenced among a number of variables by typology, profile and attitude of an entrepreneur.

The centralization of power and decision-making on financial issues on entrepreneur, questioned the management knowledge of an entrepreneur, entrepreneurial competence in handling financial management issues of business at critical stage of development – survival – and at expansion and development stage, as well as the entrepreneurial ability to present a good case to financiers. Bolton (1971) observed the inability of small firms owner-managers in presenting a case for raising institutional finance. The entrepreneur's sole responsibility for overall planning of the business, was an indication of fate, growth, development and prospect of the business is constrained by entrepreneurial ability, perception and vision. "In search of excellence". Peter and Waterman, (1982) articulated that, entrepreneur vision is a critical factor on efficiency and effectiveness of management as well as the fate and prospect of the business "Mechanize Model".

Table (12) shows an interesting point and hardly surprising result that entrepreneurs of small growing firms, as compared to small firms at start-up stage, were more willing to delegate to outside subordinates the production and personnel functions. This finding explains the effect of the life-cycle of the firm on management practices. This observation gives and suggests a proposal for a comprehensive research effort to examine the entrepreneurial behavior and attitude towards different managerial functions.



**Table 13: Responsibilities of Functional Activities in Small Firm Sample:**

		Start – up Small Firm		Small Gr. Firms		Total Firms	
		No	%	No	%	No	%
1	<b>Sales</b>						
	A. Sole Entrepreneur Responsibility	9	45	12	60	21	52.5
	B. Entrepreneur/s + Brother/s + Son/s	10	50	4	20	14	35
	C. Brother/s + Son/s and other family Members	0	0	1	5	1	2.5
	D. Entrepreneur + non family member	1	5	1	20	1	12.5
1.1	<b>Finance</b>						
	A. Sole Entrepreneur Responsibility	4	20	8	40	12	30
	B. Entrepreneur/s + Brother/s + Son/s	14	70	6	30	20	50
	C. Brother/s + Son/s and other family Members	0	0	6	30	6	15
	D. Entrepreneur + non family member	2	10	10	50	12	30
1.2	<b>Production</b>						
	A. Sole Entrepreneur Responsibility	4	20	9	45	13	32.5
	B. Entrepreneur/s + Brother/s + Son/s	15	75	8	40	23	57.5
	C. Brother/s + Son/s and other family Members	0	0	4	20	4	10
	D. Entrepreneur + non family member	2	5	10	50	11	27.5
2	<b>Personnel</b>						
	A. Sole Entrepreneur Responsibility	4	20	8	40	12	30
	B. Entrepreneur/s + Brother/s + Son/s	14	70	6	30	20	50
	C. Brother/s + Son/s and other family Members	0	0	6	30	6	15
	D. Entrepreneur + non family member	2	10	10	50	12	30
3	<b>Overall Planning</b>						
	A. Sole Entrepreneur Responsibility	12	60	17	85	29	72.5
	B. Entrepreneur/s + Brother/s + Son/s	7	35	1	5	8	20
	C. Brother/s + Son/s and other family Members	0	0	1	5	1	2.5
	D. Entrepreneur + non family member	1	5	3	15	4	10

To establish the management style of the Jordanian entrepreneurs in the small manufacture industry, respondents were asked about approach in making decision and what did they consult in making major decisions. The survey shows the decision style of entrepreneur as measured and operational by sales is authorities at a lower level and consultative at upper level, which in most cases was dominated by family member. Thus, the entrepreneurial style of management is influenced by the degree of family involvement in the business. This observation does not rule out the established contention in the literature of the small firm that the authorities and paternalistic style of management is predominant in the small firm, (Ray and Hutchinson, 1983), in the sense that a high degree of power is wielded by the owner-manager over the subordinates.

The centralization of power in the entrepreneur and members of his family, explains the personality of an entrepreneur and his desire to be independent and to keep family domination on the business. This is reflected in his characteristics of reluctance to use outside professional staff.

To find out what the entrepreneur does delegation of authority, the respondents were asked, who takes charge of the business in the absence of the entrepreneur. The survey results reflect the family domination and its association with an implicit and explicit management succession plan, in the sense that delegation is made in most cases to a family member according to entrepreneurial inn a small business in not formalized, it is made on ad hoc basis with an entrepreneur keeps in most cases the finance responsibility in presence and absence. This is a good indication of the Jordanian entrepreneur attitude to sharing of power. In this regard, the researcher observed that there is some sort of fighting between old-style entrepreneur “who puts his nose into everything and acts as an ultimate decision-maker” and the new generation in the process of generation cycle as a management successor.

The foregoing discussion suggests that the Jordanian entrepreneurs in the small manufacturing industry managed and controlled their business in a personalized way (Bolton, 1971), as authoritarians, confined the sharing of power to family members, with characteristics of reluctance to use or trust outside personnel. (Carroll, 1965; Boswell, 1971; Bolton, 1971). The style of management is a “craftsmen” one (Cooper and Dunkelberg, 1984), with a significant degree of informality; and centrally controlled by the entrepreneur and members of his family. This observation provides inevitable evidence of the interaction between entrepreneur and financing and financial control, identified in this study as a main facet of small enterprise development in the Jordan (The management succession plan is implicitly and explicitly associated with the hierarchy of the entrepreneur family. A number of things, notably Islamic principles and the Sharia Code

(religion) has an influence on the determination of management succession. A further research into the question of management succession in the small firm in the Jordan, will advance our understanding of entrepreneurial process and what critical variable/s are to be considered in adopting a policy for the development of the entrepreneurial supply and improvement of efficiency and effectiveness of entrepreneurial activities.

## 5. Conclusions:

The empirical findings of this investigation have been stated at various points throughout the preceding parts. It may now be possible to combine and summarize the main conclusions of the study and their theoretical and policy implications. First, we turn to the main conclusions of the study.

The economic rewards and the financial gain have been cited by vast majority of entrepreneurs samples as a main motive for forming their business. Based on the classification of entrepreneurs samples according to occupational origin and background, the development and diversification of family business and meet of family demand had been ranked by entrepreneur working under a family umbrella as a second motivating factor. In contrast the other group cited desire for independence, job satisfaction and outlet for personal abilities as a second motive. The financial gain as a main motivation force at formation and as a current motivation factor is cited by entrepreneurs as symbol of achievement of other goals: independence family image and status, power, standard of living and prestige.

Most entrepreneurs in small manufacturing industry made their debut in the industry in their thirties and early forties (30 – 49). The survey shows that entrepreneurs in small manufacturing was more literate and educated than their age group and the general public.

Small firms were built around technical and managerial ability of an entrepreneur. This posed the occupational origin and industrial experience and their effect on performance of entrepreneur. The small firms were managed in a personalized way by the authoritarian entrepreneur with characteristics of reluctance to use and consult outside professional management and a negative attitude towards sharing of power.

The centralization of power and decision making in an entrepreneur. This posed the occupational origin and industrial experience and their effect on performance of entrepreneur. The small firm was managed in a personalized way by the

authoritarian entrepreneur with characteristics of reluctance of use and consult outside professional management and a negative attitude towards sharing of power.

The centralization of power and decision making in an entrepreneur's hands and notably financing issues, is a good indication and reflection of the influence of entrepreneurial understanding, knowledge and attitude and reflection of the influence of entrepreneurial understanding, knowledge and attitude in the way the company is financed, managed and the company's fate and prospects.

The main research findings stated above have theoretical and policy implications. On the theoretical level the survey provide a positive support to Timmons (1978) and other writers, that the financial gain is the most prominent motivation for going into business cannot explained only from economic or non-economic forces; motivation is based on interaction of economic, social and psychological motives. In this study entrepreneurial motivation has been tackled from the perspective of an entrepreneur as an individual, which implies that more research efforts are needed to explain and investigate the entrepreneurial motivation on an longitudinal basis and on a large sample, along the way to provide insight into understanding of elusive heft lump.

The survey provide and gives support to the established contention in the entrepreneurial literature that entrepreneurs are more educated than the general public.

It also shows that there is a positive correlation between the size of the firm (small and large) and the educational level of an entrepreneur.

With respect to implication for policy, a vital question and pertinent focal point need to be raised at the outset; what are the circumstances over which the policy maker has some control and which are likely to contribute to the develop and foster the small business sector in the entrepreneurship along the way to develop and foster the small business sector in the Jordan. A strategy for the development of entrepreneur would seem to involve the following points.

First, at Marco level the concerned strategy is to start with the establishment of an integrated public policy towards the development of an entrepreneur, commencing with the conceptualization under Government sponsorship.

Second, initiation of policy and programmer to enhance the supply of the entrepreneur in the market as an agent of change and to improve the efficiency and effectiveness of entrepreneurial activities. The enhancement and promotion of entrepreneurial supply can be assigned to universities and other academic

institutions in order to stimulate and encourage potential entrepreneurs (Harvard and Babson College approach; U.S.). Based on the contention and allegation that educated people operate better as entrepreneurs, McClelland's approach in stimulation and promotion of entrepreneurial scheme focusing on educated, unemployed and / or disguised employees. This approach has social, economic and political values and merit in the Jordan nowadays, as a result of unemployment of university graduates in certain specializations and the flow-back of immigrants from Arab Petroleum countries following the recession and falling of petrol prices.

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