

The 11th Annual Conference of the European Business History Association, the University of Geneva, 13 - 15 September 2007

Do Cultural Differences Matter? Entrepreneurial attitudes in 20th-century business leaders' autobiographies in Finland and the United States.

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How do business leaders express entrepreneurial attitudes? Are there cultural differences between entrepreneurial attitudes in different countries? A comparative cross-cultural approach enables a focus on cultural differences and their influence on business. Since research studies frequently emphasize the fact that business leaders should have “entrepreneurial” qualities, I have chosen to discuss entrepreneurial attitudes in this paper. But are entrepreneurial qualities defined in the same ways in different cultures? My answer is no. There are differences between countries, genders and generations. The source material of this study consists of autobiographical texts of business leaders from Finland and the USA, written in the twentieth century. The study deconstructs the entrepreneurial attitudes of the leaders by interpreting their autobiographies using the methods of narrative and discourse analysis.

Introduction

Does culture matter in entrepreneurship? Many scholars, including Joseph Schumpeter¹, have understood entrepreneurship as a universal phenomenon. Schumpeter considered the meanings of the words “entrepreneur” and “entrepreneurship” to be a state of mind or an attitude, a way of thinking and acting rather than a position in a society, even though a certain position may follow from acts of entrepreneurship, as Schumpeter himself points out. If we agree with him, as I do, that entrepreneurship is a state of mind and a way of acting and thinking, we must concentrate on the culturally bound qualities that make an individual an entrepreneur. In western literature on entrepreneurs, many different attributes have been linked to entrepreneurs and entrepreneurship, including certain personal qualities and values, which could be called the free-entrepreneur spirit and free-enterprise values. However, what they really mean is debatable. Several scholars have tried to define and explain entrepreneurs and entrepreneurship. A huge number of books and articles on the subject have been written by authors from several different fields of scholarship—including history, economics, organizational and management studies, and psychology.²

¹ J. A. Schumpeter, “*The Creative Response in Economic History*,” *The Journal of Economic History* 7 (Nov. 1947), 149-159; J. A. Schumpeter, “*The Theory of Economic Development. An Inquiry into Profits, Capital, Credit, Interest, and the Business Cycle*” (Cambridge 1961).

² A. D. Chandler, “*Strategy and structure. Chapters in the history of the industrial enterprise*” (Cambridge 1962); A. D. Chandler, “*The visible hand. The managerial revolution in American business*” (Cambridge, Mass. 1977); Schumpeter 1947; Schumpeter, *1961*; Other fields see for example H. H. Stevenson and J. C. Jarillo, “*Paradigm of Entrepreneurship: Entrepreneurial Management*,” Special Issue: Corporate Entrepreneurship. *Strategic Management Journal* 11 (Summer 1990), 17-27; S. Gudeman, “*Remodeling the House of Economics: Culture and Innova-*

Many have tried to define what an entrepreneur needs in order to be successful; in other words, what qualities, attitudes, and values he or she has to possess in order to find a more or less universal recipe for success in business. These definitions have usually been undertaken in the context of modern Western societies. Most definitions of entrepreneur and entrepreneurship agree that an entrepreneur is a person who sets up an enterprise or business and takes financial risks in the expectation of profit; that is, he or she takes a chance on profit or loss. These explanations see the entrepreneur as a calculating actor, but the discussion of entrepreneurial behavior has other dimensions, too. Besides calculated risk-taking and the hope of financial gain, a more complex definition describes entrepreneurs as innovative individuals who create, apply, develop, and implement new combinations of the means of production.³ Different definitions propose a number of qualities that are deemed most important for an entrepreneur. The first of these is innovativeness or creativeness. The second is boldness, or a willingness to take risks. This is a debatable attribute since some scholars do not view the entrepreneur as a risk-taker. The third quality is competitiveness. Being a loner, a person who goes his or her own way, is a more contentious attribute, as not all scholars regard this as a quality that is characteristic of a winner. The entrepreneur can also be passionate: he or she enjoys and loves his work.⁴

However, other scholars have defined “entrepreneurial qualities” in different ways. Marc Casson, for example, analyzed entrepreneurs’ qualities from the point of view of effective decision-making, delegation, and organizational skills.⁵ In the 1960s, Orvis F. Collins and David G. Moore tried to build a profile of the enterprising man. They produced a kind of “collective biography” of the careers of men who had established and managed enterprises. The authors concentrated on the or-

tion,” *American Ethnologist* 19 (Feb., 1992), 141-154; J. B. Miner, “*Psychological Typology of Successful Entrepreneurs*” (Westport, CT, 1997) <http://site.ebrary.com/lib/jyvaskyla/Doc?id=10002044&ppg=3>; P. H. Thornton, “*The Sociology of Entrepreneurship*,” *Annual Review of Sociology* 25 (I 1999), 19-46; Especially so called great entrepreneurs have been intrigued minds of many scholars in U.S. For example S. G. Slappey comp., “*Nation’s Business. Pioneers of American Business*” (New York 1973); G. Gilder, “*The Spirit of Enterprise*” (New York 1984); G. Gunderson, “*The Wealth Creators. An Entrepreneurial History of the United States*” (New York 1989); T. Shachtman, “*Skyscraper Dreams. The Great Real Estate Dynasties of New York*” (Boston 1991); M. Klein, “*The Change Makers. From Carnegie to Gates, How the Great Entrepreneurs Transformed Ideas into Industries*” (New York 2003); D. S. Landes, “*Dynasties. Fortunes and Misfortunes of the World’s Great Family Businesses*” (New York 2006). In Finland, great entrepreneurs are rare, and research has concentrated on small and/or family businesses: for example, J. Kansikas and S. Lehti, “*Dimensions on family business research*,” Vol. I: Values and responsible ownership. Reports from the School of Business and Economics 36 (Jyväskylä 2007), 1455-1578; J. Kansikas and S. Lehti, “*Dimensions on family business research*,” Vol. 2: Knowledge creation and psychological ownership. Reports from the School of Business and Economics 37 (Jyväskylä 2007b), 1455-1578; J. Kansikas and V. Puhakka, “*Business opportunity discovery in small family firms*,” Working paper 330, University of Jyväskylä, School of Business and Economics (Jyväskylä 2007), 1239-3797.

³ See for example Oxford Reference Online: Catherine Soanes and Angus Stevenson (ed.) *The Concise Oxford English Dictionary*, Eleventh edition revised (Oxford 2006). *Oxford Reference Online*. Oxford University Press. “entrepreneur *n.*” Jyväskylä University. 22 February 2007. <http://www.oxfordreference.com/views/ENTRY.html?subview=Main&entry=t23.e18473>; *The Oxford American Dictionary of Current English*. (Oxford 1999). *Oxford Reference Online*. Oxford University Press. “entrepreneur *n.*” Jyväskylä University. 22 February 2007. <http://www.oxfordreference.com/views/ENTRY.html?subview=Main&entry=t21.e10236>; J. Scott and G. Marshall, *A Dictionary of Sociology*. (Oxford 2005). *Oxford Reference Online*. Oxford University Press. “entrepreneur” Jyväskylä University. 22 February 2007 <http://www.oxfordreference.com/views/ENTRY.html?subview=Main&entry=t88.e730>; Schumpeter, “*The Theory of Economic Development*,” 78-79.

⁴ Schumpeter 1947, 151; Schumpeter 1961, 75, 78; O. F. Collins and D. G. Moore, “*The Enterprising Man*” (East Lansing 1966), 242, 244; R. F. Hébert and A. N. Link, “*The entrepreneur. Mainstream views and radical critique*,” (New York, N.Y. 1982), 7-8, 156; Gunderson 1989, 7-9; V. Puhakka, “*Yrittäjän persoonallisuus – miksi ja miten sitä kannattaa tutkia*,” *Lüketaloudellinen aikakauskirja* (2/2002), 199-207; V. Puhakka, “*Yrittäjyyden keskeinen taito – taito luoda liiketoimintamahdollisuuksia*,” *Lüketaloudellinen aikakauskirja* (4/2003), 545-556; Klein 2003, 268-269.

⁵ M. Casson, “*The Entrepreneur. An Economic Theory*” (Oxford 1982).

ganizational skills and positions of a number of men in the business world. According to Collins and Moore's findings, it is difficult for entrepreneurs to make decisions. Entrepreneurs are unsure of themselves but do have extensive social relationships. Furthermore, they do not love their work, nor are they energetic; on the contrary, Collins and Moore maintain that entrepreneurs often suffer from a chronic sense of fatigue and feel restless. Finally, entrepreneurs lack the ability to handle interpersonal relations with authority.⁶ Neither of these studies, however, pays any attention to culture.

Even many of those scholars who have undertaken cultural comparisons tend to view entrepreneurial qualities as, more or less, universal in their nature, despite any differences in cultural environments. According to these scholars, although differences in environment cause different actions, different environments do not affect the entrepreneurial qualities that societies value or require.⁷ But is this really the case? Could there be differences between the qualities, attitudes, and values that have been connected to entrepreneurs and entrepreneurship in different countries, cultures, and times?⁸ My answer is yes; culture does matter even though one can find many similarities between entrepreneurs and business people from different countries.

But what is culture? Culture, like "entrepreneur," is a blurred and confusing concept. In a very broad interpretation, culture can be understood as including everything made by man, whether this is an idea, an object, or a way of acting. In this study, I understand culture as a way of acting and thinking in a certain context, that is, in a certain time and place. In other words, culture is a way of life and it incorporates values, attitudes, and conceptions of the world. I also understand culture as a process. This means that the cultures of the early twentieth century were distinctly different from early twenty-first-century cultures, even in the same country or city. Although they share the same temporal and societal environments, different social groups can also have different cultures. This definition—culture as a way of acting and thinking—has a number of similarities to the definition of an entrepreneurship: entrepreneurship as a way of acting and thinking. These similarities indicate that entrepreneurship is bound to the cultural context in which it occurs.

A comparative perspective makes it possible to detect cultural differences in entrepreneurial attitudes and values—a significant part of acting and thinking; in other words, it allows researchers to consider whether culture affects entrepreneurial values and attitudes towards entrepreneurship, as well as the rhetorical and discursive means used to present such values and attitudes. Finland and the United States are interesting for comparative purposes because there are notable differences between their sets of values. Cross-cultural studies of values have recently argued that the USA is a much more traditional society than most European countries. Finland and the other Nordic states are highly secular-rational countries in contrast to the more religious-traditional society of the USA.⁹

⁶ Collins and Moore 1966, 239-240.

⁷ P. H. Wilken, "Entrepreneurship. A Comparative and Historical Study" (Norwood, New Jersey 1979); A. Stewart, "The Bigman Metaphor for Entrepreneurship: A 'Library Tale' with Morals on Alternatives for Further Research," *Organization Science* 1 (2/1990), 143-159.

⁸ Attempts to study entrepreneurial qualities from a comparative cultural perspective see A. S. Thomas and S. L. Mueller. "A Case for Comparative Entrepreneurship: Assessing the Relevance of Culture," *Journal of International Business Studies* 31 (2nd Qtr. 2000), 287-301.

⁹ R. Inglehart and W. E. Baker, "Modernization, Cultural Change, and the Persistence of Traditional Values," *American Sociological Review* 65 (Feb. 2000), 19-51.

To prove my point, I will discuss how Finnish and American business leaders define both entrepreneurship and the qualities that are characteristic of an entrepreneur. I will analyze and interpret how business leaders—who are the most visible representatives of business life—describe entrepreneurial qualities and attitudes. I will consider the qualities that business leaders personally identify with and which they connect with the entrepreneurial spirit. The first cluster of qualities found from the material—innovation and creativity—is a quality that some leaders describe as an ability to dream big dreams or to “nose out” what is in the air. The second quality is persistence and belief in one’s own abilities; in other words, the toughness that many male leaders like to ascribe to themselves. The third is competitiveness, encompassing the courage to take risks, trust in the free-enterprise system, and the will to win—to beat all the others or just to surpass oneself. Leaders also describe themselves as energetic and hard-working; the leader with an entrepreneurial mind is a doer rather than a theoretician. The doer is also a nimble-witted man or woman who very often makes quick decisions based on intuition. The fifth of the qualities discussed here is the ability to deal with people and persuade or induce them to carry out the leader’s master plan—that is, the ability to make things happen. Networking and cooperative skills, or the ability to work in a team, are vitally important in this context. The first four categories include qualities and attitudes that very often are attributed specifically to entrepreneurs. The last category, however, includes qualities and attitudes that seem to be important for most leaders, especially those who with their own enterprises. Many scholars tend to regard these qualities and attitudes as less important aspects of entrepreneurship.

In order to study business leaders’ ideas of entrepreneurial qualities, I have applied discourse and rhetorical analysis in my examination of the autobiographies of twentieth-century business leaders from Finland and the United States. The source material consists of autobiographies, texts that are partly autobiographical, and memoirs written by top managers or business leaders from Finland and the United States. Eight of these texts were written by Finnish leaders and nine by Americans. Thus, this analysis is based on autobiographical texts of seventeen different business leaders—some worked as managers of more than one company during their careers, while others established their own businesses.¹⁰

First, I will consider the source material of the study—autobiographies and memoirs—and discuss the advantages and problems presented by these kinds of sources. Then, I will discuss the methods I have applied in this study. The next section will deal with the entrepreneurial attitudes and qualities that business leaders present in their autobiographies and memoirs: what kinds of meanings do leaders ascribe to entrepreneurial attitudes and qualities and what kinds of cultural differences exist? This section will also examine how the methods of discourse analysis and rhetorical analysis have been applied in this study. The next section will present the differences between leaders and their discourses. In the final section (Conclusion), I will discuss the results and the advantages of this kind of approach for the study of entrepreneurship.

¹⁰ This article is part of a much larger study in which I compare more than sixty Finnish and American business leaders’ attitudes towards business, their business values, and their conceptions of management and their own performance as managers in particular.

Source material and methodology

Seventeen autobiographies and memoirs of business leaders—eight of which are written by Finnish leaders and the remaining nine by American leaders—form the basis of my analysis. These business leaders represent several different areas of business life, including the auto and metal industries; the oil industry; the forest industries; the construction industry; the textile industry; the hotel and catering industry; the wholesale business; banking and insurance; the cosmetics industry and cosmetic sales; and the high-technology industries (see Table I).

Table I. Business leaders, their position, and the enterprises they represent.

Mary Kay Ash	Mary Kay Cosmetics	President
Henry Ford*	Ford Motor Company	President
Louis V. Gerstner*	IBM	CEO
J. Paul Getty	Getty Oil Company	President
Lee Iacocca*	Ford Motor Company, Chrysler Corporation	President
Nathan S. Jonas	Citizens Trust Company/Manufacturers Trust Company	President
Ray Kroc*	McDonald's	President
Estée Lauder	Estée Lauder	President
James D. Nisbet	Allvac Metals	President
Rainer von Fieandt	Union Bank of Finland (Suomen Yhdyspankki)	President
Niilo Hakkarainen	United Paper Mills (Yhtyneet Paperitehtaat)	CEO
Aarne Karjalainen*	Hyvon Oy (textile industry)	President
Jaakko Lassila	National Share Bank (Kansallis-Osake-Pankki)	President
Sakari T. Lehto	Partek Company (products for construction industry, metal industry)	CEO
Uolevi Manninen	Tuko (wholesale)	President
Satu Tiivola*	Vuoristo Group (hotel and catering industry)	President
Juuso Walden*	United Paper Mills (Yhtyneet Paperitehtaat)	President

* Memoirs written by a ghostwriter or with an editor (in Aarne Karjalainen's case, his son)

Some of the leaders can be described as entrepreneurs in the restricted sense of the word: Henry Ford, Ray Kroc, Estée Lauder, Mary Kay Ash, James D. Nisbet, Satu Tiivola, and Aarne Karjalainen. The second group of leaders are more like employees; they are professional managers working for somebody else, be this someone else the owner family, stockholders, or the state. Into this category fall such managers as Louis V. Gerstner, Lee Iacocca, Nathan S. Jonas, Rainer von Fieandt, Jaakko Lassila, Sakari T. Lehto, Uolevi Manninen, and Niilo Hakkarainen. The remaining leaders are a little more difficult to categorize. They are owners of companies who have—at least partly—inherited their businesses; in other words, they are not entrepreneurs in the narrowest sense of the word, but they are not career managers either. Juuso Walden and Paul J. Getty belong in this category.

The autobiographies and memoirs examined in this study were written between 1922 (Ford) and 2002 (Gerstner). They include three autobiographies by female business-leaders, one of which was written by Finnish businesswoman Satu Tiivola. When refining my sample of leaders, I used the following selection criteria:

- 1) There should be leaders from some of the key manufacturing industries in both countries;
- 2) Leaders from the service and finance sectors should be represented;
- 3) Both male and female leaders should be included.

Some distinctive features of these autobiographies and memoirs should be discussed since they are connected to both the reliability and the controversial nature of this kind of source material in general. The first feature concerns the question of authorship. In many cases, these texts have more than one author. Some of the additional authors are ghostwriters, while others are editors. Naturally, this raises the question: Who really wrote the text? It is evident that ghostwriters and editors have left their mark on these texts, but I maintain that the name of the first author is the critical one. When a leader allows his or her own name to be listed as an author on the cover of a book that tells the story of his or her life in the first person, it is an authorization—a sign that this leader accepts the contents of the book. In simple terms, the business leader recognizes the story as his or her own.

The second question concerns the subjective nature of the autobiographies and memoirs. The strong value-bound nature and subjective idealism of the material reveal ideas about what is considered good entrepreneurship and leadership.¹¹ Although there are a number of methodological and source-critical problems connected with the use of such subjective material—one of which has already been discussed above—it does offer a relatively comprehensive and varied picture of business leaders' views on the subject of entrepreneurship. The biographies and memoirs of businessmen offer scholars the opportunity to study various forms and manifestations of leadership and entrepreneurship—for example, the actions taken by business leaders in different situations, their reactions to different challenges and their values and attitudes with regard to business and leadership. Through these works scholars can examine accepted and approved interpretations of the lives of the subjects and of major turning points in these lives. A study of business leaders thus enables us to investigate the chronologically and culturally bound and accepted meanings of leadership, ideas about the qualities that are regarded as characteristic of a good leader, the ways in which business success and the factors behind it are understood, what kind of experience is felt to be most relevant to a businessman's career, what is considered most significant and worthy of recounting in the deeds of a business leader, how activities and actions are justified (i.e. how significances are attached to actions) and, finally, how management and leadership

¹¹ I have discussed this problem before in an article and a conference paper, both written in cooperation with J. Ojala, see: H. Valtonen and J. Ojala, "Näkymättömät ja näkyvät kädet. Yritysjohtajat elämäkertojen valossa." In: K. Ahonen et al. (eds.), *Historia ja herrasmies* (Jyväskylä 2005), 207-226; H. Valtonen and J. Ojala, "Modest in Success. A Study of Biographies of Business Leaders in Finland 1800–2000." EBHA Conference "The Dynamics of Capitalism and Business Enterprise – 200 Years of Success, Failure and Scandal", Copenhagen, August 17–19, 2006; I have also discussed source-critical and methodological problems concerning autobiographies in my doctoral dissertation: H. Valtonen, "Minäkuvat, arvot ja mentaliteetit. Tutkimus 1900-luvun alussa syntyneiden toimihenkilönaisten omaelämäkerroista," *Jyväskylä Studies in Humanities*. Jyväskylä 2004, 16-18.

in business is stereotyped and mythologized. Even though autobiographies can be useful material for historians to study, there have not been many scholars who have used these texts to study economic or business history or the history of management.¹²

The third question which needs to be discussed concerns the methodology of the study: How can source material like this be used in sensible way in order to get plausible answers that can stand up under close scrutiny? Abstract phenomena such as values, attitudes and subjective ideas about the qualities of somebody or something can, unfortunately, never be studied with absolute accuracy because they are based on definitions that are in a process of constant alteration. In other words, they are ideas which escape from us when we try to define them. There are lots of examples of scholars, in the domains of psychology or sociology, for instance, who attempt to study the values and attitudes of their contemporaries. Very often they have used large samplings and questionnaires or tests in a sealed environment with only a few dependent variables.¹³ These are, however, impractical methods for a historian. Luckily, there are some methods which allow us, as historians, to study such phenomena as well. The methodological means discussed here consist of a range of methods of rhetorical and discourse analysis applied in different combinations.

In memoirs or an autobiography, the author narrates his or her life using language—that is, words, metaphors, expressions, etc.—as well as different kinds of narrative and rhetorical means to convey his or her message concerning his or her life to other people, the readers. Autobiographical narrative is regulated by numerous established and approved modes and forms and cultural characteristics.¹⁴ The writer must win over his readers: he must find a way of telling his story that is widely recognized and approved. Narratives that deal with a person's life, such as memoirs, are influenced by cultural factors in the surrounding society. Meta-narratives of this kind include the quest theme, in which the hero overcomes adversity to achieve eventual success; one of its major subsidiary forms, particularly in the United States, is the “rags to riches” story.¹⁵ The strong value-bound nature and subjective idealism of the material presented in words reveal, above all, ideas about what personal qualities a leader should have and about his ethical and moral choices. Certain words, such as adjectives, superlatives and metaphorical expressions, indicate the values that the author attaches to the subjects, people, things and acts that he is writing about. These ideas are condensed in the discourses of the texts into deifications of leadership, which sometimes become detached from their objects and turn into universal models of how a leader should act and approach his work. In fact, many of the authors give direct advice to the reader on management and business. As entrepreneurship and entrepreneurial attitudes,

¹² E. Naveh, “The transformation of the ‘rags to riches’ stories: Business biographies of success in the progressive era and the 1920s,” *American Studies International* 29 (Apr. 1991), 60-81; D. B. P. Sims, “The Formation of Top Managers: a Discourse Analysis of Five Managerial Autobiographies,” *British Journal of Management* 4 (Mar. 1993), 56-68; J. Collins, “Level 5 Leadership: The Triumph of Humility and Fierce Resolve,” *Harvard Business Review* 83 (Jul/Aug. 2005), 136-146; biographies in leadership studies B. M. Bass, B. J. Avollo and L. Goodheim, “Biography and the Assessment of Transformational Leadership at the World-Class Level,” *Journal of Management* 13 (Spring 1987), 7-20.

¹³ For example M. H. Morris, D. L. Davis and J. W. Allen, “Fostering Corporate Entrepreneurship: Cross-Cultural Comparisons of the Importance of Individualism versus Collectivism,” *Journal of International Business Studies*, 25 (1st Qtr. 1994), 65-89; Miner 1997.

¹⁴ R. Josselson and A. Lieblich eds., “The Narrative study of Lives.” Vol. 3. Interpreting Experience (Newbury Park 1995); N. Fairclough, “Critical discourse analysis: the critical study of language.” (3. impr.) (London, New York 1998); Lia Litosseliti (ed.), “Gender Identity and Discourse Analysis” (Philadelphia, PA, USA 2002). <http://site.ebrary.com/lib/jyvaskyla/Doc?id=10022338&pg=5>; R. Wodak (ed.), “New Agenda in (Critical) Discourse Analysis: Theory, Methodology and Interdisciplinarity.” (Philadelphia, PA, USA 2005). <http://site.ebrary.com/lib/jyvaskyla/Doc?id=10084596&ppg=67>.

¹⁵ Naveh 1991.

values, and qualities are part of a more general phenomenon which can be called leadership, all that is said concerning leadership also holds true for entrepreneurship.

Entrepreneurial attitudes and qualities

Innovativeness and creativity

“Now the big secret: I would give the woman a sample of whatever she did not buy as a gift. It might be a few teaspoonfuls of powder in a wax envelope. Perhaps I’d shave a bit off the tip of a lipstick and tell her to apply it with her fingers. Perhaps, in still another envelope, I would give her a bit of glow. The point was this: a woman would never leave empty-handed. I did not have an advertising department. I did not have a copywriter, but I had a woman’s intuition. I just knew, even though I had not yet named the technique, that a gift with a purchase was very appealing. In those days, I would even give a gift without a purchase. The idea was to convince a woman to try a product. Having tried it at her leisure in her own home and seeing how fresh and lovely it made her look, she would be faithful forever. Of that I had not one single doubt.”¹⁶

In business leaders’ autobiographies and memoirs, innovation and creativity are among the most discussed qualities.¹⁷ Depending on the branch of industry in which the leaders are acting, they emphasize either innovations in production methods, new and ground-breaking products or marketing and sales techniques. An example of this can be seen in the above quote by Estée Lauder, who also points out that her products were of an exceptionally high and pure quality in comparison with those of her competitors. Elsewhere in the text, she relates how her company spends a lot of time and effort on continuously improving its products and extending the product range. Another leader from the cosmetics industry, Mary Kay Ash, particularly stresses her sales techniques, the structure of her enterprise and the principles—networking and the so-called golden rule of action—upon which her business is based. Both emphasize women’s intuition and sensitivity to other people’s feelings.¹⁸ Satu Tiivola, who started her business career in the textiles retail trade and later worked in the hotel and catering industry, also speaks of her intuition and sense of what women liked and wanted, as well as her good taste and feeling for beauty.¹⁹

Henry Ford writes about his new production method as well as his new product idea: a car for everyman: *“Standardization... is not just taking one’s best selling article and concentrating on it. It is planning day and night and probably for years, first on something which will best suit the public and then on how it should be made.”*²⁰ Aarne Karjalainen describes how he brought new technology into the Finnish textile industry in order to raise the quality of knitted fabrics; he specifically recalls that introducing new seaming machines enabled workers to sew stronger and better seams.²¹ J. Paul Getty emphasizes

¹⁶ E. Lauder, *“Estée. A Success Story”* (New York: 1985), 29.

¹⁷ Creativeness in leadership see R. Reiter-Palmon and J. J. Illies, *“Leadership and creativity: Understanding leadership from a creative problem-solving perspective.”* *The Leadership Quarterly* 15 (Feb. 2004), 55–77.

¹⁸ Lauder 1985, 101, 129–145; M. K. Ash, *“Mary Kay”* (New York, Cambridge, Philadelphia, San Francisco, London, Mexico City, São Paulo, Sydney 1981), 24–27.

¹⁹ S. Tiivola (ed. M. Huovinen), *“Satu miesten maailmassa”* (Helsinki 2000), 20, 60, 72.

²⁰ H. Ford (in collaboration with S. Growther), *“My Life and Work”* (Garden City, New York 1922), 49.

²¹ A. Karjalainen (ed. J. Karjalainen), *“Elämäni matkakirjeet”* (Helsinki 1996), 55, 59, 66–67.

the fact that he was among the first to establish the scientific research that was so important for the oil business.²² Ray Kroc describes his business organization, marketing methods and the quality of his product, an invention that changed the whole restaurant business.²³ James Nisbet relates his scientific ambitions: *“I was restless and disappointed in the slow pace that innovation in metallurgy seemed to move from research knowledge to practical application”*.²⁴ And Juuso Walden writes about the modernization of Finnish paper mills.²⁵

Professional managers, on the other hand, give greater emphasis to organizational changes and improvements inside the enterprise²⁶, or to total transformations²⁷ they have carried out in their companies. Lee Iacocca and Uolevi Manninen see themselves as good at marketing and both also describe what they did to improve their companies' corporate images; Iacocca in particular writes a lot about his contribution to product development.²⁸

Persistence and belief in one's own abilities

*“Henry,” I said calmly, “what the hell do the guy's pants have to do with anything?”*²⁹

There are several different discourses the leaders use to describe their persistence. Lee Iacocca and Ray Kroc use the *I-am-the-tough-guy* discourse, which they embellish with a number of strong words. For example, both Kroc and Iacocca use the word *hell* a number of times in their texts; in fact, Iacocca uses the term more than fifty times in his autobiography. Through his choice of language, Iacocca is describing the auto industry as a tough guys' business and, because he has succeeded in it, he is sending a signal to the reader which says that Iacocca must be the toughest guy in the business. He also demonstrates that toughness by showing the reader that he had courage to speak straightforwardly and calmly to his boss Henry Ford II. Being a tough guy, he also has the guts to talk straight, to say what he really thinks, even in the face of other people's ideas and beliefs.

“For most of them, federal help for Chrysler constituted a sacrilege, a heresy, a repudiation of the religion of corporate America. The aphorisms started flowing like water as all the old clichés got dusted off. Ours is a profit-and-loss system. Liquidations and closedowns are the healthy catharsis of an efficient market. A loan guarantee violates the spirit of free enterprise. It rewards failure. It weakens the discipline of the marketplace. Water seeks its own level. Survival of the fittest. Don't change

²² J. P. Getty, *“My Life and Fortunes”* (New York 1963), 51.

²³ R. Kroc (with R. Anderson), *“Grinding it out. The making of McDonald's”* (Chicago 1977), 95-97, 158-159, 164-165, 170-171.

²⁴ J. D. Nisbet, *“The Entrepreneur”* (Charlotte, N.C. 1976), 30.

²⁵ J. W. Waldén (ed. T. Karreinen), *“Minua sanotaan Juusoksi”* (Helsinki 1971), 244.

²⁶ R. von Fieandt, *“Omaa tietään kulki vain”* (2. ed.) (Helsinki 1970), 41, 82-85, 92; N. Hakkarainen, *“Oravanpyörässä”* (Porvoo, Helsinki, Juva 1993), 93-95; J. Lassila, *“Markka ja ääni. Suomalaisen pääoman palveluksessa”* (Helsinki 1993), 148-149, 201-205; S. T. Lehto, *“Muistikuvia ja merkintöjä. Teollisuuden piirissä koettua”* (Porvoo, Helsinki, Juva 1996), 130.

²⁷ L. V. Jr. Gerstner, *“Who Says Elephants Can't Dance? Inside IBM's Historic Turnaround”* (New York 2002); L. Iacocca (with W. Novak), *“An Autobiography”* (Toronto, New York, London, Sydney, Auckland 1984); U. Manninen, *“Irtiotto”* (Porvoo, Helsinki, Juva 1997), 73-79, 99-117.

²⁸ Iacocca 1984, 7, 39-40; Manninen 1997, 25, 41.

²⁹ Iacocca 1984, 99.

*the rules in the middle of the game. A society without risk is a society reward. Failure is to capitalism what hell is to Christianity. Laissez-faire forever. And other assorted bullshit!*³⁰

In his autobiography, Iacocca even has a chapter called *Straight talk*, in which he shares with the reader his ideas on several topics concerning the auto industry and business in general. The man behind McDonald's, Ray Kroc also describes himself as resolute, unyielding and straight-talking.³¹

While strong words are a sign of the tough American businessman, Finnish business leaders tend to avoid using such words. They are not completely absent, but usually the toughness is manifested by highlighting the difficult decisions and actions the leaders had been forced to face. Typical expressions used by Finnish leaders include, "*I was forced to*", "*I had to*", "*there was nothing else to do*," "*I was elected*," or "*I became*," etc. In other words, a leader describes the situation as being one in which he did not have any alternative but to be the tough guy who made the difficult decision. Often, a Finnish leader will assert that other people raised him to his new position; he did not actively choose to become a leader. The third strategy employed by Finnish business leaders is to use either the passive or the plural.³² The same narrative and rhetorical strategy is also used by the American leaders. For example, Iacocca writes: "*That's a hell of a way to negotiate, but sometimes it's what you've got to do.*"³³

The oil magnate Paul J. Getty, on the other hand, uses a quite different narrative and rhetorical strategy when he describes his qualities; he lets other people testify, for example, to his toughness: "*There are those who hold that I am an astute, shrewd businessman and a tough negotiator.*"³⁴ Most of the authors use the same strategy: they quote, for example, discussions (that is, what other people have said to them), articles written about them or list the merits granted to them by others. Sometimes they let the statistics, figures and curves speak for themselves.³⁵

Persistence is another quality that is mentioned in connection with the toughness in Kroc's and Iacocca's autobiographies. They describe themselves as individuals who never give up, regardless of the situation or possible consequences. A persistent man will go through hell and high water when he has decided what he wants; he does not withdraw from his position. He does not flinch from taking decisions when needed and forges right ahead:

*"For a variety of reasons, Chrysler turned out to be a hell of a lot more than I bargained for. But once I was in, once I had decided what it was I wanted to do, I never thought seriously of leaving."*³⁶

³⁰ Iacocca 1984, 202.

³¹ Kroc 1977, 41-45.

³² For example von Fieandt 1970, 19, 44-45, 82; Lassila 1993, 81, 98, 167; Hakkarainen 1993, 48, 63, 78-81; Manninen 1997, 55, 57, 73.

³³ Iacocca 1984, 233.

³⁴ J. P. Getty, *As I See It. An Autobiography of J. Paul Getty* (Englewood Cliffs, New Jersey 1976), 281.

³⁵ For example N. S. Jonas, *Through the Years. An Autobiography* (New York 1940), 105-129; Nisbet 1976, 53, 177; Kroc 1977, 119-120; Iacocca 1984, 5, 59, 132, 263-266; Lauder 1985, 225; Lassila 1993, 224, 232-236; Hakkarainen 1993, 157, 233; Tiivola 2000, 101-103, 167-168, 172, 190-192, 233-239, 242.

³⁶ Iacocca 1984, 150.

*“My disappointment with Ethel [Kroc’s first wife, HV] did not deter me, though. When I have my mind made up about a business deal, that’s it. I was going to move ahead regardless.”*³⁷

In Kroc’s case, the consequence was that his marriage practically broke down. For his part, Aarne Karjalainen writes that he did not give up until the very end, when bankruptcy was unavoidable and his health was failing totally. He describes how in spite of everything he was ready to get up even from his sickbed in order to save his company if he could.³⁸

Persistence is not, however, just the prerogative of men. The women leaders also describe themselves as persistent. This is true in the cases of Estée Lauder, Mary Kay Ash and Satu Tiivola alike. Ash writes that even when her husband died she did not give up but carried on with the business. Estée Lauder writes about her persistence, saying that she never gave up promoting her cosmetics until she succeeded in selling her products to the buyer of a department store. However, women’s persistence seeks expression in totally different ways than men’s. Where men use tough words and a loud voice, women describe their methods as being more feminine, such as the use of a soft voice, a smile, kind words and compliments to persuade other people or to sell their products.³⁹

Where men and women leaders do agree is in their belief in their own abilities. The motto of Mary Kay Ash is: *“You can do it,”* and Kroc writes: *“There’s almost nothing you can’t accomplish if you set your mind to it.”* Satu Tiivola emphasizes the fact that *“You must have a clear path in your life: you need to know what you want and aspire to it.”*⁴⁰ Finnish male leaders, on the other hand, do not emphasize a belief in their own skills and abilities as strongly and obviously as their American counterparts. Their message is vaguer; they tend to write more about persistence and the fighting spirit than their skills; Aarne Karjalainen, for example, describes himself as a fighter and a man who wanted *“to re-shape the world of textiles.”*⁴¹

Risk-taking, competitiveness and belief in the free-enterprise system

The competitive spirit and belief in the free-enterprise system is another subject on which American business leaders write differently than their Finnish colleagues. Lee Iacocca, for example, writes: *“Why is our free-enterprise system so strong? Not because it stands still, frozen in the past, but because it has always adapted to changing realities. I’m a great advocate of free enterprise, but that doesn’t mean I live in the nineteenth century. The fact is that free enterprise no longer means exactly what it used to.”*⁴² Ray Kroc declares: *“For me, this [the multimixer business, HV] was the first phase of grinding it out—building my personal monument to capitalism.”*⁴³

³⁷ Kroc 1977, 53.

³⁸ Karjalainen 1996, 154-179.

³⁹ Lauder 1985, 43, 114-119, 162; Ash 1981, 45, 52-53, 154-162; Tiivola 2000, 58, 149.

⁴⁰ Ash 1981, 1; Kroc 1977, 55; Tiivola 2000, 16.

⁴¹ Karjalainen 1996, 11, 40.

⁴² Iacocca 1984, 206.

⁴³ Kroc 1977, 57.

Finnish leaders, on the other hand, do not use the expression “the free-enterprise system” (vapaa yrittäjyys), even though Aarne Karjalainen, Satu Tiivola and Uolevi Manninen value entrepreneurship. It is evident that other Finnish leaders, including the bankers Rainer von Fieandt and Jaakko Lassila, also hold the capitalist system in high esteem.⁴⁴ However, Finnish business leaders do write about competition. For example, Uolevi Manninen describes his worries about the centralization of the wholesale and retail trade: *“These harsh rules of the game make it extremely difficult, almost impossible, for anyone to become an entrepreneur and do business.”*⁴⁵ By “the rules of the game” he was referring to the fact that a few large strong central companies controlled both the wholesale and the retail trade through their market chains.

Because of the different economic environment, American business leaders like Ray Kroc, Estée Lauder and Lee Iacocca write about espionage in business and about competitors who have tried to copy their products. Of the Finnish leaders, Aarne Karjalainen⁴⁶, also mentions the subject.

*“The spy network was awesome. All I wanted—and you’ll have to believe that I’m being honest—was to be left alone to do my work. I became evident that secrecy in the development of our products was required because our competitors spent more time trying to “scoop” our new ideas than developing new ideas of their own.”*⁴⁷

*“Competition has from time to time planted spies in our stores... My attitude was that competition can try to steal my plans and copy my style. But they can’t read my mind; so I’ll leave them a mile and a half behind.”*⁴⁸

Several scholars have emphasized risk-taking as one of the most characteristic features of an entrepreneur, and it is true that many leaders mention the subject. They also like to give advice to their readers concerning risk-taking:

*“You’re not going to get it free,” I said, “and you have to take risks. I don’t mean to be a daredevil, that’s crazy. But you have to take risks, and in some cases you must go for broke. If you believe in something, you’ve got to be in it to the ends of your toes. Taking reasonable risks is part of the challenge. It’s the fun.”*⁴⁹

Men and women leaders have a somewhat different attitude towards competition. Women, especially Ash, describe the competition less aggressively than men do. Ash also points out that the most important competition is with oneself, not against others.⁵⁰ Lauder’s and Tiivola’s attitudes are a little more aggressive, and they are closer to the attitudes of Finnish male leaders. American men who began their careers after World War II seem to have the most aggressive attitudes toward competition. Members of the older generation, for example Ford, write more about giving credit to other entrepreneurs: *“No, destruc-*

⁴⁴ Karjalainen 1996, 29; Tiivola 2000, 244-245; Manninen 1997, 206-207; von Fieandt 1970, 51-52; Lassila 1993, 83-84.

⁴⁵ Manninen 1997, 203.

⁴⁶ Karjalainen 1996, 70.

⁴⁷ Lauder 1985, 86.

⁴⁸ Kroc 1977, 108.

⁴⁹ Kroc 1977, 55.

⁵⁰ Ash 1981, 99-103.

*tive competition benefits no one. The kind of competition which results in the defeat of the many and the overlordship of the ruthless few must go.*⁵¹

Energy and industriousness

Entrepreneurs are very often described as energetic and hard-working, and that is how they describe themselves, too. Many of them emphasize how much they loved the long hours that they worked.

*“I didn’t need the bread to eat, but I worked as though I did... from pure love of the venture. For me, teaching about beauty was and is an emotional experience. I brought them charisma and knowledge about their possibilities. They gave me a sense of success. I felt flushed with excitement after each session. Pure theater—in the end that’s what it was, this rendering of beauty. Pure theater for me!”*⁵²

There is no cultural difference in this regard. However, there is a slight difference between professional managers and those who have established their own businesses. Even though most of the professional managers mentioned that they are hard-working, they do not call themselves workaholics, as for example Mary Kay Ash does, or boast about their long working days. For example, the tough guy, Lee Iacocca mentions that he made sure that he always had time for his family.⁵³ Iacocca had had a clear career plan ever since he was a young man, but some of the other professional managers write that they did not have any particular ambition to become top managers; their career chose them rather than vice-versa. Von Fieandt does not give his ideas on the subject at all.⁵⁴

Another quality that has been seen as characteristic of the entrepreneur is that they are doers, not theoreticians. Again, there are no great differences between the leaders over this, but the professional managers, especially the Finnish ones, seem to be more interested in management and business theories and education than entrepreneurs are. For example, Sakari T. Lehto has written a book about business management, and Jaakko Lassila and Niilo Hakkarainen write a lot about their education and relevant experience for their jobs.⁵⁵ Finnish entrepreneur Aarne Karjalainen, too, seems to write a lot about education, perhaps because his own formal education had been limited. He, for example, relates with pride how the University of Oulu granted him a doctor honoris causa.⁵⁶ This difference can be seen as a cultural one. In Finland formal education has been and is still highly valued especially among the younger generation. In the United States education is also important, but the experience a person gains in his or her job (“learning by doing”) is held in higher esteem than is the case in Finland.

⁵¹ Ford 1922, 275.

⁵² Lauder 1985, 31.

⁵³ Ash 1981, 15-16; Iacocca 1984, 94-95.

⁵⁴ For example Manninen 1997, 10-11; von Fieandt 1970.

⁵⁵ Lehto 1996; Lassila 1993, 20-137; Hakkarainen 1993, 23-42.

⁵⁶ Karjalainen 1996, 149-151.

Ray Kroc, the man behind McDonald's, is a doer; he describes himself as a short-tempered man, who does not pay attention to idle talk but wants fast actions: *"I was controlling myself as well as I could, but Clark could see that I was getting ready to blow a gasket, so he said, "Well, let me talk to them and see what we can work out."*⁵⁷

Both the entrepreneurs and professional managers strongly emphasize the fact that whatever you do you should try to do it as well as you can.⁵⁸

Good inter-personal skills

Nancy F. Koehn has studied the role of the trust that an entrepreneur manages to build between him- or herself and the customer. She argues that the successful entrepreneur spends a lot of energy and resources on creating a brand as well as on quality control, employee training and innovative sales and distributive methods, which all are initiatives that enhance the reputation of the company and create consumers' trust in it. According to Koehn, there are five reasons which make for success: a deep knowledge and personal experience of the product or service; quick learning from mistakes and rapid adjustments; creating meaningful brands that distinguish their offerings and respond to consumers' changing priorities; a process of reciprocal learning with customers and two-way communication; and, finally, creating a range of organizational capabilities that deliver on the promises of the respective brands. Koehn studied six American entrepreneurs, one of whom (Estée Lauder) is also included in my study.⁵⁹ I shall concentrate here largely on inter-personal skills; that is, how entrepreneurs or managers create trust between themselves and their employees and customers. First, the psychological eye: *"I've been wrong in my judgments about men, I suppose, but not very often."*⁶⁰

Like Kroc, all leaders mention their psychological skills and ability to choose the right kind of people to work for them. They also like to emphasize their skills in working with people. When Iacocca got into trouble at the Ford Motor Company, he stresses the fact that it was Ford dealers who supported him rather than his boss Henry Ford:

*"I received a great many phone calls and letters of support from our dealers. Their concern and good wishes meant a lot to me. In the press I'm often described as 'demanding,' 'tough-assed,' or lacking in compassion. But if that were so, I don't think the dealers would have rallied on my behalf. We had our share of disagreements, but I always treated them fairly. While Henry was running with the jet set and raising hell, I was paying attention to them as people. I also helped quite a few of them become millionaires."*⁶¹

Honesty and trustworthiness are qualities that many Finnish professional leaders mention as important for a leader: *"Honesty, consistency and openness are the basis of trust. [...] Maintain your spiritual integrity and incorruptibility! Without them you*

⁵⁷ Kroc 1977, 53.

⁵⁸ For example von Fieandt 1970; Hakkarainen 1993; Lehto 1996; Tiivola 2000; Iacocca 1984; Ash 1981; Lauder 1985; Kroc 1977; Nisbet 1976.

⁵⁹ N. F. Koehn, *"Brand New. How Entrepreneurs Earned Consumers' Trust from Wedgwood to Dell"* (Boston, Massachusetts 2001), 320.

⁶⁰ Kroc 1977, 91.

⁶¹ Iacocca 1984, 134.

*can't be a good leader.*⁶² Both Hakkarainen and von Fieandt agree with Lehto.⁶³ In another, earlier paper I have called Hakkarainen a “company man”, because he describes himself as a decent, honest and loyal chap whose handshake you can trust.⁶⁴

Women leaders, in particular, all swear by good service; if you can satisfy the expectations of your customers, they will come back to you. All of them mention the enjoyment that they experienced when they were able to make other women, their customers, happy. *“It was rewarding to make people happy”*⁶⁵. Women leaders tend to emphasize the emotional bond between themselves and their customers. They also describe the selling process as a very sensitive act. Ash, Lauder and Tiivola all stress the fact that it is very important to train their employees to deal with customers in the right manner and at the same time to create a trustworthy relationship between the employer and her employees.⁶⁶ The men also value service and trust, however for them it is not an emotional experience but rather a calculated means of improving returns.

Networking skills seem to be equally important for both men and women leaders, although women write more about social relations.⁶⁷ However, there are differences between individual leaders' attitudes towards networking. For example, Jaakko Lassila, is a banker, who wants to have a finger in every pie and to hold on to his position at the node of all the strings he holds in business life, a position he has achieved through his numerous directorships and presidencies and his extensive network of contacts. For Lassila, networks are changeable; you can give up a contact when it does not work for you anymore.⁶⁸ Niilo Hakkarainen, on the other hand, takes the opposite view and emphasizes loyalty. Most of the leaders studied here lie between these poles: they value their networks and loyalty, but unlike Hakkarainen they do not regard them as a matter of honor.⁶⁹ In general, loyalty and honor seem to matter more to the older generation, like von Fieandt and Ford, than to their younger counterparts.

Cultural differences

There are some differences between Finland and the United States. The first one is related to the fact that the business leaders in this study can be divided into two generations: those business leaders whose professional lives were largely over before World War II and those with predominantly post-War careers. There are two main differences between the generations. The first is that the older business leaders prefer to be seen as experts and express emotions less often than the younger generation.

⁶² Lehto 1996, 68, 71-72, 315.

⁶³ Hakkarainen 1993, 222-228, 232-233; von Fieandt 1970, 49-50.

⁶⁴ Valtonen and Ojala 2006.

⁶⁵ Tiivola 2000, 86-87.

⁶⁶ Ash 1981, 45, 163-171; Lauder 1985, 29, 51-52, 59-61, 167; Tiivola 2000, 57-58, 76-77, 79-80.

⁶⁷ Networks and social capital among entrepreneurs see for example A. R. Anderson and S. L. Jack *“The articulation of social capital in entrepreneurial networks: a glue or a lubricant?”* *Entrepreneurship & Regional Development*, 14 (Jul-Sept. 2002), 193-210.

⁶⁸ Lassila 1993.

⁶⁹ Hakkarainen 1993, 222-228, 232-233.

The younger male business leaders are more often aggressive and express a strong competitive spirit. The second difference is that members of the older generation discuss social issues more than their younger counterparts.

Table 2. Cultural differences between Finland and the USA.

Generation	Finland	USA
Older	Write more about the leisure time of the working class, employees' housing conditions, language policy	Write more about their work for charity and the buying power of their workers
Younger	More often experts, specialists, theoreticians Value formal education	Aggressive, competitive, doers Value "learning by doing"

In Finland business leaders from the older generation write about the leisure time of the working class, employees' housing conditions etc., which can be seen as patriarchal care of their employees.⁷⁰ The question of language (Finnish vs. Swedish) is also one of the political issues that Finnish leaders take notice of.⁷¹ The language question was acute still in the 1920s. The older American business leaders, on the other hand, are more likely to discuss their purely charitable work or the buying power of their workers.⁷² Nevertheless, in both countries older business leaders pay more attention to social issues than the younger leaders, who in Finland tend to stress expertise and in the U.S., the competition.

The main reasons for the differences between generations can be found in the structure of the societies and the social and economic policies of these two countries before and after World War II. The different positions of Finland and the U.S. during the Cold War have also had an impact on business life in these two countries. After World War II both countries established their welfare states. In the USA the welfare program was based on strong economic growth and was not supposed to distract from the free enterprise society, which, especially during the Cold War, was seen as a message from the free world. In Finland, however, the welfare state was created on the basis of co-operation, and a highly centralized system of contracts between labor organizations, employers' organization and the state was established.

The Cold War also strengthened American belief in the free enterprise system and competition. In Finland, however, the Cold War meant balancing between the Eastern and Western Blocs. With regard to both foreign and economic policy, Finland's position during the Cold War was complicated. Finland could not be seen to be acting unfairly and had to give the same benefits to both blocs. The influence of the state increased to ensure even-handedness; business was strongly based on treaties of commercial policy and the state supervised all external trade and business networking. This meant that the cooperative tradition, which already was strong in Finland, became even stronger as the state's influence increased. Additionally, in-

⁷⁰ Waldén 1971, 139-140, 150, 158-163.

⁷¹ von Fieandt 1970, 41, 53-54.

⁷² Jonas 1940, 133-205, 223-255; Ford 1922, 116-130.

comes were negotiated by the employers' organization, labor organizations and the state. In everyday business life this reinforced cooperation: leaders were forced to negotiate with each other, the state and labor organizations and had to create cartels and pools in order to manage all the complicated arrangements of business contacts and contracts, especially in the Eastern Bloc. This business environment did not promote individualism in Finland. In the United States, however, individualism was much more highly valued largely because of trust in the free enterprise system, a competitive business environment, and the antitrust laws, which enshrined the American model of capitalism.

The cultural backgrounds and differences between systems of values and mentalities have affected both Finland and the United States. As Satu Tiivola⁷³ writes, in Finland modesty has traditionally been a virtue and praising yourself has been seen as undesirable behavior. However, in a society based on a strong competition, like the USA, it is highly desirable, and necessary, to act in a manner which helps an individual to be seen and acknowledged: If you want to be successful, it is no use hiding your light under a bushel. There are other cultural differences, too, which have effects on the business life of these two countries. For example, whereas bankruptcy in Finland is a negative sign of failure that indicates to others that you are not trustworthy anymore and makes it difficult for you to recover from a crash⁷⁴, in the USA bankruptcy is seen more as a lesson; an American businessman or -woman can learn from this failure and go on to be successful in the future. The case of Aarne Karjalainen, whose business ended in bankruptcy, provides a good example of Finnish attitudes towards failure in business. Karjalainen felt that after the declaration of his bankruptcy he became an outcast in his own country, which is one reason why his memoirs were published only ten years after his death.⁷⁵

Because only one Finnish businesswoman was included in this study, it is, unfortunately, impossible to find differences between women leaders from Finland and the U.S. There are, however, clear cultural differences between the men. Both Finnish and American businessmen express masculinity, but in significantly different ways. Finnish businessmen usually announce themselves as professionals, analysts and experts through their avoidance of emotional language, use of passive forms (something was decided or done) or by saying "we"—by which they indicate some unclear entity, such as the whole company or just the highest-ranking officials. What they express is, nevertheless, that every clear-minded leader who knows his job would have taken the same decision under similar circumstances (for example Hakkarainen, von Fieandt, Lehto).

The American business leaders present themselves more often as "tough guys". They do this through their use of strong words and expressions and descriptions of how they had the guts to stand up to their bosses or to take difficult decisions no matter what the consequences (for example Iacocca, Kroc). There are several reasons why the older American leaders use less aggressive language and express less frustration than their younger counterparts. First, these leaders were raised and lived in a society that seemed to place a higher value on politeness and "correctness" in both spoken and written language. Second, post-war business life in the U.S. was an extremely competitive environment. By comparison the business environ-

⁷³ Tiivola 2000, 16.

⁷⁴ A. Siippainen, "*Konkurssi*" (Helsinki 1990)

⁷⁵ Karjalainen 1996, 174-190.

ment in Finland, where there was rapid economic growth, was much less competitive. Because of the high number of casualties during the war, Finnish businesses needed to recruit most of those young men who had survived. American business life was also booming, but the United States had suffered less loss of life and disruption to its economy than had been the case in Finland. Finally, the effects of Cold War, discussed above, had implications for the younger generation of business leaders.

The literature concerning entrepreneurs or professional managers tends to view entrepreneurs and managers as opposites, almost like different breeds, who have very little in common, even though both should have entrepreneurial qualities. I have, so far, found very little evidence that there are differences between entrepreneurs and professional managers in the ways in which they see themselves. The main difference appears to be that professional managers describe themselves as hardworking men and women, while entrepreneurs identify themselves as workaholics. The second difference is that most entrepreneurs are more likely to say that they love their work, rather than saying they merely like their work. These differences can, however, be partly explained by cultural context. The majority of professional managers in this study come from Finland, whereas the majority of entrepreneurs studied are American. As discussed above, the Finnish leaders tend to use milder expressions than their American counterparts. When the language used by professional leaders from Finland and the United States is compared, it becomes evident that American professional leaders use more passionate expressions than the somewhat more guarded phrases of their Finnish colleagues. American managers are more likely to declare their love for their work and describe how they can not even imagine a different way of earning a living. Finnish professional managers, however, use more modest expressions and tend to say that their career chose them rather than that they chose their career.

Based on this research material, it is difficult to find significant differences between career managers and entrepreneurs. Both of these groups emphasize the same qualities, they value the same things and the clearest differences between them do not arise from the relative positions of the leaders but rather stem from the cultural and societal background in which they live and act.

Conclusions

In this study I found five major “clusters” of qualities, which business leaders themselves identify as entrepreneurial qualities. All of them are familiar from the entrepreneurial literature, too, but business leaders describe these qualities somewhat more complex ways, which are bound to their cultural backgrounds:

1. Innovativeness and creativity
2. Persistence and belief in one’s own abilities
3. Risk-taking, competitiveness and belief in the free-enterprise system
4. Energy and industriousness
5. Good inter-personal skills

Business leaders themselves do not make a strict demarcation between professional managers and entrepreneurs. Professional managers and entrepreneurs see themselves as innovative and creative individuals, and both groups also demonstrate persistence and express a strong belief in their own abilities. There appear to be no major differences between professional managers and entrepreneurs with regard to risk-taking, competitiveness and their belief in the free-enterprise system, or in terms of their energy and industriousness. Finally, both groups seem to place a high value on good inter-personal skills.

There are, however, certain cultural differences between Finnish and American business leaders. Finnish male leaders are generally more modest, and their language is less colorful than that of their American colleagues. American male leaders tend to write in a more aggressive style than Finnish leaders. It is also clear that Finnish professional leaders do not emphasize all of the entrepreneurial qualities to the same extent as American professional leaders. They do not, for example, write as extensively about the free-enterprise system and competition as their American counterparts, and they are less likely to emphasize risk-taking—a topic about which both American entrepreneurs and professional leaders write in some detail. Finland and the United States experienced very different business environments after World War II. Furthermore, the existing cooperative tradition in Finland strengthened during the Cold War and Finnish business leaders, whether they were entrepreneurs or professional managers, had to learn to cooperate with other parties—the state, other businessmen and -women, labor organizations etc. This abated individualism in Finnish business life. The American business environment, by contrast, was competitive and belief in the free-enterprise system was strong.

Women leaders emphasize the ethical values of business more: how to win and keep the trust of the customer. They write about people, how to get along with them, and how to persuade them without being aggressive. Because there was only one autobiography by a Finnish businesswoman, it is, unfortunately, not possible to draw any conclusions about the differences between Finnish and American businesswomen. Women leaders are also more likely to stress the emotional aspect of their work. Businessmen, however, seem to have more complicated attitudes towards emotions. American businessmen write more about both the emotional rewards and the frustration they have gained from business life in general and from success in particular. Finnish businessmen, however, try to give an impression of objectivity through their avoidance of emotional expressions. The only exception in this study is Aarne Karjalainen. There are also differences between generations. In both countries, older businessmen avoid using emotional expressions when writing about business more often than is the case with younger leaders.

There are no great differences between the manufacturing industries and services, but there are differences between generations of business leaders: the older generations, those who were in leading positions before World War II, use less aggressive and colorful language in both Finland and the USA than the generation who took up managerial positions or became business owners after the war. The older generation was raised to be polite and use accurate language, but after World War II changes in culture, especially during the 1960s, also affected language, both in Finland and the USA.

What causes these cultural differences? Some have deep roots in the cultures, societal structures and economic systems of these two countries. Some, on the other hand, are raised from the very different historical paths of the countries: for

instance, the Cold War had completely dissimilar effects on the Finnish and American business cultures and thereby on the values and attitudes of business leaders, too. Where Finland has been a relatively minor actor in the world economy, the United States has been a very significant one. With regard to the business environments in these countries, the United States has encouraged the free-enterprise system and antitrust laws have had an influence on business since the late nineteenth century. Accordingly, American business culture has been based on managerial capitalism. In Finland, however, business—especially in the exporting branches of industry, such as the forest industry—has been based on cartels during most of the twentieth century. The tradition of cooperative capitalism is strong. Finnish business culture—like Nordic business culture in general—has been influenced by the German tradition.⁷⁶

The central government, too, has had a strong impact on business life in Finland; it has been either the joint or the sole owner of many companies. Only quite recently has the government begun to give up its shares in a number of enterprises. Government ownership of businesses and strong legislation concerning business has created a unique environment for entrepreneurship in Finland. Notwithstanding these great differences, the USA became a model in Finnish business life especially after World War II, when many young men, and some women, sought out education and ideas from the U.S.⁷⁷ There are also sharp differences between the social environments, the governmental and political conditions, and legislation, not to mention the great difference between the sizes of these two countries. Where Finland had a population of approximately 5.2 million in 2006, the population of the United States was approximately 300 million. Since Finland has had a small population, the economy of the country has been highly dependent on foreign trade, of which the paper and pulp industry and Nokia are good examples. However, the United States has had a quite different history: the US has had large domestic markets, which grew throughout the whole of the nineteenth century and most of the twentieth century, thus enabling enterprises to grow without necessarily having to export their goods. If there were in the twentieth century notable differences between countries which both belong to the Western cultural hemisphere, how big differences are there between different cultural hemispheres or between societies when centuries divide them?

⁷⁶ Jari Ojala and Petri Karonen, “*Business: Rooted in Social Capital over the Centuries*,” in Ojala, Jari and Jari Eloranta and Jukka Jalava eds., *The Road to Prosperity. An Economic History of Finland* (Helsinki 2006), 98-100, 122-125; Differences between the American and German traditions of managerial capitalism see Alfred. D. Chandler with assistance of Takashi Hikino, “*Scale and Scope. The Dynamics of Industrial Capitalism*” (Cambridge, Massachusetts, London, England 1990); Michael Mayer and Richard Whittington, “*Economics, Politics and Nations: Resistance to the Multidivisional Form in France, Germany and the United Kingdom, 1983–1993*”, *Journal of Management Studies* 41 (no 7 2004), 1057-1082.

⁷⁷ Americanization of business in Europe, see Matthias Kipping and Ove Bjarnar eds., “*The Americanisation of European Business. The Marshall Plan and the transfer of US management models*” (London 1998).