

Entrepreneurial Culture and Narratives of Self-Experience (tentative title)

Eleanor T. Lewis
Professor Kathleen M. Carley
Carnegie Mellon University

Contact Information

Eleanor T. Lewis
lewis@andrew.cmu.edu
Professor Kathleen M. Carley
kathleen.carley@ece.cmu.edu
Mailing address:
Department of Social and Decision Sciences
208 Porter Hall Carnegie Mellon University
Pittsburgh PA 15213

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Abstract

Entrepreneurs use a finite set of distinct “stories” to talk about themselves and their lives and to describe how they led their company to success. We describe in detail how entrepreneurs evoke different types of themes when telling their personal story and the story of their companies. This paper presents preliminary analyses of self-profiles provided by a set of entrepreneurs in applications for an entrepreneurship award. Analysis of the cooccurrence of different themes demonstrates considerable overlap and repetition within each entrepreneur’s narrative, but distinct combinations of universal and specific themes. In addition, entrepreneurs from all industries and backgrounds rely on members of their social networks, particularly in the early stages of their business. Actual family members and the imagery of the family is important in many of the entrepreneurs’ narratives, but results may vary with industry.

Stories Entrepreneurs Tell

The narrative form is a fundamental way of understanding and articulating experiences. In a formal definition, Labov defines narrative as “one method of recapitulating past experience by matching a verbal sequence of clauses to the sequence of events which (it is inferred) actually occurred” (Labov 1972, pp. 359-360). Any recapitulation of past events, it can be argued, will have at least some features of a narrative. Previous research within linguistics has analyzed narratives from a variety of settings, and found important differentiation in narrative form and content related to the environmental influences on the narrator (i.e. Heath, 1983). The stories told by the entrepreneurs in this sample typically demonstrate some or all of the formal features of narratives, including sequentially ordered clauses and an evaluation, indicating the point of the story.

Research in narrative analysis suggests that there are a finite set of narrative frameworks available in a culture for people to use in telling their life stories. This finite set of narrative frameworks are those that present a coherent version of the person’s life story (Linde, 1993). Previously published narratives of entrepreneurs’ lives provided a basis for identifying the finite set of narrative frameworks entrepreneurs use for their life stories. Each of the entrepreneurs’ archetypal life story frameworks, or themes, contains a core set of concepts. For the entrepreneurs in this sample, the concepts in the different themes can be evoked in different combinations. In this setting, the concepts in the themes are the events, behaviors, or traits which are the critical factors and keys to success because this is what a coherent life story for an entrepreneur consists of.

Impression management plays a large role in the form the entrepreneurs’ stories take. The nature of the documents- applications for an entrepreneurship award- entails making careful decisions about self presentation issues. Entrepreneurs who have more coherent self-presentations may be more successful at what they’re trying to do, at least in part because they are essentially better at telling their stories. The cooccurrence of a large number of concepts from one theme in a narrative indicates this is the primary narrative style of the entrepreneur, while the presence of concepts from a large number of themes indicates they evoke many different causal mechanisms for their success.

Using the different archetypal narrative frameworks, or themes, we performed text analysis searches on the dataset. After describing the analyses, we present some results and examples of how themes relate to the type of organization. We have some preliminary conclusions about what we have learned at this point, and what we hope to learn in the future with additional information and analysis. The applications for the entrepreneurship award are a rich set of documents, providing considerable insight into the minds of entrepreneurs, and deserving detailed examination.

Method and Data

The data is a set of 174 applications to a well known foundation for a prestigious entrepreneurship award. Applications range considerably in actual length, but are organized around sections for the company founder profile, company profile, innovative (business) approaches, plans for the future, and other considerations. The applications are from entrepreneurs in four industries: software, hardware, tele-electronics, and media.

A thorough examination of previously published entrepreneur profiles identified a set of finite set of themes that entrepreneurs evoke to explain how they achieved success.¹ Each of the themes consists of a set of concepts which are further refined into specific words and phrases. These concepts serve as the basis for our initial analyses of the applications. After examining the literature, additional analysis of a random subsample of 10% of the company founder profiles confirmed that the themes are a thorough (if not exhaustive) description of the ways that entrepreneurs talk about their lives.

There are two types of themes, which vary with frequency and cohesiveness of use. Universal themes contain elements that occur frequently in the entrepreneur's profile, but do not provide a strongly cohesive narrative frame leading to an evaluation or point. Specific themes are less likely to occur, but provide a stronger narrative framework, presenting the entrepreneur more coherently. Each theme consists of three different types of concepts: mechanisms (how the entrepreneur got where they are), maintenance (includes relations with customers and employees), and traits (specific to individual). The words and phrases in the applications were translated into concepts using computerized text analysis methods, and then aggregated into the specific and universal themes. Concepts appear in varying combinations in actual entrepreneur profiles, typically with concepts from different themes.

We will discuss the universal and specific themes in detail, describing the theme and the frequency of that theme's presence in the 174 applications. We will then discuss the cooccurrence of themes within entrepreneur's applications, and the cohesiveness of theme cooccurrence within applications. Some preliminary analyses of the use of specific concepts gets at the use of these concepts across different types of organizations. This comparison of theme use across industries is a substantial area for future analysis, which we discuss in our conclusions.

Analysis

I. Description of Themes

The counts in the following section are based on the presence in the 174 applications of any of the concepts from the specific and universal themes. The application count is the number of applications in which that concept appears, while the word count is the number of times in all the applications that the concept appeared. The

weighting represents the average number of times that the concept was present in the applications where it occurred. The descriptions are given in some detail, as they represent the finite set of narrative frameworks used by entrepreneurs.

A. Universal Themes

1. Connections to family and family values (mechanism)

Total concepts in theme: 5

Application Count: 116; Word Count: 414; Weighting: 3.6

Entrepreneurs talk about family in two main ways. First, they refer to their families as guiding them as they grew up, providing values and valuable lessons. They are equally devoted to their own families and children. Second, they refer to their company as having a family feel, treating employees with respect and giving them flexibility.

2. Innovative and inventive product; novelty value (mechanism)

Total concepts in theme: 7

Application Count: 173; Word Count: 3303; Weighting: 19

The product the entrepreneur invents or markets is something that creatively fills a niche previously unoccupied by other products or services. They have a twist making their product unique, or a vision of what the customer needs. It might be a novel combination of previous products, or be more revolutionary, creating something entirely new.

3. Personal involvement and accessibility, knowing all the jobs (maintenance)

Total concepts in theme: 8

Application Count: 170; Word Count: 1023; Weighting: 6

The entrepreneur focuses him or herself entirely on the project of building the company and marketing the product or service, particularly early on in the company's history. They are involved in all aspects of running the company, sometimes performing the physical labor required to get the products out the door. Entrepreneurs are leaders, inspiring people to work hard, through sharing their vision for the company's success.

4. Belief in quality of product or service (maintenance)

Total concepts in theme: 3

Application Count: 171; Word Count: 3016; Weighting: 17.6

With almost evangelical fervor, the entrepreneur believes in the quality of their product, and that maintaining its quality is an essential element of their success. Their product is a leader in its field, beating their competitors. They believe that it is needed by customers, and that they provide the best service available.

5. Building relationships with and valuing customers (maintenance)

Total concepts in theme: 4

Application Count: 171; Word Count: 2846; Weighting: 16.6

Almost as essential as the quality of the product is the quality of the relationship between the company and its customers. The entrepreneurs frequently describe extraordinary lengths taken to satisfy customers, and unusually liberal policies for returning or servicing products. Building long term relationships with loyal customers is more important than increasing the short term bottom line.

6. Treating employees as a team, empowering them and allowing autonomy (maintenance)

Total concepts in theme: 7

Application Count: 172; Word Count: 1987; Weighting: 11.5

Few entrepreneurs fail to give credit to their employees for the quality of their work and their commitment to the company. They treat employees as partners and associates, sponsoring social events for them. Herb Simon has said of entrepreneurs that one of the things that need from their employees is loyalty to their vision, an identification with the company and its goals which leads to work well beyond the job description.²

7. Being a good person, involved in the community, attentive to people's needs (traits)

Total concepts in theme: 9

Application Count: 167; Word Count: 1103; Weighting: 6.6

In addition to succeeding in business, entrepreneurs are active in their community, encouraging corporate philanthropy and service through example. They are particularly likely to be active in youth or family oriented organizations and services.

B. Specific Themes

1. Slow and steady progress leading to "natural" formation of company

Total concepts in theme: 14

Application Count: 174; Word Count: 4708; Weighting: 27

The first specific theme tells a story of the entrepreneur moving from one job to another, gradually gaining the experience, expertise, and credentials that make forming his or her own company a natural next step. Through their experiences in other companies they learn and plan for their own company, doing research and developing a specific strategy. Often their formal education contributes to their product, and it may represent a long standing interest from their youth.

2. Unintentionality of business formation

Total concepts in theme: 10

Application Count: 150; Word Count: 595; Weighting: 4

In contrast, some entrepreneurs do not intend to become entrepreneurs at all, at least initially. Instead, they have a sudden moment of clarity and inspiration when they realize they could provide a product or service which fills a need for customers. They frame this moment as one when previously unrelated things fit together in new ways, almost by chance. Once they have this inspiration, it provides the key they build the business on.

3. Overcoming adversity to succeed

Total concepts in theme: 9

Application Count: 161; Word Count: 712; Weighting: 4.4

Events do not always allow entrepreneurs to smoothly pursue their dreams, often they face adversity. The hardships and adversity before they start their business may relate to family situations and lack of resources or education. Sometimes the decision to start the business comes after facing a setback at their previous job. Once they decide to start their own business, there are often problems getting needed financial backing. Throughout these problems the entrepreneur never loses their dream or goal of building the company.

4. Persistence with idea over time

Total concepts in theme: 8

Application Count: 162; Word Count: 823; Weighting: 5

Building the company through persistence and hard work- lots of hard work- is the fourth theme. The company begins small and the entrepreneur carefully builds it through long hours and little sleep. In the face of setbacks, the entrepreneur picks up and begins again, often taking risks with their personal resources. They are confident in the viability of the business and are driven to see it succeed.

5. Timing is right for the innovation

Total concepts in theme: 6

Application Count: 172; Word Count: 1155; Weighting: 7

Sometimes an entrepreneur is in the right place at the right time, particularly in the computer hardware or software industries. These entrepreneurs have good timing in offering their product or service just when the market for it is emerging and customers are looking for a provider. Through a near prescient vision of what will succeed, the entrepreneur seizes the opportunity and establishes his or her company.

6. Compulsion, they have to provide outlet for product or service.

Total concepts in theme: 7

Application Count: 173; Word Count: 2188; Weighting: 12.6

The final theme may seem unusual, but these entrepreneurs tell a story of compulsion. The market may be so ripe for their product or service they are compelled, almost against their will or judgment, to provide it. The product is simply needed desperately by a particular market, and the entrepreneur is uniquely positioned to provide it. This leads to rapid and explosive company growth which it may or may not be prepared to handle.

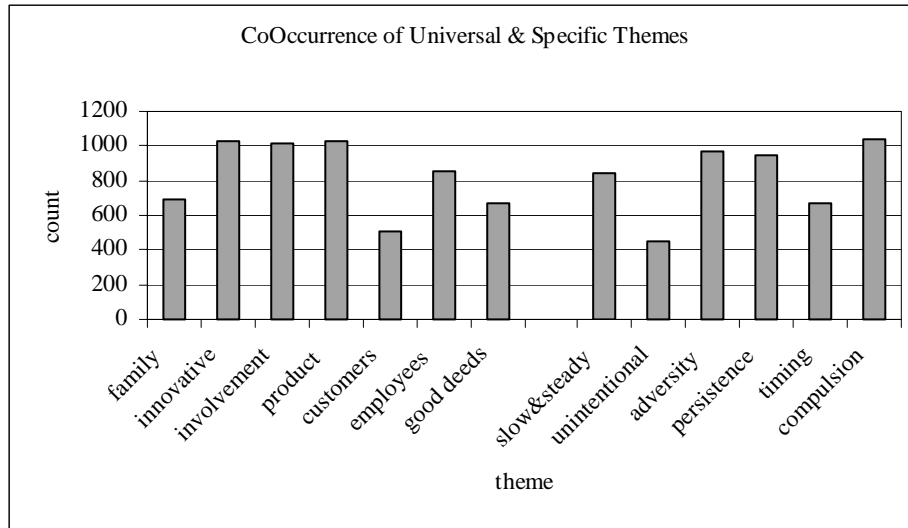
The previous analysis shows that different themes occur at different frequencies in the set of total applications, and with different average weights. Although the universal themes have fewer average concepts than the specific themes (6 vs. 9), these concepts are mentioned slightly more frequently on average in the dataset (11.6 vs. 10). This is less true when the specific theme “slow and steady” is removed: the average weighting for the concepts in the specific themes drops to 6.6. In addition, the average number of applications that the specific and universal themes occur in are very similar (163 vs. 165). This very basic analysis of the themes indicates two things about how entrepreneurs present themselves using the narrative themes. First, the concepts from the universal themes are evoked more often but not necessarily more frequently. Second, most entrepreneurs use both the universal and specific themes. The specific ways that entrepreneurs combine themes will be explored in the next section of the analysis.

II. CoOccurrence of Themes

Examining the dyadic occurrence of different themes demonstrates that they are differentially popular in combination. Using a computer routine that counts the number of times two themes occur in the same application within a certain window (distance to each other), we can analyze which themes are most likely to occur together (Carley, 1997). The aggregate results for the universal and specific themes are in Figure 1. This figure is based on counts of the number of applications where any two themes occur together. For example, the theme “family” occurred with one of the twelve other themes 691 times (most commonly with the theme “slow and steady”). In general, the specific themes

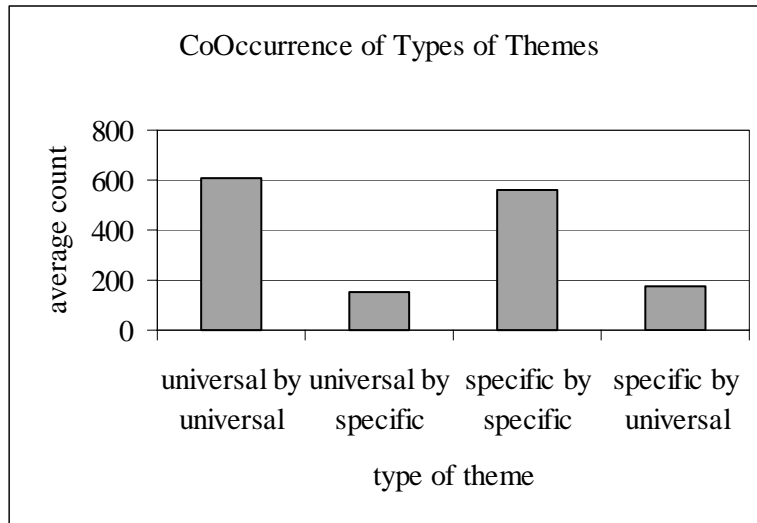
occur with other themes at very close to the rate than the universal themes do (818 vs. 828 applications on average). Three of the four most frequently cooccurring themes are among the universal themes. These three themes relate to providing an innovative and inventive product, being highly involved in the company, and believing in and maintaining the quality of the product. The most likely specific theme to appear in conjunction with other themes is the theme of “compulsion,” mostly as the result of frequent discussions of explosive growth that are categorized into this theme.

Figure 1. Count of CoOccurrence of Universal and Specific Themes



A secondary analysis separates the cooccurrence of universal themes with each other, specific themes with each other, and the two types of themes just with each other, revealing an interesting pattern (see figure 2). The columns represent the average number of times that a universal theme, for example, occurs with all six of the other universal themes: universal themes occurred with other universal themes 4239 times, or 605 times on average for each theme. Both the universal and specific themes are much more likely to cooccur with other themes from the same broad set than they are to appear with themes from the other set. In other words, the entrepreneur who mentions a universal theme is much more likely to follow this with a mention of another universal theme than he or she is to follow it by mentioning a specific theme. The internal cohesion of the two sets of themes in their dyadic cooccurrence suggests that the distinction between universal and specific themes has empirical grounding in how entrepreneurs present themselves in these applications.

Figure 2. CoOccurrence of Types of Themes



III. Factor Analysis

entrepreneurs' styles: factor analysis or pattern analysis of people by theme (more than 2) [Kathleen's section]

IV. Unexplained Concepts

This discussion of the different universal and specific themes highlights the set of narrative frameworks that entrepreneurs use tell a good, coherent story about how themselves. Despite attempting to capture in the universal and specific themes the majority of concepts in the entrepreneur's profiles, obviously some concepts were excluded. The primary concepts excluded relate to the entrepreneurs relationship and attitudes toward specific types of others. These others are essentially members of the entrepreneurs' network, where they are at the center. These others could include competitors, other companies they interact with, their understanding of their industry, their relationships with the government, and so on. These are obviously other actors who are crucial to the company, and the entrepreneur positions him or herself in relation to them in specific ways.

While some of the themes, particularly "family" begin to capture aspects of the relationships that the entrepreneurs present in their applications, this will be an area of future analysis. Specifically, we intend to explore how the different types of others mentioned by the entrepreneur relate to the type of industry or product the company provides. As an example of how this may lead to important insights, we provide a detailed analysis of the use of the concept of "family" in the self-profiles. It also demonstrates how the different themes occur in one application.

Table 1 contains a breakdown of meaningful mentions of family members (excluding references to children) by the industry in which the entrepreneur's business operates. Overall, nearly 20% of all the applications have a meaningful mention of either family or family members who were influential or helped them become successful. The percentage of applications in each industry who mention family does vary by industry, however. In the four main industries, very few founders of tele-electronics firms mention family members as being influential in their business success. In contrast, those in media were much more likely to mention family members, specifically fathers.

Table 1. Breakdown by industry of applications mentioning “family”

	software	hardware	tele-elec	media	soft/tele	soft/hard	soft/media	total
father	2	2	1	4				9
mother	2							2
parent[s]	2	2	1		1			6
grandfather	1	1					1	3
grandmother	1							1
family	8	4	1	5	1	1		20
unique app.s	10	7	1	8	2	1	1	30
total app.s	49	46	23	25	7	7	3	160
percentage	20%	15%	4%	32%	29%	14%	33%	19%

* In addition, there were 11 companies in the hardware and tele-electronics category.

An example here usefully illustrates how one entrepreneur describes the role his grandfather played in teaching him personal values, and the role his family business played in teaching him business skills. This excerpt also touches on several of the universal themes discussed above, interestingly foreshadowing that they would be important to his later business success. He was involved in all aspects of the family business, and he is motivated to serve his customers and build long term relationships.

His grandfather was a true philanthropist, showing him, by example, the importance of goal setting and of helping others. At twelve years old Fboss wrote down his own goals: a new baseball glove and a new bike, and one long-term goal, to be the CEO of a \$100 million dollar company. While growing up he worked in his family’s chain of furniture stores, doing everything from sweeping the warehouse floor to sales. He learned how a company worked, and that the best success in business was a satisfied customer. (C2740: software company)

In these preliminary analyses we have summarized our findings about the themes and concepts used by entrepreneurs in their self-profiles for the entrepreneurship award. We have also provided a more detailed analysis of how one concept- family- has been used by engineers in multiple industries to evoke multiple themes.

Conclusions and Planned Analyses

The identification of universal and specific themes which are frameworks within which entrepreneurs tell their life stories is an important first step toward understanding how these life stories relate to other aspects of the entrepreneurs business success. The next step is to further explore these themes and their elements to see how well the individual concepts hang together in each entrepreneur’s narrative. The link between having a coherent self presentation and being able to motivate others and create a successful business remains theoretical. Evoking a high number of universal themes and a high number of concepts from a specific theme would suggest that the entrepreneur has a coherent story about their life and how they reached the point where they are a successful entrepreneur. Having this coherent and persuasive self presentation may even have helped the entrepreneur in the award competition.

Further detailed analysis of other related concepts, including the entrepreneurs social network, would be very useful for understanding the role that entrepreneurs

attribute to others in their success. Entrepreneurs evoke and rely on multiple types of network ties in managing their companies. Those who mention more- and more different-types of network members may be more successful at taking their companies through the troubling early days when its survival is still uncertain. They may also be more successful at getting the essential early financial backing that allows the business to invest in research and expansion. Entrepreneurs who emphasize members of their social networks may have different ways of telling their stories as well, conceptualizing themselves as integrated into a web of support more than those who tell a story of self-reliance and individual ingenuity and perseverance.

In a broader context, studying how these people talk about their lives sheds light on what it means to be an entrepreneur in ways that previous research has not. Rather than trying to define the activities that make someone an entrepreneur, this study focuses on the discrete set of features that make up the role of “entrepreneur” according to the people who apply for this award. Entrepreneurs in this sample are not only those who start a company from scratch with one big idea. They are also those who take over a troubled company or division, those who work as a team with other individuals, and people who leave a large company looking for an opportunity with a small company. Understanding the approaches entrepreneurs take to self-presentation is important for studying how entrepreneurs conceptualize the factors that lead to success and how they use these factors to create a coherent understanding of their lives.

End notes:

1. See for references: Aronoff & Ward, 1991; Blount, 1996; Jager & Ortiz, 1997; O’Brien, 1998.
2. Herb Simon, seminar, November 18, 1999, Carnegie Mellon University.

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