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## **Innovativeness and Risk-taking Propensity: A Cross-Cultural Study of Finnish and U.S. Entrepreneurs and Small Business Owners**

Much past research on entrepreneurship has been founded upon the premise that entrepreneurs embody distinctive personality traits which can be identified and used to indicate potential for entrepreneurship (Cooper & Dunkelberg, 1987). The present study focuses on two of these properties, innovativeness and risk-taking. They are among the most distinguishing entrepreneurial characteristics and thus provide a good starting point for a comparison of entrepreneurial behaviour between Finnish and U.S. entrepreneurs and small business owners.

The study utilized the Carland Entrepreneurship Index (CEI) which is designed to reveal an individual's proclivity for the following constructs: personality, innovation, risk-taking propensity and strategic posture (Carland et al., 1992). The CEI instrument to measure risk-taking and orientation to innovation is Jackson Personality Inventory (JPI). The CEI was mailed to some 2000 entrepreneurs and small business owners in Finland and USA. The final Finnish sample consisted of 434 small business owners from Central Finland and the Greater Tampere area. The U.S. sample comprised 456 small businesses from southeastern United States.

The results showed an American dominance over Finland. American respondents had greater risk-taking propensity than the Finns who tended to be more conservative and risk-averse. Americans also exhibited somewhat higher levels of innovation. As regards gender, in the combined Finnish and U.S. sample, females had higher levels of innovation preference than the males. Meanwhile, male respondents scored significantly higher on risk-taking. In exploring risk-taking between respondents who had set up their own businesses and those who had either bought or inherited their businesses, U.S. founders scored higher than U.S. non-founders, whereas in Finland non-founders out-scored founders. Moreover, in both countries respondents with formal, written plans for the development and growth of the business had much higher risk-taking propensity and innovation preference than those with informal, unwritten plans. Finally, profit and growth oriented informants in both countries scored higher on both scales compared to those oriented to earning family income.