

# Chapter 49

## New Chinese Entrepreneurs: Perspectives of Confucian Attributes and Social Settings

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### ABSTRACT

*This chapter uses a qualitative approach to explore the characteristics of newly-bred Chinese entrepreneurs among 14 technology-based companies in Mainland China, Taiwan, and Hong Kong. Internal and external perspectives on studying entrepreneurship were adapted to examine personality attributes and the impacts of social settings on shaping the characteristics of modern Chinese entrepreneurs. The findings show that Chinese entrepreneurs were strongly influenced by the Confucianism, in which learning was upheld as a key to develop internal innovative capabilities for sustaining enterprise growth in the dynamic environment. Chinese entrepreneurs leading technologically innovative companies were also found to be visionary, but with less risk taking; they had exceptional networking capability and political dexterity to build strong relationships with government, industry and community. The tie between the Confucian entrepreneurial attributes and strong government support appears to enable the 'innovation in Chinese way'. Implications of these results are discussed.*

### INTRODUCTION

Many claimed that the 21<sup>st</sup> century is the 'Chinese century' (Brahm, 2001; Shenkar, 2005; Jacques, 2009). Such claim is witnessed not only by the fact that Chinese entrepreneurs have been active in varieties of global economic activities (Xiang & Teng, 2007) but also by the emergence of massive and productive working forces (Wong, 2008; Warner, 2011b). Seligson (2008) estimated that by 2015, over

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500 million folks under age 30 will enter into the job market - the number is roughly the population of the entire European Union. China was reported to have the highest rate of new business ownership rate at 14.2 per cent (Kelly et al., 2012), driving the next wave of entrepreneurs in the fast growing economy. Despite a few empirical studies (e.g. Pistrui et al. 1999; Chu, 2000; Taormina & Lao; 2007; Tan, 2008), we still remain relatively poorly informed about the nature and characteristics of contemporary Chinese entrepreneurs and entrepreneurship.

This chapter is thus designed to explore the characteristics of Chinese entrepreneurs across four regions of the greater China area, including the economic emerging regions of Fujian and Hubei provinces in China; and mature regions of Hong Kong and Taiwan. The purpose is to understand attributes and behaviour of the newly bred entrepreneurs who are fostered from both emerging and established economies with Chinese lineage. We anticipated that a clear picture can be drawn to gain a better understanding of the underlying drivers for rapid economic development and wealth creation in the greater China region. Therefore, the chapter first review the existing literature related to Chinese entrepreneurs and entrepreneurship. The qualitative data collected from the four regions (i.e. Fujian and Hubei provinces, and Hong Kong and Taiwan), and used to explain the key characteristics of the newly emerged Chinese entrepreneurs are presented in subsequent sections. Discussions and implications are then marked in the conclusion.

## **CHINESE ENTREPRENEURS AND ENTREPRENEURSHIP**

An entrepreneur is defined as ‘a person starts a new business or establishes a new organisation’ (Shane and Venkataraman, 2000, p. 218). In a more complex term, Schumpeter (1934) described an entrepreneur as someone who introduces new consumers and new markets, creates new methods of production, and establishes new organisation or industry. In essence, entrepreneurs are the ones who initiate change and exploit changes as opportunities, so are often connotative to the ones with ‘creative destruction’ in mind (Drucker, 1999).

In general, entrepreneurship is defined as the act of being an entrepreneur. However, entrepreneurship appears to be more than just an entrepreneur taking the act to ‘start a new business’. It is involved a series of processes by which massive changes take place in the economic system through many innovative individuals who identify opportunities, allocate resources, and create value (White, 1995; Liao & Sohmen, 2001; Watson, 2010).

The extant literature on entrepreneurs and entrepreneurship contains two schools of thoughts: the supply-side perspectives and the demand-side perspectives (Thornton, 1999). The supply-side school focuses on examining personality attributes of individual entrepreneurs and specifying potential mechanisms for agency and change; whilst the demand-side perspective examines what entrepreneurs actually do with the decision they make within ‘social settings’ that are changing over time. The later focuses on examining the push and pull of contexts such as activity of the professions, the policies of nation-states, the development of markets and the advent of technological change (White, 1995; Wong, 2008). However, both perspectives are under extensive critiques because entrepreneurship really involves the nexus of two phenomena: distinctive individuals; and these individuals ‘doing’ the search for opportunities in the ‘social settings’ or ‘contexts’, which are inseparable. In the words of Shane and Venkataraman (2000), both ‘the presence of lucrative opportunities’ and ‘the presence of enterprising individuals’ must be considered simultaneously in order to create a conceptual framework for entrepreneurship (p. 218).

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