

---

# NATIONALITY AND WORK ROLE INTERACTIONS: A CULTURAL CONTRAST OF ISRAELI AND U.S. ENTREPRENEURS' VERSUS MANAGERS' NEEDS

---

J. Robert Baum,<sup>1</sup> Judy D. Olian,<sup>1</sup> Miriam Erez,<sup>2</sup>  
Eugene R. Schnell,<sup>1</sup> Ken G. Smith,<sup>1</sup> Henry P. Sims,<sup>1</sup>  
Judith S. Scully,<sup>1</sup> and Ken A. Smith,<sup>3</sup>  
<sup>1</sup> *The Maryland Business School*; <sup>2</sup> *The Israeli Technion*;  
<sup>3</sup> *Syracuse University*

---

## EXECUTIVE SUMMARY

---

*The globalization of business ventures and the parallel search for sources of international competitive advantage have stimulated research relating cultural differences to entrepreneurial and managerial behaviors. Recent work by McGrath, MacMillan, and Scheinberg (1992) encouraged studies of managers and entrepreneurs in different cultures, suggesting that these comparisons may "... shed additional light into the interrelations between social structure, wealth creation, and cultural beliefs" (McGrath et al. 1992, p. 116). This study follows that advice.*

*Cultural differences are powerful determinants of behavior, and many studies support the notion that managerial behavior must adapt to the national cultural setting to achieve success. A growing stream of entrepreneurial behavior research has explored differences in motivational needs between entrepreneurs and non-entrepreneurs of different countries, and found parallel differences across cultures. Given these views, we might expect to find need differences between entrepreneurs and managers within countries however, some entrepreneurship researchers have concluded that U.S. managers and entrepreneurs are more alike than different.*

*To better understand need profile differences between and within cultures, we use a theory that suggests that culture is an important determinant of work behavior. The process through which culture affects work behaviors is described in "Cultural Self-representation Theory" (Erez and Earley, 1993).*

---

Address correspondence to Professor Judy D. Olian, The Maryland Business School, University of Maryland, College Park, MD 20742.

This research was supported by grants from the Dingman Center for Entrepreneurship at the University of Maryland, and the Golda Meir Institute for Social and Labour Research, Tel Aviv University, Israel. The authors also acknowledge the assistance of the journal *Washington Technology*.

*Based upon this theory, inferences from the entrepreneurial archetype, and analysis of the contrast between the cultures of Israel and the U.S., we propose that: (1) entrepreneurs and managers have different motivational needs within some national cultures, and (2) across national cultures there are systematic differences in motivational needs. Based on these premises, an interaction hypothesis between work role and nationality is suggested because of the importance of both culture and work role in determining motivational need differences. Data are collected from over 370 Israeli and U.S. entrepreneurs and managers.*

*Results support cultural self-representation theory for the Israeli-U.S. and entrepreneur-manager case, because interactions between nationality and work role are exposed for various needs. This finding suggests that cultural differences are indeed important for understanding management motivational needs in different nations, and that the effectiveness of entrepreneurial approaches to management may be culture-sensitive. The study illustrates work-role differences between Israeli managers and entrepreneurs. We confirm past conclusions about U.S. entrepreneur-manager need similarities, and suggest that these need similarities are supported by the individualistic culture within U.S. organizations.*

## **BACKGROUND**

### **National Differences**

Individuals who are raised and live in different nations develop a set of shared assumptions and motivational needs that members of other nations do not share (Gannon 1994). Locke and Latham (1990) define motivational needs as “those tension causing factors within the individual (other than knowledge) which energize, direct, and sustain behavior. Humans can choose how to seek satisfaction of their motivational needs, and are free to focus upon and order them.” The impact of culture on motivational needs is expounded by Erez and Earley (1993): “Culture shapes the cognitive schema which ascribe meaning and values to motivational variables, and guide our choices, commitments, and standards of behavior.” Hofstede’s (1980) study of 117,000 members of a large multinational corporation operating in 40 countries confirmed the importance of culture. National culture explained 50% of the differences in needs and attitudes of corporate members. National differences were more important than work role, age, gender, and race.

Although some researchers question the effects of nationality on managerial behaviors (Charih 1991), many have confirmed differences across cultures (Lee 1991; Maehr 1974; McClelland 1961; Shane 1992). For example, extreme differences in life views are observed when comparing the collectivist Japanese with the individualistic members of the U.S. culture (Christopher 1983). Bass and Eldridge (1973) also identified national cultural differences in work goals. Danish managers emphasized social values over profits, while the reverse was true of U.S., British, and German managers.

March and Shapira (1987, p. 1406) conclude: “. . . perspectives that managers have are not simply matters of individual choice but are embedded in social norms and expectations.” Successful managerial behavior, therefore, is expected to vary in different countries because a fit with culturally different attitudes and needs is necessary for high performance (Farmer and Richman 1975, Black and Porter 1991, Shapero and Sokol 1982).

### **Similarities Across Countries Among Entrepreneurs**

However, research on the motivation and behavior of residents, workers, and managers of different countries does not always yield consistent results. Specifically, some studies have identified *similarities* across nations, particularly among entrepreneurs. Ohe et al. (1989)

studied whether Japanese and Silicon Valley entrepreneurs perceived that they were different from their respective general populations. Parallel perceived differences were found in both cultures. Comparisons of seven motivation factors of entrepreneurs from 14 countries revealed only slight differences among countries (Blais, Toulouse and Clement 1990).

Using a discriminant analysis of responses from a crosscultural sample of over 2400 entrepreneurs and nonentrepreneurs, McGrath, MacMillan, and Scheinberg (1992, p. 116) found significant differences in values between the two groups, regardless of culture. They concluded that "... the key finding that entrepreneurs share a common set of beliefs should be tested and evaluated against a cross-cultural sample." In related research, McGrath and MacMillan (1992) demonstrated that across cultures, entrepreneurs hold similar perceptions about the differences in their beliefs compared to teachers, branch bank managers, and government officers.

### **Within-culture Entrepreneur and Manager Similarities**

Entrepreneurs are seen as "... people who possess the highest levels of drive, skill, and ambition ... to motivate other people to work together to change things" (Henry Morgan, Dean of Boston University's School of Management, in a 1985 speech). This description is consistent with the definition of creative and transformational leadership that others ascribe to entrepreneurs (Bird 1989). The image of the entrepreneur is contrasted to that of the professional manager who maintains rather than creates resources, operates with lower levels of personal incentive, and requires more social support than entrepreneurs (Stevenson 1985).

In contrast to the popular notion of the entrepreneurial and managerial archetype, empirical studies of the distinctions between U.S. entrepreneurs and U.S. professional managers have exposed more motivational similarities than differences (Brockhaus and Horowitz 1986; Gartner 1988). These studies include research on risk-taking, control, and need for achievement:

1. Brockhaus (1982, p. 55), writing about a U.S. sample, states that: "... college trained managers have values similar to those of college trained prospective entrepreneurs." [Needs are the psychological antecedents of values, where values reflect the utility attached to certain satisfied needs.]
2. Using the Kogan and Wallach (1964) risk measure, Brockhaus (1982) found that U.S. entrepreneurs, like U.S. managers, favor moderate risk.
3. No significant differences have been found between U.S. managers and entrepreneurs in the association between risk preferences and need for achievement (March and Shapira 1987).
4. Brockhaus (1982, p. 39) reviewed 12 studies and concluded that: "... the causal link between new venture creation and a high need for achievement is not proven."
5. Successful U.S. entrepreneurs are no different than successful managers in their perceived ability to control events (Brockhaus and Nord 1979).

Although the above research fails to support need differences between entrepreneurs and managers, some researchers attribute these findings to deficiencies in measures of individual differences, rather than to "true" nonoverlap in needs across work roles (Brockhaus and Horowitz 1986; Johnson 1990; Spangler 1992). Nonetheless, some reviews do observe associations between various achievement measures and entrepreneurial behaviors. Johnson (1990) reviewed 23 studies and found a relation between need for achievement (measured with eight different scales including self-reports) and new venture creation in 20 of these studies. In a meta analysis of 105 studies, Spangler (1992) found that the TAT and other

questionnaire measures of need for achievement correlated significantly (.22 and .13, respectively) with entrepreneurial performance, although both correlations were relatively low (explaining 7% and 5% of the criterion variance, respectively). In light of mixed findings related especially to need for achievement, McLelland and others (Johnson 1990; Shaver and Scott 1991) encourage continued research into individual differences between entrepreneurs and other work role occupants.

Putting all of the above research together, measurement issues aside, a mixed and somewhat confusing picture emerges. Although there are national/cultural differences in needs among managers, entrepreneurs seem more alike than different across cultures. Within the U.S. culture, need differences between those in the role of manager versus entrepreneur appear minimal. Thus, some differences among members of work groups are suggested across cultures, yet in other cases work roles do not appear to yield significant motivational differences within a culture. To date, no study has concurrently addressed the between- and within-culture effects on motivational needs, perhaps because of the absence of a theoretical basis for understanding and predicting such differences.

### **CULTURAL SELF-REPRESENTATION THEORY**

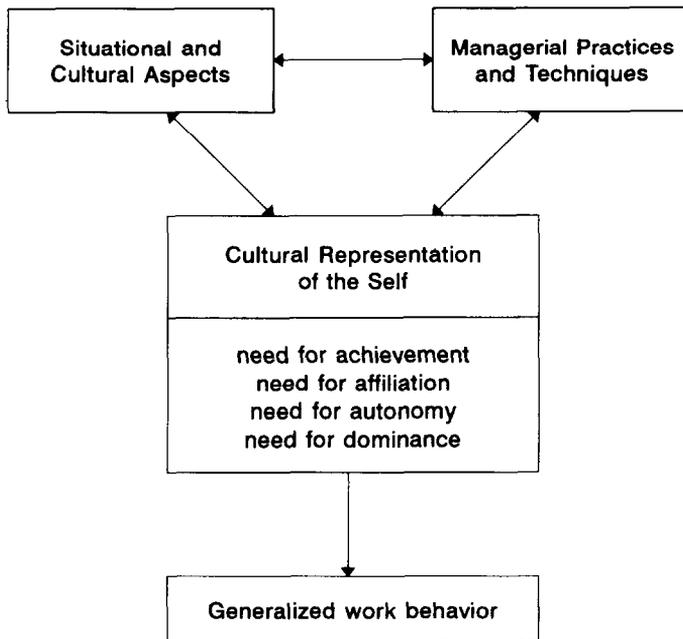
A recent theoretical contribution fills this void. The link between national culture and motivational needs is illuminated in "Cultural Self-representation Theory" (Erez and Earley, 1993). Most models of organizational behavior and work motivation focus on the individual. However, recognizing the shift to global markets and the growth of transnational organizations, this theory includes culture as a determinant of work behavior. The theoretical framework is shown in Figure 1.

Erez and Earley (1993) envision a three-way interaction among culture, managerial practices, and self-concept. This interaction determines work behavior. More specifically, Erez and Earley argue that people regulate their behavior based on their self-concept. Self-concept is framed by individual differences in aptitudes and abilities, and cues people pick up from their organizational and social environments—depending on the prevailing cultural norms and managerial practices. The self is motivated towards self-enhancement, self-efficacy, and self-consistency; this generates needs that ultimately trigger behaviors to satisfy needs.

In work settings, the self is manifested in work-related needs, which are ultimately channeled into behaviors of employees. Research suggests that the needs for achievement, affiliation, dominance, and autonomy are important antecedents of work behaviors (Pritchard and Karasick 1973) and are strongly related to work success (Sheridan and Slocum 1975).

### **Need Differences Between Entrepreneurs and Managers**

Cultural self-representation theory acknowledges that individual differences in abilities and aptitudes would likely produce differences in the concept of self and differences in motivational needs. The choice of work role is often a result of differences in abilities and aptitudes, reinforced by self and others' evaluation of the person's life history of successes and failures. Choice of the work role of manager versus entrepreneur likely reflects such differences in the concept of self and, accordingly, differences in motivational needs. Ignoring for the moment studies within specific cultures, research supports motivational differences between the work roles of manager and entrepreneur along the following key work-related needs:



**FIGURE 1** Cultural Self-representation theory.

Adapted from Erez, M., and Early, P.C. (1993) *Culture, Self, and Work*. New York: Oxford Press.

1. Need for achievement measures an urgent desire for accomplishment, intentions to work hard and improve, and the tendency to choose and persist in activities that involve a standard of excellence (McClelland 1961). High need for achievement is associated with the entrepreneurial archetype (Bird 1989; Sexton and Bowman-Upton 1985).
2. People with high needs for affiliation like to be with people (McClelland et al. 1953), a condition that is more typical of the manager's role in larger, more complex, and sometimes bureaucratic organizations.
3. The need for autonomy measures the desire for independence and freedom. People with high needs for autonomy prefer self-directed work, care less about others' opinions and rules, and prefer to make decisions alone (Pritchard and Karasick 1973). These behaviors are consistent with the entrepreneurial archetype.
4. The need for dominance indicates the tendency to seek leadership opportunities. Those who have high needs for dominance prefer to rule and control others and events (Pritchard and Karasick 1973). It would seem that complex larger organizations offer greater opportunities for dominance over more people and resources.

Drawing on cultural self-representation theory and specific conclusions about manager and entrepreneur needs, we expect that within a given national culture, needs for achievement, affiliation, autonomy, and dominance will generally differ between professional managers and entrepreneurs. In theory, attraction to entrepreneurship as a work role is driven by the desire to demonstrate individualized effort and achieve individual rewards, and to be autonomous from group conformist pressure in the allocation of human and capital resources. Thus, our first hypothesis is that:

**H1:** Entrepreneurs will be motivated by higher needs for achievement and autonomy, and lower needs for affiliation and dominance compared to managers.

## Culture Differences Between Israel and the U.S.

The Erez and Earley model suggests that national cultural differences may generate different motivational needs among individuals, regardless of work role. Israel offers interesting comparisons with the U.S. Its ideology and history have produced a culture that is egalitarian. Hofstede's (1980) study of culture differences across 40 nations demonstrated that Israel had the second lowest "power distance" score (ranked 38 out of 39 countries), whereas people from the U.S. scored in the middle (ranked 25 out of 39). Power distance reflects the extent to which members of a society create an unequal distribution of power in institutions and organizations. Shared power, equality, and social mobility are characteristics of lower power distance nations like Israel. Israelis also scored in the middle (19 out of 39) of this study in "individualism–collectivism," indicating that individualism is alive but at far lower levels than in the U.S., which ranked first among the 39 countries. These measures suggest that the Israeli culture values social structures that produce equality. Some caution should be applied to the interpretation of these rankings because of problems with cross-cultural classification of values (Hofstede and Bond 1988; Adler, Campbell, and Laurent 1989). For example, McGrath et al. (1992) adapted Hofstede's (1980) scales based on intuitive analysis, but expressed concern about the difficulty of crosscultural translations of such scales.

The prototypical representation of Israeli egalitarianism is the Israeli collective, or *kibbutz*, where decisions are reached by the group through consensus, and extend into domains that other cultures may see as quite personal, such as career decisions or family living arrangements (Adar 1982). The *kibbutz* is a powerful influence in Israeli society, with 15% of members of the Israeli parliament coming from this movement (Elron and Gannon 1992). By comparison, the U.S. organizational reward system places a great deal of emphasis on individualized actions and successes. Recent discussions regarding the high compensation levels of United States' CEOs is a reminder of the tremendous individual incentives provided for success in U.S. corporations. This practice is in sharp contrast with team-based organizational approaches in collectivist cultures such as Israel, Japan, Sweden, and China (Christopher 1983).

Relating these points back to the Erez and Earley model suggests that national cultural differences will produce differences in the concept of self, and therefore differences in resultant work needs. Hence, we expect that national cultural differences create different needs for achievement, affiliation, autonomy, and dominance among individuals across cultures. Since Israel is a more equal and group-oriented society, our second hypothesis is that:

**H2:** Israelis—regardless of their work role—are expected to be motivated by lower needs for achievement, autonomy and dominance, and higher needs for affiliation than are people from the U.S.

## Within-culture Differences in Needs

While collectivism dominates the Israeli culture, Israelis or more generally members of the Jewish faith, and have a history of entrepreneurial success as immigrants. Entrepreneurship is an expected Jewish role: "Jews, Italians and Greeks . . . and their proportionally higher involvement in entrepreneurial activities continues to differentiate these groups from much of the population" (Waldinger and Aldrich 1990, p. 51). "[T]he data indicate that Jews are more likely than other ethnoreligious groups to be working for themselves, even when compared with their counterparts in such fields as medicine, law or accounting" (Waldinger, McEvoy, and Aldrich 1990, p. 129). This suggests that Israelis (most of whom are Jewish) are likely to have needs that represent the entrepreneurial archetype. Management practices in collectivist

or group-oriented organizations may be less capable of accommodating those whose needs deviate from the Israeli egalitarian norm, driving entrepreneurial types into unconventional work roles. This may mean separation from larger organizations to become business owners or entrepreneurs.

This is contrasted with the United States. Management practices in U.S. companies such as performance reviews, merit pay, and individually determined career tracks enable recognition of individual achievement in large U.S. firms. Many corporations are increasingly becoming conglomerates of separate, entrepreneurial pockets. The cultivation of "intrapreneurship," even within large complex corporations, supports the notion that individuals with stereotypical entrepreneurial traits such as need for achievement and need for autonomy, may be accommodated as "managers" in many U.S. organizations (Van de Ven et al. 1989). Indeed, research cited earlier supports the general similarities between the profiles of U.S. managers and entrepreneurs.

Accordingly, following the precepts of the Erez and Earley model, we expect that the Israeli culture will amplify differences between the needs of Israeli managers and entrepreneurs. In the U.S., entrepreneurs' needs will be much more similar to those of managers because the culture and management practices encourage individualistic, entrepreneurial behavior, even among managers in traditional corporations.

Taking together the two earlier hypotheses and the rationale presented above, we expect that work needs will vary across cultures, and within Israeli but not U.S. culture as a function of work role. Therefore, an interaction is expected between work role and national culture for each of the following needs: achievement, dominance, affiliation, and autonomy. The specific hypothesis is that:

**H3:** Among Israelis, entrepreneurs' needs will be different from those of managers, whereas among people from the U.S., entrepreneurs' needs will approximate those of managers.

## METHODOLOGY

A survey was conducted in Israel and in the U.S., drawing on managers and entrepreneurs as respondents. We follow Bird's (1989, p. 4) definition of entrepreneurship as "... the process of starting and/or growing a new profit-making business." In this study, individual founders and operators of their own businesses are defined as entrepreneurs. Executives working in organizations founded by others are classified as managers.

## Sample

### *The United States.*

Senior management executives were identified for inclusion in this study by contacting the CEOs of firms listed among fast-growing companies in a regional technology almanac. Two thirds of the firms in the sample represent technology-related product and service businesses involved in information technology, including software consultation and support, hardware and computer component manufacturing, and system development and integration. The remaining firms are engineering-related technology or service businesses—consultation, environmental engineering, and biomedical engineering.

The CEOs and senior executives of cooperating companies (44% of the companies originally contacted) completed a needs survey. There were 238 respondents from the U.S. in the sample, of whom 23% ( $N = 55$ ) were founders or co-founders (classified as entrepreneurs)

of their present company. The remaining 77% of the sample ( $N = 183$ ) was classified as managers. The average age in the sample was 45, and 87.5% was male.

### *Israel.*

Israeli CEOs and managers were randomly selected from government listings of private companies, a list of participants in entrepreneurship and management forums, and a Haifa-area listing of private industrial companies. One third of the companies were aligned with high-tech industries parallel to those mentioned for the American sample. Forty-four percent ( $N = 59$ ) of the 133 participants conformed to our operationalization of an entrepreneur and the remaining 56% ( $N = 74$ ) were classified as managers. The average age in the sample was 44.5.

## **Measures**

Similar to previous studies of entrepreneurship (see Fineman 1977; Johnson 1990), we use a self-report measure of needs—the Steers and Braunstein “Manifest Needs Questionnaire”—MNQ (Steers and Braunstein 1976). The MNQ measures need for achievement, affiliation, autonomy, and dominance. In tests of 593 subjects, the MNQ demonstrated high levels of convergent, discriminant, and predictive validity. MNQ scales and reliability are described more fully in the Appendix. Results are based on each respondent’s mean scale score for each need.

## **RESULTS**

H1–H3 were tested via a 2 (culture: Israel vs. U.S.)  $\times$  2 (work role: entrepreneur vs. manager) ANOVA. Since H1 and H2 are main-effect hypotheses that are logically contingent on the results of the interaction test in H3, we examine H3 first.

### *H3.*

Table 1 summarizes the results for the two-way ANOVA. The results confirm H3 for two of the four needs. Interaction effects between country and role are significant in determining need for affiliation and dominance. The interaction term for need for achievement is significant at the  $p < .10$  level, and it is not significant for need for autonomy. For significant interaction terms, this suggests that the manifest need of the executive is contingent upon his/her particular configuration of work role within national culture.

Figure 2 assists in interpreting the interaction terms by describing the two-way cell means and plots for each of the needs. Among Israelis, three of the four needs (achievement, affiliation, and autonomy) differ significantly between entrepreneurs and managers (see row mean differences designated by the letter A), and the fourth need (dominance) is significantly different at the  $p < .10$  level (row mean differences designated by the letter E). In contrast, U.S. entrepreneurs and managers are not significantly different on any of the needs. This finding is consistent with past research conclusions about general similarities between U.S. entrepreneurs and managers.

Main effect hypotheses posited need differences for executives exercising different work roles (H1) and national cultural differences in needs (H2). Given a significant interaction, interpretation of a main effect is necessarily contingent on the level of the other main effect. It is nevertheless interesting to examine the results against the initial main effect hypotheses. The marginal column means assist in addressing H1 (see Figure 2, column differences

**Table 1** Two-Way ANOVA Results: Country  $\times$  Role<sup>a</sup>

Effects	Country	Role	Country $\times$ Role
Dependent Variable			
need for achievement	4.63 <sup>c</sup>	2.24	3.28 <sup>b</sup>
need for affiliation	8.43 <sup>c</sup>	2.91 <sup>b</sup>	3.84 <sup>e</sup>
need for autonomy	7.94 <sup>d</sup>	4.14 <sup>c</sup>	3.23
need for dominance	6.92 <sup>d</sup>	0.14	6.71 <sup>d</sup>

<sup>a</sup> Country: Israelis versus Americans; Role: entrepreneurs versus managers; entries in table are *F* values.

*F* significant at <sup>b</sup>  $p \leq .10$ ; <sup>c</sup>  $p \leq .05$ ; <sup>d</sup>  $p \leq .01$ ; <sup>e</sup>  $p \leq .001$ .

Degress of freedom = 370.

between managers and entrepreneurs, designated by the letter D), and marginal row differences illuminate H2 (differences between countries, designated by the letter C).

### H1.

Consistent with H1, entrepreneurs are driven by higher needs for autonomy (mean autonomy = 3.33 for entrepreneurs versus 3.14 for managers; see Figure 2). However, no differences emerge between entrepreneurs' and managers' need for dominance although within the Israeli sample only, entrepreneurs have a lower need for dominance as expected (mean dominance for Israeli entrepreneurs = 3.77 versus 4.01 for Israeli managers;  $p < .10$ ). Contrary to expectation, entrepreneurs manifest higher, not lower, needs for affiliation (mean affiliation = 3.26 for entrepreneurs versus 3.07 for managers). Finally, across both cultural samples, achievement motivation is no different between entrepreneurs and managers. However, as expected, achievement motivation is higher within the Israeli sample only for entrepreneurs (mean achievement = 4.18) relative to managers (mean = 3.98). Given the earlier interaction finding, general differences between entrepreneurs and managers are largely accounted for by the Israeli, but not the U.S., sample.

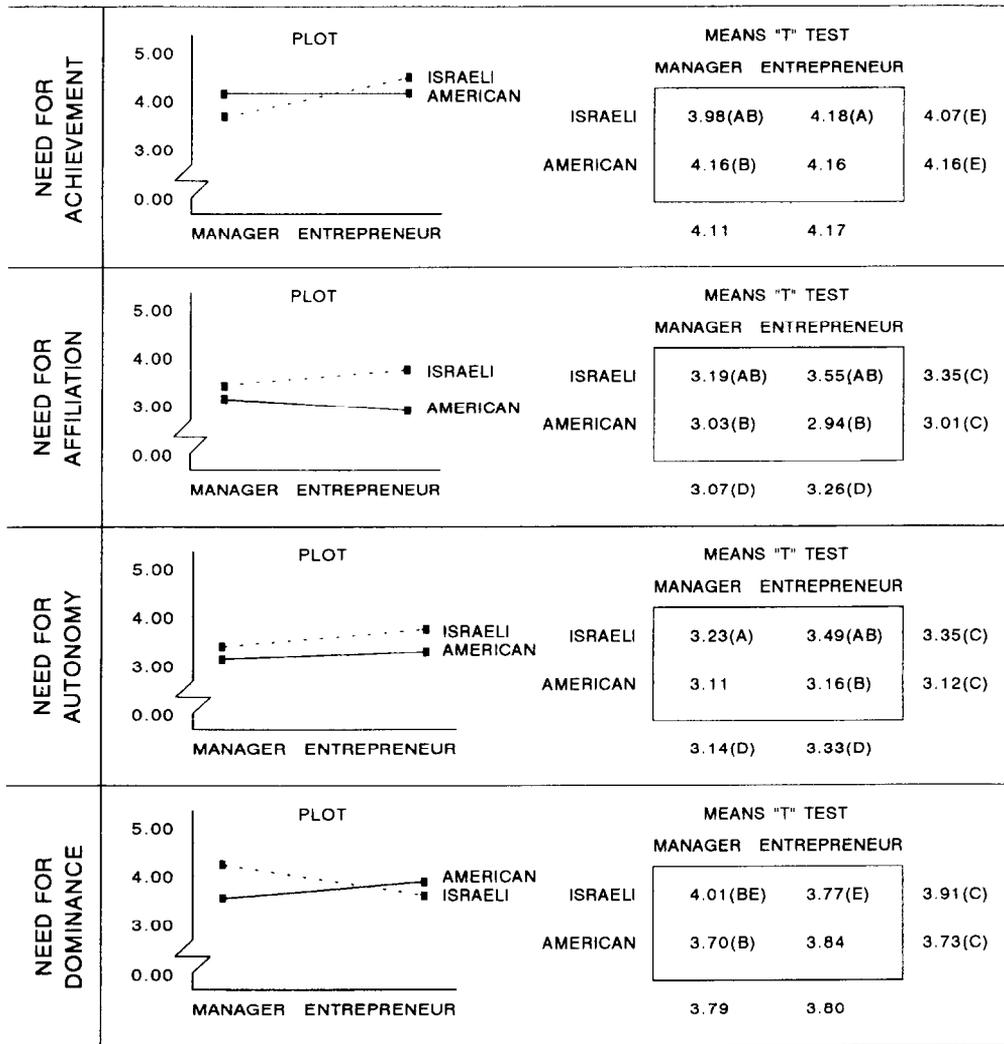
### H2.

Significant differences in needs emerge across cultures. As expected, Israelis manifest higher needs for affiliation (mean Israeli affiliation = 3.35) than people from the U.S. (mean = 3.01), and people from the U.S. tend toward higher needs for achievement (U.S. mean for achievement = 4.16 versus 4.07 among Israelis;  $p < .10$ ). However, contrary to expectations, Israelis also manifest significantly higher needs for autonomy (3.35 versus 3.12 among respondents from Israel and the U.S., respectively) and dominance (3.91 for Israelis versus 3.73 for U.S. respondents).

In summary, cultural differences appear to amplify work role differences in needs in Israel, but not in the U.S. In general, cultural self-representation theory receives indirect support through the documentation of need differences across cultures and across work roles.

## DISCUSSION

The primary finding is that the needs of individuals gravitating toward different work roles are contingent upon the cultural cues that mold their concept of self. Each culture develops and reinforces different profiles of individuals occupying distinct work roles. Over time, these profiles attract different types of individuals into these roles. For example, in the collectivist



- (A) significant between-cell row difference ( $p < .05$ )
- (B) significant between-cell column difference ( $p < .05$ )
- (C) significant marginal row differences ( $p < .05$ )
- (D) significant marginal column differences ( $p < .05$ )
- (E) difference significant at  $p < .10$

FIGURE 2 Manifest needs results.

Israeli culture, entrepreneurs have needs that are quite different from those that can be satisfied within the more traditional organization, and they gravitate toward a different career track. In contrast, individualism is a part of the fabric of the U.S. culture, regardless of the organizational framework. The needs of managers in more traditional U.S. organizations can be accommodated, even if their needs resemble those of entrepreneurs. Given the study

parameters, these conclusions are largely restricted to organizations (traditional and entrepreneurial) operating within the fast-changing high-technology sector, the source for all the U.S. and at least one third of the Israeli respondents.

This finding has implications for multinational organizations, especially high-tech multinationals similar to the technology-intensive firms predominating in this study. Those that reflect the cultural norms of the host country (e.g., Israel or Japan) may find that some foreign country executives (perhaps from the U.S.) have trouble adapting to the host country's organizational environment because of the sense that their entrepreneurial and achievement needs may be permanently frustrated.

A related finding underscored earlier conclusions concerning the similarities of need profiles between U.S. managers and entrepreneurs. The data offer additional evidence that U.S. managers and entrepreneurs might be able to satisfy their motivational needs in a common organizational environment, rather than being forced to craft separate career tracks or switch organizations in order to meet needs. Managers who correspond to the entrepreneurial profile enable U.S. corporations to act intrapreneurially, responding quickly and innovatively as if they were smaller, entrepreneurial companies. Apparently, larger U.S. companies are as hospitable to such individuals as they are to more traditional managers (Van de Ven et al. 1989). Our data suggest that U.S. entrepreneurs have needs similar to those of managers inside organizations, so that they too might see their needs satisfied without having to sever fully their ties with more traditional business structures.

Within the Israeli culture, differences emerged between managers and entrepreneurs. In particular, Israeli entrepreneurs were higher on achievement and autonomy, as expected, but there were no differences in the need to be dominant. We were surprised by the Israeli entrepreneur's higher need for affiliation relative to the manager's need. The need for affiliation was expected to be consistent with the choice of managers to affiliate with other people in larger organizations, and to be weaker among entrepreneurs who choose to work in relative isolation. Measured need, however, may reflect a discrepancy between "what is" and "what is desired," rather than an absolute measure of the importance of the need. It is possible that Israeli entrepreneurs are expressing a reaction to the relative isolation created by their role as founders and small business owners, and their craving for social interactions.

It is interesting to note that affiliation and autonomy needs, both, are higher among Israeli managers and entrepreneurs than they are among people from the U.S. Based upon a sample of U.S. managers, Steers and Braunstein (1976) report, however, that the need for autonomy tends to be inversely correlated with the need for affiliation. An explanation is needed: In a study of kibbutz members' personality characteristics (Blasi 1986), "cooperative" and "independent" were "highly shared characteristics." Similarly, Harpaz (1990) conducted a study of work goals across seven countries and found that both interpersonal relations and autonomy were important goals for Israeli but not U.S. employees. Somewhat similar results emerged for this sample, suggesting that the Israeli personality, perhaps in contrast to the U.S. archetype, exhibits strong needs for affiliation and autonomy and in some Israelis these needs can be manifested simultaneously. This result cautions against generalizing across cultures in the configuration of needs, and perhaps in other dimensions of the self.

Finally, there is evidence that culture influences the concept of self, and expressed needs. Significant cultural differences emerged for all four needs, consistent with cultural self-representation theory. The need for achievement was marginally stronger among people from the U.S. relative to Israelis, whereas affiliation, autonomy, and dominance were stronger among Israelis. With the exception of need for achievement, Israelis have stronger needs in

general, perhaps because they are more expressive or because they are expressing their relative deprivation rather than an absolute felt need, as indicated above. Israeli collectivism, as expected, nurtures high levels of social interaction, and Israelis grow up with strong needs to affiliate with their peers. In contrast, the U.S. culture encourages individuation.

Consistent with McClelland's seminal studies (1961), the U.S. culture "worships" individual achievements, and the need for achievement emerges as the strongest expressed need for the American sample. Interestingly, this is true for Israelis also, though on average their need for achievement was marginally lower than that of U.S. respondents. U.S. respondents were lower, not higher, than Israelis on needs for autonomy and dominance. The manifestation of cultural differences in expressed needs is consistent with cultural self-representation theory (Erez and Earley, 1993). In turn, these differences are expected to yield different behavioral patterns among people brought up in different cultures, experiencing different organizational cultures and practices.

Focusing only on entrepreneurs (see Figure 2), in parallel to the general culture differences, Israeli entrepreneurs had stronger needs for autonomy and affiliation than did U.S. entrepreneurs. One explanation for Israeli entrepreneurs' higher need for affiliation than their American counterparts is that in a collectivist, egalitarian, and informal society like Israel's, success in the entrepreneurial role depends to a great extent on social networks and personal contacts with key individuals (friends and family) who facilitate company start-ups (e.g., through personal loans). Israelis with high needs for affiliation are more likely to develop the necessary support network critical to the start-up. In contrast, the U.S. is a less intimate society, more dependent on formal social structures. "Working the system" by following institutional rules and procedures may be the key to garnering support for the start-up (e.g., through financial institutions and venture capitalists), thus attenuating the need for affiliation.

Contrary to the general culture differences, American and Israeli entrepreneurs do not differ significantly on needs for achievement and dominance, suggesting that the main effects for culture on these two needs are accounted for solely by differences between managers. Parallels among entrepreneurs' needs across cultures replicate McGrath et al.'s (1992) findings, even though these authors measured entrepreneurs' perceived value (not need) contrasts with other professional (not managerial) samples.

With the erosion of walls between nations and cultures, there is a growing need to understand if and how differences among people affect work behaviors. Cultural self-representation theory provides a framework to predict and understand such differences, and this study demonstrates empirically that these differences are manifested in work-relevant needs. Given the relationship between motivational needs, behaviors (Pritchard and Karasick 1973) and success (Sheridan and Slocum 1975), these findings are relevant to companies with people and interests in different countries.

## BIBLIOGRAPHY

- Adar, G. 1982. *Occupational prestige in the Kibbutz*. Haifa, Israel: University of Haifa, the Kibbutz University Center, the Institute for Study and Research of the Kibbutz and the Cooperative Idea.
- Adler, N.J., Campbell, N., and Laurent, N. 1989. In search of appropriate methodology: from outside the people's republic of China looking in. *Journal of International Business Studies* 20:61-74.
- Bass, B., and Eldridge, L. 1973. Accelerated managers' objectives in twelve countries. *Industrial Relations* 12:158-171.
- Bird, B.J. 1989. *Entrepreneurial Behavior*. Glenview, Illinois: Scott, Foresman and Company.

- Black, J.S., and Porter, L.W. 1991. Managerial behaviors and job performance: A successful manager in Los Angeles may not succeed in Hong Kong. *Journal of International Business Studies* 22:99-114.
- Blais, R.A., Toulouse, J., and Clement, B. 1990. International comparisons of entrepreneurial motivation based on personal equation, hierarchical analysis and other statistical methods. *Proceedings, International Council for Small Business*.
- Blasi, J.R. 1986. *The Communal Experience of the Kibbutz*. New Brunswick: Transaction Books.
- Brockhaus, R.H. 1982. The psychology of the entrepreneur. In C.A. Kent, D.L. Sexton, and K.H. Vesper, eds., *Encyclopedia of Entrepreneurship*. Englewood Cliffs, NJ: Prentice Hall, pp. 39-55.
- Brockhaus, R.H., and Horowitz, P.S. 1986. The psychology of the entrepreneur. In D.L. Sexton and R.W. Smilor, eds., *The Art and Science of Entrepreneurship*. Cambridge, MA: Ballinger, pp. 25-48.
- Brockhaus, R.H., and Nord, W.R. 1979. An exploration of factors affecting the entrepreneurial decision: Personal characteristics vs. environmental conditions. *Academy of Management Proceedings*, pp. 364-368.
- Charih, M. 1991. *Culture and Management: A Bibliography*. Ecole Nationale D'Administration Publique à Hull, Quebec, Canada.
- Christopher, R.C. 1983. *The Japanese Mind*. New York: Fawcett Columbine.
- Elron, E., and Gannon, M.J. 1992. The Israeli kibbutz. In M.J. Gannon, *Cultural Metaphors: Capturing Essential Characteristics of 17 Diverse Societies*. University of Maryland, Working paper.
- Erez, M., and Earley, P.C. 1993. *Culture, Self-identity and Work*. New York: Oxford University Press.
- Farmer, R.N., and Richman, B.M. 1975. *Comparative Management and Economic Progress*. Homewood, IL: Irwin.
- Fineman, F. 1977. The achievement motive construct and its measurement: Where are we now? *British Journal of Psychology* 68:1-2.
- Gannon, M.J. and Associates 1994. *Understanding global cultures: Metaphoric journeys through seventeen countries*. Newbury Park, CA: Sage Publications.
- Gartner, W.B. 1988. "Who is an entrepreneur?" is the wrong question. *American Journal of Small Business* 12(4):11-32.
- Harpaz, I. 1990. The importance of work goals: An international perspective. *Journal of International Business Studies* 21:75-93.
- Hofstede, G. 1980. *Culture's consequences: International Differences in Work-related Values*. Beverly Hills, CA: Sage Publications.
- Hofstede, G., and Bond, M.H. 1988. The Confucius connection: From cultural roots to economic growth. *Organizational Dynamics* 16:5-21.
- Johnson, B.R. 1990. Toward a multidimensional model of entrepreneurship: The case of achievement motivation and the entrepreneur. *Entrepreneurship: Theory and Practice* 14:39-54.
- Kogan, N., and Wallach, M. 1964. *Risk-taking: A Study in Cognition and Personality*. New York: Holt.
- Lee, W. 1991. Job involvement and organizational commitment: Data from Americans, and Koreans in Korea, in the U. S. and in Canada. *Proceedings of the 28th Annual Meeting, Eastern Academy of Management*, pp. 382-385.
- Locke, E.A., and Latham, G.P. 1990. *A Theory of Goal Setting and Task Performance*. Englewood Cliffs, NJ: Prentice-Hall.
- Maehr, M.L. 1974. *Sociocultural Origins of Achievement*. Monterey, CA: Brooks/Cole Publishing Co.
- March, J.G., and Shapira, Z. 1987. Managerial perspectives on risk and risk taking. *Management Science* 33:1404-1410.
- McClelland, C.C., Atkinson, J.W., Clark, R.A., and Lowell, E.L. 1953. *The Achievement Motive*. New York: Appleton-Century-Crofts.
- McClelland, D.C. 1961. *The Achieving Society*. Princeton, NJ: Van Nostrand.
- McGrath, R.G., and MacMillan, I.C. 1992. More like each other than anyone else? A cross-cultural study of entrepreneurial perceptions. *Journal of Business Venturing* 7:419-429.
- McGrath, R.G., MacMillan, I.C., and Scheinberg, S. 1992. Elitists, risk-takers, and rugged

- individualists? An exploratory analysis of cultural differences between entrepreneurs and non-entrepreneurs. *Journal of Business Venturing* 7:115–135.
- Ohe, T., Honjo, S., Oliva, M., Considine, M., and MacMillan, I.C. 1989. Entrepreneurs in Japan and Silicon Valley: A study of perceived differences. In R.H. Brockhaus, Sr., N.C. Churchill, J.A. Katz, B.A. Kirchoff, K.H. Vesper, and W.E. Wetzal, eds., *Frontiers of Entrepreneurship Research*. Wellesley, MA: Babson College, pp. 528–530.
- Pritchard, R.D., and Karasick B.W. 1973. The effects of organizational climate on managerial job performance and satisfaction. *Organizational Behavior and Human Performance* 9:126–146.
- Sexton, D., and Bowman-Upton, N. 1985. The entrepreneur: A capable executive and more. *Journal of Business Venturing* 1:129–140.
- Shane, S.A. 1992. Why do some societies invent more than others? *Journal of Business Venturing* 7:29–46.
- Shapiro, A., and Sokol, L. 1982. The social dimensions of entrepreneurship. In C.A. Kent, D.L. Sexton, and K.H. Vesper, eds., *Encyclopedia of Entrepreneurship*. Englewood Cliffs, NJ: Prentice Hall, pp. 72–88.
- Shaver, K.G., and Scott, L.R. 1991. Person, process, choice: The psychology of new venture creation. *Entrepreneurship Theory and Practice* 15:23–45.
- Sheridan, J.E., and Slocum, J. 1975. The direction of the causal relationship between job satisfaction and work performance. *Organizational Behavior and Human Performance* 14:159–172.
- Spangler, W.D. 1992. The validity of questionnaire and TAT measures of achievement: Two meta-analyses. *Psychological Bulletin* 112:140–154.
- Steers, R.M. and Braunstein, D.N. 1976. A behaviorally based measure of manifest needs in work settings. *Journal of Vocational Behavior* 9:251–266.
- Stevenson, H.H. 1985. A new paradigm for entrepreneurial management. In J.J. Kao and H.H. Stevenson, eds., *Entrepreneurship: What It Is and How to Teach it*. Boston, MA: Harvard Business School, pp. 40–67.
- Van de Ven, A.H., Venkataraman, S., Polley, D., and Garud, R. 1989. Processes of new business creation in different organizational settings. In A.H. Van de Ven, H.L. Angles, and M.S. Poole, eds., *Research on the Management of Innovation: The Minnesota Studies*. New York: Harper & Row, pp. 221–240.
- Waldinger, R., and Aldrich, H. 1990. Trends in ethnic business in the United States. In R. Waldinger, H. Aldrich, and R. Ward, eds., *Ethnic Entrepreneurs: Immigrant Business in Industrial Societies*. Newbury Park, CA: Sage Publications, pp. 49–78.
- Waldinger, R., McEvoy, D., and Aldrich, H. 1990. Spatial dimensions of opportunity structures. In R. Waldinger, H. Aldrich, and R. Ward, eds., *Ethnic Entrepreneurs: Immigrant Business in Industrial Societies*. Newbury Park, CA: Sage Publications, pp. 106–130.

## APPENDIX

**Need for achievement** was measured with five Manifest Needs Questionnaire (MNQ) Likert scale items (“I do my best work when my job assignments are fairly difficult. I try very hard to improve on my past performance at work. I take modest risks and stick my neck out to get ahead at work. I try to avoid any added responsibilities on my job. I try to perform better than my co-workers.”). Cronbach’s alpha reliability was .60.

**Need for affiliation** was measured with four MNQ questions (“When I have a choice, I try to work in a group instead of by myself. I pay a good deal of attention to the feelings of others at work. I prefer to do my own work and let others do theirs. I find myself talking to those around me about non-business related matters.”). Reliability was .47.

**Need for autonomy** was measured with four of the five MNQ questions (“In my work assignments, I try to be my own boss. I disregard rules and regulations that hamper my personal freedom. I consider myself a “team player” at work. I try my best to work alone on a job.”). Reliability was .52.

**Need for dominance** consisted of four of the five MNQ questions (“I seek an active role in the leadership of a group. I strive to be in command when I am working in a group. I find myself organizing and directing the activities of others. I strive to gain more control over the events around me at work.”). Reliability was .72.