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**Article**

## Model of Entrepreneurship and Social-cultural and Market Orientation of Small Business Owners in Poland

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**DANUTA WALCZAK-DURAJ\***

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**Model of Entrepreneurship and Social-cultural and Market  
Orientation of Small Business Owners in Poland**

**Abstract**

*The subject of considerations of the text are the dominant socio-cultural and market orientations of small business in Poland. These orientations are related to the four dominant models of entrepreneurship in Poland: disaster, evolutionary, system and ethical, while their analysis is performed for three basic perspectives. Firstly, from the perspective of the basic functions that can perform these orientations in the development or slowing of the enterprise market. Secondly, from the perspective of the dynamics of technological change and accompanying uncertainties in the sphere of business. Thirdly, the spatial perspective: local, regional and global scales.*

*In the development of SMEs in Poland crucial meaning is legislation, steadily adapted to EU regulations, especially to the European Charter for Small Enterprises. Research conducted in Poland by many authors provide data for doing so, to confirm the hypothesis that among small businesses a vital role in shaping their work situation did not continue to play the market mechanisms and orientations, but mainly socio-cultural factors.*

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## **1. Introduction**

A thesis saying that owners of small and medium-sized enterprises (SMEs) are an embodiment of entrepreneurship being the basis of market economy is quite commonly accepted in the literature dealing with small business. Moreover, SMEs are considered to be the basis of economic development both in highly developed countries and in countries not having long traditions in the field of market economy. Hence, small and medium-sized enterprises are becoming an object of interest both of the government, regional and local authorities and also various agencies, organizations and associations in Poland and in the entire European Union. This interest shown in SMEs results not only from the fact that they make a significant and positive contribution to the GDP generation but also from the fact that they play an important role in creation of jobs, innovations and investments, in supporting the sector of large enterprises, in imparting growth dynamics to poorly economically developed regions, or in creating networks of close cooperation with abroad, which is often based on a high degree of mutual trust. Simultaneously, it is commonly recognized that a peculiar characteristic of small businesses is their high susceptibility to a business failure. Sources of these failures experienced by SMEs are considered to be: lack of skills and sufficient experience among their managers, negligence in the field of some aspects of their operational activity, insufficient system of control and unavailability of updated information, shortage of capital or financial resources. These factors are balanced, however, by such factors paving the way for the success of these enterprises as: an entrepreneur's hard work, their development orientation and readiness to make sacrifices, demand for their products, or simply good luck (see: Griffin 2001, pp. 733–735).

For a sociologist it is equally important that they also play a valuable role in creating and supporting the spirit of entrepreneurship, without which no economy can develop effectively during a longer time. It is also for this reason that this presentation will be based on leading social-cultural and market orientations of small business owners in Poland. These orientations as regards their content, structure and dynamics can be, to a large extent, both a factor stimulating and slowing down the process of market entrepreneurship development. This is due to the fact that development of entrepreneurship in the contemporary market economy is largely determined, on the one hand, by a high dynamics of technological changes and, on the other hand, by a high dynamics of uncertainty in business activities both those carried locally or regionally and those of global character. The best example here can be the present economic crisis and its effects.

Of course, it is impossible to present and assess socio-cultural and market orientations of Polish small business owners in a comprehensive manner without making reference to the main concepts and problems being important from the viewpoint of this research topic such as: the concept of small and medium-sized enterprises, the concept of entrepreneurship and criteria distinguishing it, the role of importance of SMEs for the national economy, the main prerequisites behind their revival in Poland, or also barriers encountered by them in their operation and growth, in particular, after Poland's accession to the European Union.

## **2. Entrepreneur – entrepreneurship – theoretical perspective**

Such concepts as: entrepreneur and entrepreneurship require an interdisciplinary approach due to their different dimensions, as they are used not only in sociological sub-disciplines such as: sociology of work, sociology of organization, sociology of market, economic sociology, but also in many sub-disciplines of economy, for instance, in institutional economy. Contrary to misleading appearances, such situation does not facilitate their operationalization for research purposes. The problem already appears when an attempt is made to define the concept of an entrepreneur running his own business in the sector of SMEs or the concept of a small business. In the 1980's the image of an entrepreneur in the American economy boiled down to a definition that it was a person setting up his own business wishing to avoid 'wage or salaried employment' (Gruszecki 1994, p. 24). This definition should be supplemented in the Polish conditions of the 1990's and the first years of this century adding that in many cases it is a person, who does not have any opportunity of finding a gainful employment elsewhere due to conditions prevailing in the labour market. However, the threat of unemployment cannot be treated as a leading motivation for starting up one's own business, because at the same time when 1.5 million persons started up their businesses, about 3 million remained jobless.

There is also a problem of making reference by a sociologist to the theory of entrepreneurship explained from the economic perspective, which dominants in the literature of this subject. It can involve difficulties connected with adjusting different methodological approaches, which are due, in particular, to a big diversity of accepted units of analysis and their levels. For example, entrepreneurship is treated both as an integral characteristic of an organization and as an aggregated unit being a resultant of characteristics of an organization's members or individual behaviours. Although the research interest shown in

entrepreneurship has a history of 200 years, no consensus as regards its definition or in working out its cohesive theory has been reached (see: Piasecki 1997; Kraśnicka 2002; Bławat 2003). Obviously, all researchers dealing with this problem make reference, to a smaller or bigger extent, to Joseph Schumpeter's concept (1960, p. 104), for whom the concept of *entrepreneurship* was close to such categories as: *development*, *progress* or *innovation orientation*, because entrepreneurship can be generally understood as a way of implementing 'new combinations' of factors of production, which can take place in such fields as: a new product, new technological solutions and production methods, entering a new market, acquiring new sources of finance, materials and raw materials, procurement products, or creating new forms of industrial organizations.

It is for this reason that the vast majority of Polish SME owners operating especially in a local market tend to copy or imitate the already known methods in their manufacturing or service activities and, in particular, in trade. Consequently, they do not fulfill entrepreneurship criteria defined in this way. It was confirmed, for instance, by quite comprehensive empirical researches carried out in different periods among small business owners in the Lublin Region of South-Eastern Poland (Jezior 2009).

Numerous attempts to systematize the theory of entrepreneurship and functions of an entrepreneur can be found in the Polish literature. In the theory of entrepreneurship there are distinguished theories of pure uncertainty and pure innovation, theories of uncertainty and innovation propensity or theories of perception and adjustment. Functions of an entrepreneur most frequently mentioned by economists can be said to include: taking a risk, providing capital, launching innovations, taking decisions, leadership and management, organization and coordination, concluding contracts and arbitration, reallocation of resources. Several types of an entrepreneur and entrepreneurship definitions can be distinguished approaching the problem in a systematizing way. First of all, these are functional definitions referring to economic functions in entrepreneurial activities or in the economy. Their precursors were: Richard Cantillon, Jean Baptiste Say or Joseph Schumpeter. Other definitions refer to personality traits of individuals-entrepreneurs and, in particular, to sources of entrepreneurship of a psychological nature (for instance, need to achieve, ability to take risks) and sociological (for instance, social and cultural determinants, family traditions, educational background etc.).

An important role is played, particularly, by a cultural approach to entrepreneurship, where the object of analysis and studies are primarily cultural determinants, systems of value or behaviour models, attitudes, life styles and so on (e.g. Berger 1994; Kraśnicka 2002; Bartoszek 2003), although it is the

German economist and sociologist – Max Weber (1994) who is usually treated as a precursor of this approach.

There can be also distinguished definitions deriving from the behavioural theory of entrepreneurship approaching entrepreneurship in categories of managerial behavior or a specific mode of management (Haber 1995, p. 80; Piasecki 1997, pp. 33, 127). The most commonly used terms connected with entrepreneurship issues include: innovation propensity, creativity, and readiness to take risk. It is underlined here that the authors of these terms usually link the entrepreneurship category with characteristics of an entrepreneur, with predominant among them being characteristics useful in defining entrepreneurship (Bratnicki, Strużyna 2001, p. 38). Witold Morawski, describing characteristics of *homo oeconomicus* points at entrepreneurship as a kind of rare capital resource, whose essence lies in an effective use of capitals-resources, for example, financial, human, social possessed by *homo oeconomicus* (Morawski 2001, p. 25).

Four dominant entrepreneurship models: spontaneous, evolutionary, systemic and ethical entrepreneurship can be distinguished applying cultural approaches to the market economy emerging in Poland. The first type of entrepreneurship – **spontaneous entrepreneurship** is a model of entrepreneurship characterized by a class of old and new elements but also a process of shaking to their roots and collapse of old moral and ethical principles and, thus, social sanctions linked with them. Analyzing this model of entrepreneurship in three dimensions: mental, socio-centric and valuating, a conclusion can be reached that spontaneous entrepreneurship has mainly a negative character and it is connected, to a big degree, with criminal activity. What is meant here are primarily: setting up fictitious businesses, conning customers, a negligent attitude to ensuring elementary conditions for employees in the field of work safety, an illegal employment, and so on. It can be added that an egocentric and deliberate breaking of law and principles of social coexistence is frequently inscribed into informal, corruptive ties with the world of political, which makes this type of entrepreneurship and entrepreneurs a very interesting object of investigations and debates in media. **Evolutionary entrepreneurship** is based in Poland on the American myth ‘from rags to riches’ rather than on a competitive myth in relation to it and an unethical myth saying that in order to become somebody in business ‘the first million should be stolen’. The model of evolutionary entrepreneurship assuming many stages in reaching a goal, persistence, drive to professionalize one’s professional and managerial skills existed in its clear form in Poland at the beginning of systemic transformation in the 1990’s when representatives of many professional groups were starting their business activity in production, trade or services. Of course, although this model

made reference to the 'American dream', it underwent a major modification due to cultural, economic, systemic or time variations. The majority of contemporary 'old' middle class in Poland and, thus, the active class in traditional forms of social activity connected with small-scale manufacturing, small trade or services, were mainly old white collar employees and workers, who 'were escaping' into a business activity before an anticipated economic and social deprivation, an imagined or real danger of losing jobs in collapsing, closed down, privatized and also restructured large enterprises or various state administration institutions. At the beginning of economic transformation period only every sixth representative of the middle class in Poland had a contact with a private business activity earlier. It should be also noted that in the early years of the middle class formation in Poland, with a significant part of it composed of small business owners, there could be observed a marked 'over-representation' of persons with university diplomas in it (Matuszak 1992). That peculiar 'escape forward' had, however, a significant impact on the sense of group identity. Less than every fourth private entrepreneur identified himself with the middle class and over two-thirds of respondents were unable to define their group membership. According to Grzegorz Matuszak (1992, p. 106): *Engineers with different specializations, lawyers, physicians, artists, politicians, economists and, thus, persons with higher education diplomas carrying this private business activity had the biggest doubts connected with their real collective membership. They defined themselves as 'disappointed intelligentsia', 'fighting intelligentsia', intelligentsia attempting to preserve their own standard (a lawyer running a service firm), or also with a large dose of sarcasm as (...) a group of people with the university background forced by their low incomes to start up a private business (a statement made by an engineer engaged in wholesale and retail trade).*

The third model of entrepreneurship, which emerged in Poland, was **systemic entrepreneurship**, which should be referred to the already more developed market economy, in which the State acts as a supporter and protector of business activity open to wide social circles including the youth prepared by the school system to start up business activity both from a purely professional side and owing to its developed desirable entrepreneurial attitudes and behaviours (initiative, resourcefulness, assiduity, responsibility, honesty in achievement of goals and so on). Generally speaking, although the idea of small business is of a great importance in Poland, it is not the State but mainly non-governmental organizations which provide, for example, a better support for small business owners both in the field of training and organizational and financial support.

The fourth model of entrepreneurship is **ethical entrepreneurship**, in which reference can be found in entrepreneurs' everyday business activities to religious, philosophical or cultural systems. This model is only emerging and it will be certainly inscribed in a long-term process including new generations (Walczak-Duraj 2002). It can be also called the ethos model of entrepreneurship and, thus, a model based on internalized values and norms of business behaviours.

However, irrespective of the entrepreneurship model, to which we refer, there will be always appearing an interrelationship between the concept of entrepreneurship along with the concept of an entrepreneur and getting a job. It is so, because entrepreneurship is not only a form of activity allowing to make one's living but also a way of life. And in this approach work itself should be treated as an expression of individuals' entrepreneurial behaviours. Hence, despite difficulties in the way in which these leading concepts are operationalized, it can be accepted for purposes of this article that entrepreneurship of individual persons is realized in their work, which does not necessarily have to be a gainful employment. That is mainly so, because a factor linking the theories of entrepreneurship, work and enterprise is a person carrying a business activity or working for an organization. It justifies the necessity of focusing attention on characteristics of a firm, owners themselves, on their system of values, professional motivation, ways of job creation and their evaluation, as well as on their way of perceiving various phenomena in the economy and the labour market.

### **3. Role played by legal regulations pertaining to the SME development**

The Polish literature of the subject distinguishes, at least, three groups of factors characterizing the small business category. These are: individual factors created by the existing situation based on determinants selected subjectively (for example, pointing at functions performed by these businesses in mutual relations, scale of transactions with a customer, size of possessed assets or their general potential). Consequently, criteria of their classification are not always transparent enough and explicit. They include utilitarian criteria resulting from research needs, which also allows to apply different criteria according to researchers' needs; factors based on classification principles recognized by the state administration and, in particular, quantitative principles (number of employees and other persons working in a firm, value of annual turnover (sales) or value of capital (Strużyna 2002, p. 15 ff.). In practice, however, the classification of business units is based on two criteria: quantitative (e.g. number



of employees and other persons working in a firm, value of annual sales and value of fixed assets) and qualitative criteria (e.g. financial independence, unity of a firm's ownership and management, organizational structure, market share). It is also for this reason that the small business sector is approached jointly with the self-employment category and it is treated as one category of business units called the SME sector, small business or small firms (enterprises). Thus, although different types of entrepreneurship and entrepreneurs themselves along with differences in performed functions and entrepreneurs' behaviours can be found within a broadly understood SME sector, employment itself is considered to be the simplest organizational form of entrepreneurial activities. Self-employment commonly means work on one's own account, and a self-employed person – a person working in his own firm. Treating self-employment as a sociological-economic category, it is worth recalling Knight's (1971) already classical concept emphasizing control and responsibility, which leads ultimately to a conclusion that a self-employed person is an entrepreneur according to the theory of entrepreneurship.

It is usually a legal-organizational criterion, which decides about classifying an enterprise as a small business. It causes that a small business is considered to be a firm, in which the number of persons employed does not exceed 5 persons (including the owner), although one-person business units dominate in this group of firms in Poland. It is also necessary to remember about the qualitative criterion, which is primarily prompted by the fact that survival of a firm and an enterprise are linked together in many different dimensions. For example, according to Drucker the number of hired employees is not sufficient when defining a firm's size, because an important role is played here by the management's structure and behaviours, and by geographical factors (spatial dispersal). Hence, in Drucker's opinion (Drucker 1998, p. 248) a firm's size is a derivative of the management structure and the scope of planning. Nonetheless, the main source of legal regulations concerning SMEs in the European Union is the European Commission's Recommendation of 3<sup>rd</sup> April 1996 (96/280/EC), which is based mainly on quantitative criteria. These criteria distinguish: a microenterprise employing less than 10 persons; a small enterprise employing between 10 and 49 persons; a medium-sized enterprise employing between 50 and 249 persons. Other observed criteria are: a financial criterion and an independence criterion. Consequently, a full and comprehensive definition of small and medium-sized enterprises assumes that such economic units should fulfill three conditions: employ less than 250 persons, record annual sales not surpassing 40 million euro or record sales not exceeding 27 million euro in the balance-sheet, and fulfill the independence criterion.

Although this Recommendation does not have binding powers for its addressees, the Polish legislation till 2003 (Law of 19<sup>th</sup> November 1999) contained significant similarities in this respect and also some variations. It did not contain the definition of small and medium-sized enterprises. Instead it had a definition of a small and medium-sized business owner. However, it can be said that it was a terminological difference and it did not play any significant role. Other variations (which will not be analyzed here in any greater detail) were, however, quite important. For example, the Polish Economic Activity Law (1999) did not contain the definition of a microenterprise but, simultaneously, it required that the definition should be properly adjusted to the EU classification in the field of researches and statistical documents. Moreover, when defining the concept of independence of an enterprise it did not mention any exceptions in this case. The Polish Law of Economic Activity Freedom of 2<sup>nd</sup> July 2004 made allowances for most changes introduced in the new European Commission's Recommendation of 6<sup>th</sup> May 2003 concerning the definition of SMEs (Journal of Laws EU L 124/36 of 20<sup>th</sup> May 2003, Recommendation No. 2003/361/EC/). The concept of a micro-entrepreneur was introduced, thresholds for each category of entrepreneurs were defined and an explicit condition of an enterprise's independence was replaced with introducing three types of enterprises: an autonomous enterprise, a partner enterprise, and a linked enterprise.

One of reasons behind introducing the new recommendation was expanding the circle of entrepreneurs, who would be able to benefit from the EU's public assistance. The new recommendation has found application in the European Union's countries since 1<sup>st</sup> January 2005 in very important regulations concerning SMEs. They include the so-called **The European Charter Small Enterprises** (in 2000), which is an additional argument supporting a thesis about a very big importance of such enterprises in the European Union. The charter contains an outline of measures, which should be taken by the member countries and the European Commission in order to improve the small business environment. It is worth quoting here a provision saying that (...) *small enterprises should be perceived as the main driving force of innovations, employment and local integration in Europe* (The European Charter Small Enterprises, p. 7). The Charter contains: 6 main principles promoting measures to be taken to support small businesses; 8 obligations concerning promotion of entrepreneurship and small business policy including its promotion at the highest government level in such way that needs of these enterprises are incorporated in them; and 10 obligations of taking measures in accordance with the accepted promotion directions. It should be added that the Small Business Charter has been also accepted by Poland. Recalling the above mentioned regulations and obligations is very important for the following two main reasons.

The first of them is of a purely economic nature and concerns the structure of economic units in Poland. According to data published by the Central Statistical Office (2003; 2005; 2007), in the years 2001–2006 jointly micro, small and medium-sized enterprises clearly predominated (and still predominate) in the total number of enterprises in all regions of Poland. In 2001 they made up 99.78% and in 2006 – 99.92% of all economic units. Microenterprises (employing less than 9 persons) represented 95.1% and in 2006 – 95.04% of all such firms. Hence, a question appears here about the share of micro, small and medium-sized enterprises in Poland in generation of the Gross Domestic Product (GDP) understood as the sum of gross value added of all domestic institutional sectors or also all sections of the national economy increased by different payments according to prices, in which the gross value added being the main element of GDP is calculated. The national accounts including GDP are estimated according to the so-called institutional sectors and the sector ‘abroad’.

**The domestic institutional sectors** include: the sector of enterprises; the sector of financial and insurance institutions; the sector of government and self-government institutions; the sector of households; the sector of not-for-profit institutions; and the sector of services for households. The data published by the Central Statistical Office show that the sector of enterprises has the biggest share in the GDP generation in Poland (for instance, its share ranged from 39.0% to 41.3% over the years 1999–2005), and within this sector the subsector of domestic private firms has the biggest share in generating the gross value added. Moreover, according to data published by the Polish Entrepreneurship Development Agency in the form of collective reports, the SME sector’s share in generation of the gross value added by the sector of enterprises (according to their size classes) including the value added generated by enterprises operating in the so-called ‘informal zone’ reached about 50.0%–55.0% in the years 1999–2005. Consequently, it can be said that the SME sector has a very big share in generation of the gross value added and in this way the Gross Domestic Product.

The most important determinants of development of the national economy include not only the GDP but also innovation-oriented activities (understood as the process of a new product commercialization or a new process introduction having an economic value) undertaken, among other units, by enterprises. Over the years 2004–2006 (Central Statistical Office, 2007) the share of innovative enterprises in entire industry totaled 23.2% (of which: enterprises with 10 to 49 employees only 13.2%, from 50 to 249 employees – 37.4% and over 249 employees – 65.5%). The share of innovative service enterprises in the sector of services reached 21.2% (of which, small enterprises – 16.9%; medium-sized enterprises – 34.8%, and large and very large enterprises – 53.5%). The next important factor exerting an influence on the state of Polish National economy is

the size of employment in the SME sector. It should be noted that according to the methodology adopted by the Central Statistical Office an employed person is considered to be a person having a gainful job (bringing a wage or an income). Detailed data (Central Statistical Office, 1999; 2000; 2002; 2003; 2004; 2005) show that among enterprises analyzed in the years 1999–2005 the share of SMEs with regard to the number of employed and other working persons prevailed in comparison with other sectors reaching on average about 57.0%, of which in the private sector – about 64% and in the public sector – about 51.0%. Taking into account the above data, the first reason concerning the role and importance of the SME sector can be considered to be fully justified.

The other reason justifying the interest taken in legal regulations (and their interpretation) concerning SME activity refers to the scale and complexity of various types of restrictions, which account for the fact that these enterprises operate in conditions of a big uncertainty and a big risk in Poland. Both in the literature, in economic publications, and in business practice there can be found a different degree of variations and detailed character of factors, which can hamper, check or virtually restrict the operation and development of small and medium-sized enterprises. These factors are usually called barriers and they include: legal barriers, market and social barriers, financial barriers, barriers resulting from the economic policy, barriers connected with a difficult access of entrepreneurs to information, or barriers connected with the state of infrastructure. Our attention in these deliberations will be focused on barriers resulting from dominant social-cultural orientations or a dominant system of values finding their expression in attitudes and opinions of entrepreneurs themselves, who very often identified numerous barriers and restrictions connected with development of their firms during the last twenty years. It should be remembered here that opinions about their work situation formulated by entrepreneurs themselves are shaped not only by their biographies but also by definite frames created by cultural and social factors. It is due to the fact that changes in the social and economic order taking place in Poland accompanying the transformation process are translated into individual valuating orientations and professional careers. These socio-cultural orientations of Polish entrepreneurs will be presented on the basis of the most representative sociological studies carried in many academic centres in Poland.

#### 4. Orientations at values connected with work

When speaking about specific orientations at values of small business owners in Poland, I have in mind certain generalized trends of perceiving, valuating, experiencing and responding to the social reality and, particularly, its part connected with the field of work. They contain, first of all, certain basic categories of valuation, recognition and experiencing objects being perceived. It is accepted here that values exist not only in awareness of individuals but they are also elements of culture, which results in their social character. Two main recruitment attitudes connected with reasons and circumstances of taking a decision about setting up one's own business can be distinguished. The first of them is an implication of a relatively advantageous professional background mainly of a high level of education, a specialized learned profession, an earlier experience connected with work at the position of a specialist or a manager. These properties promoted professional mobility or running a little bigger firm and they translated into successes such as: job satisfaction or good economic standing of a firm. This category of entrepreneurs is characterized with the highest professional orientation, orientation at self-fulfillment, at meritocracy, value of work and entrepreneurship. The other different group of premises laying at the foundations of setting up a small business in Poland is remaining an unemployed person before starting up a business. Unemployment performed clearly a function of a factor gaining a growing importance in successive years both in the dimension of personal experience and among reasons for working 'on one's own'. In both approaches it more often concerned women, persons with a relatively low education, or those coming across difficulties in the labour market. Experiencing unemployment accompanied a defensive professional motivation and a pessimistic orientation, and it tended to reduce chances for appearance of an orientation at work, self-fulfillment, or professional and meritocratic orientation. It also accompanied unfavourable indices of professional and economic achievements. Both categories of recruitment factors have a character of a syndrome of characteristics and they both exerted an influence at the stage of making a decision about running one's own business, defining particular aspects of one's work situation, and in the field of professional results including economic results.

Two main orientations can be distinguished in characteristics of Polish entrepreneurs. They are: *material* and *self-fulfillment* orientations. The first of them is treated as an expression of a consistent orientation at economic aspects in the field of work, preference given to incomes both at the level of functions and goals of work, and in attitudes to employment, that is, perceiving one's activities in the field of work from the viewpoint of their economic effects.

The *self-fulfillment orientation* is, first of all, an expression of aspirations of an individual's broadly understood personal, spiritual and intellectual development including skills and predispositions to express oneself through work in a creative way. These criteria are also elements of entrepreneurs' qualifications. Introducing the social orientation implies here that they include Polish social and cultural traditions, which is confirmed by findings of many studies pointing at a high rank of the family and human ties, sense of belonging to a community, and importance of positive relationships with coworkers in the work environment.

Two opposite orientations, which can be distinguished among Polish entrepreneurs, are *professional* and *entrepreneurial orientations*. They supplement, to some degree, the self-fulfillment orientation. The *professional orientation* consists in focusing primarily on characteristics of education, knowledge, professional background (understood mainly as professional competence) and using these characteristics as criteria of valuation of a performed work and employee skills, factors of individuals' allocation in the labour market and rights of holding appropriate positions in the society's social and material structure. The *entrepreneurial orientation* focuses on characteristics, which are an element of entrepreneurs' universal qualifications or entrepreneurial qualifications. The key elements can be said to include: achievement of self-fulfillment through business activity, directing one's aspirations at a firm's development including investments, perceiving the economic environment mainly in the light of chances for success of a business. Taking into account the last one of the above characteristics this orientation can be called '*market optimism*'.

Moreover, the *orientation at value of work* understood as stressing the importance of work in categories of a value giving sense to one's life and also creating a duty of being assiduous can be also distinguished here. It is expressed in concentration on values of the work process itself as a basis for satisfying the need of an active life and shaping positive emotional experiences, with work being treated as a recommended principle of social activity.

The next orientation called the *meritocratic orientation* is based on an assumption saying that everyone who possesses appropriate qualifications and shows an involvement in work should achieve proper results in the form of socio-professional and material position. This orientation allows to observe how people perceive opportunities to realize the values of work, education or profession in definite economic conditions governed by market mechanisms. The last orientation distinguished among Polish small business owners is the *orientation – market pessimism/pessimistic*. It is understood here not so much as a type of orientation in the meaning of one's preferences but as a symptom of

using negative criteria in evaluation of a real situation in the Polish market. It means that the reality is perceived in the light of connections and informal contacts, corruption, economic crisis, erroneous government policy, pauperization of the society, closure of sales markets, improper operations of institutions in the labour market, etc. The term *pessimism* refers at the same time to domination of a conviction that social rules are unclear and opportunities of starting a successful professional or business activity by individuals are restricted.

Without analyzing more detailed static characteristics concerning findings of empirical research carried out among Polish entrepreneurs, there should be pointed out the following trends:

- a) Orientations most frequently indicated by respondents are: *material, self-fulfillment* and *social orientations*, which can be found in different socio-professional categories of small business owners and which are, simultaneously, very durable. These orientations are also convergent with dominant elements of the axiomatic order observed in the Polish society.
- b) Work itself represents an appreciated field of entrepreneurs' life, although a stress is laid on its different aspects such as, for example, ensuring a material security for the family, establishing social bonds or self-fulfillment. It should be noted here that small business owners tend to mention more and more frequently the economic (income) function of work.
- c) Small business owners are characterized by a positive attitude to work being expressed, among other things, by professional satisfaction declared by them. Such situation can be observed even when they signal areas of unsatisfied needs or give a negative evaluation of working conditions and characteristics of the market economy in Poland.
- d) Small business owners stress very often meritocratic principles of the social life (how it should be), which is accompanied by opinions about their unsatisfactory realization in practice of the social life.
- e) However, Polish small business owners are characterized by a shortage of entrepreneurial orientation.

A comparative analysis has revealed that valuation criteria of phenomena in the area of work used by entrepreneurs including their perception of economic conditions, the labour market and the unemployment issue appear to be quite similar to those which can be found in the entire Polish society.

It should be also noted that a relationship between orientations at particular values and remaining elements of work situation and achieved results can be clearly observed among small business owners. For instance, satisfaction derived from the present work is promoted by orientations: entrepreneurial, at values of work, self-fulfillment, and meritocratic. On the other hand, a negative

correlation can be observed with market pessimism. Meanwhile, chances of running relatively bigger enterprises and those performing quite well in the market are increased along with a probability of appearance of the two following orientations: entrepreneurial and meritocratic, as well as the orientation at values of work and self-fulfillment.

A general structure of relationships between orientations at values and indices of success leads also to an important conclusion. Namely, it can be observed that professional orientations are linked more strongly with a subjective dimension, personal attitude to work (for example, job satisfaction) and with an orientation at this field of life as a peculiar value, whereas market orientations are linked with the success dimension and here with determinants of a firm's economic standing and its formal characteristics.

On the basis of numerous comparative analyses referring to studies carried out in different periods of time and with a different coverage, there can be observed simultaneously the presence of important factors affecting professional and market experience of small business owners in Poland. Two of them are most visible: a broadly understood self-fulfillment factor and a material or more precisely a material-living conditions factor. It is worth adding here that a high level of the self-fulfillment orientation is favourable for emergence of models of entrepreneurship and rationalization of activities oriented at creation of economic values. It happens so because the self-fulfillment factor is directly proportional to the level of professional skills and to the orientations: at work, meritocratic, professional and entrepreneurial. Accumulation of high values of these factors constitutes a basis for designing effective instruments of coping with the market; it strengthens effectiveness with which professional activity is undertaken, and it paves the way for job satisfaction.

The patterns observed among Polish small business owners revealed in Polish studies can be used in distinguishing the dominant types of these entrepreneurs.

Characterization of the first of these types is based on such key factors as: a relatively high educational background, a specialist professional preparation, a big market experience and involvement in work, an investment propensity, a strong orientation at professionalism, advantages of work process itself and achievement of job satisfaction. The main stimulus for business activity of such entrepreneurs is a need for self-promotion. However, the above set of characteristics allows them to operate quite effectively in difficult market conditions. It is confirmed, for example, by the fact that they run relatively bigger firms recording favourable economic results. Does it mean that they do not perceive the importance of non-material aspects? Certainly not, because income issues appear in the opinions of small business owners as frequently as



in the opinions of other respondents. However, verbalizing their opinions connected with work, they emphasize the importance of self-fulfillment values connected with it and professionalism.

The second type of small business owners includes mainly persons, for whom their own firm creates probably the only opportunity of having a job. They usually have low formal skills, as well as poor abilities of creating a successful business project, which is confirmed by, for example, an unfavourable financial standing of their firms and dissatisfaction with work or living standards. Most of their professional decisions result from a necessity of launching remedial or virtually defensive actions protecting them against unfavourable events in the market environment such as unemployment or worsening of the family's material situation. It is in this category of entrepreneurs that the highest probability of material and pessimistic orientation, as well as a lack of conviction about the real role of meritocratic principles appear. Concentration on the economic sphere is clearly linked with financial difficulties of a household and a firm, which accounts, to some extent, for the domination of this aspect in relation to other expectations towards work. Can, thus, these persons be called entrepreneurs? In accordance with different theoretical approaches – probably 'not'. However, in the context of a relatively high rate of unemployment these persons can be classified as constructive participants of the market.

Complexity of the market situation in Poland causes that orientations, aspirations and expectations of small business owners go in different directions and are quite complex. Hence, it has to be stressed once again that their positive attitude to work and linking a rich set of values and needs with it accompanied by recognizing the importance of work in the normative direction – so common among entrepreneurs – do not always prove to be sufficient to score a success in the market. However, an important role is played by a conviction that in accordance with meritocratic principles work and qualifications really influence an individual entrepreneur's biography in given conditions of the economy and the labour market. An indispensable factor is primarily experience, which will determine whether an active involvement, a well done job and professionalism are a basis of effective strategies of activity in the market economy.

## 5. Conclusion

Summing up, it should be stressed that the findings of research carried out among Polish small business owners confirm a thesis about a decisive role played by socio-cultural factors in shaping their work situation. Basing on an

analysis of many indices a conclusion could be drawn that we are dealing with not so much a radical change in systems of values in response to market challenges after transformations started in 1989 but rather with a phenomenon of making reference to the cultural canon or nucleus, to elements appreciated and ‘transferred’ in time. It is quite obvious that this conclusion does not imply that an important role played by conditions in the market is questioned. It cannot be questioned that market mechanisms and its institutions create the main framework within which small businesses and their owners operate in Poland. However, this group of factors does not have a homogenous impact. Therefore, their real impact can be assessed only jointly with resources possessed by entrepreneurs, with their responses to events in the external environment of an enterprise and with ways of accumulating their professional experience.

It is all the more so as the category of Polish small business owners has many dimensions and it is quite diversified similarly to work and professional potential of particular persons. However, if the market position of firms and satisfaction derived by their owners from running them are accepted to be indices of success, then they represent, first of all, a function of a broadly understood self-fulfillment orientation and high professional skills. Of course, on condition – as it was done in this paper that the definition of self-fulfillment is expanded to include elements of professionalism, entrepreneurship and ability to tap knowledge and skills in practice. A necessary condition is also a conviction that social order is of a meritocratic character. Empirical studies confirm that these elements compose a peculiar syndrome of characteristics. It helps to create constructive and effective models of ‘work on one’s own’ even in difficult market conditions.

Irrespective of divisions and differences occurring within the described social category of small business owners, it should be noted that awareness factors had to outpace the systemic solutions being in force including economic ones. It is also for this reason that an incentive for setting up firms and primarily a determinant of undertaken actions and professional or business effectiveness much more frequently proved to be an individual work potential than opportunities created by the market. Anyway, it seems that the awareness aspect frequently outpaced in the Polish history of shaping the attitude to work the existing form of systemic solutions, which did not keep pace and still do not always keep pace with the process of designing appropriate legal, economic, financial instruments, or with the infrastructure or communications. Therefore, the above conclusions can induce one to ask again the question about presence of entrepreneurial work models in the national and organizational culture.

Of course, the sociological perspective referred to small business owners is only a part of a general theoretical reflection and a research perspective

resulting from it. Consequently, it is worth underlining that the knowledge about small businesses and their owners is still developing. It could be added that it was still quite recently that the concept of small and medium-sized enterprises was restricted exclusively to such enterprises. It was only a short time ago when the SME concept began to include also microenterprises with less than 10 employees. In the past the data about economic effects of their activity were based generally on estimates, and it is only today that they are introduced to regular statistics making allowances for real results of their business activity. Moreover, it is more and more frequently stressed that during the crisis connected with stagflation in the 1970's (the United Kingdom, the USA) and during the present global economic crisis SMEs cope with various difficulties more successfully than large corporations. It should be remembered, however, that the explosion of entrepreneurship during the first stage of transformations at the turn of the eighties in the last century, which took place, in particular, in the sector of microenterprises affected the way in which small business owners perceive their place in the global and local labour markets. Namely, when we treat entrepreneurship as an attitude of exerting an active influence on one's life course, especially in the professional field, then Polish small business owners can be perceived from quite different perspective. In conditions of extreme uncertainty such as the first stage of transformations they adopted an attitude of playing an active role in shaping their destiny unlike many other Polish citizens, who have been displaying claiming attitudes till the present day. In this way they are still forming a socialization environment, which promotes future entrepreneurial behaviours. It can be supposed that chances for appearance of Schumpeter-type entrepreneurs, whose attributive characteristic is innovation propensity will be also bigger.

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## Streszczenie

### **MODELE PRZEDSIĘBIORCZOŚCI ORAZ ORIENTACJE SPOŁECZNO-KULTUROWE I RYNKOWE DROBNYCH PRZEDSIĘBIORCÓW W POLSCE**

*Przedmiotem rozważań zawartych w tekście są dominujące orientacje społeczno-kulturowe i rynkowe drobnych przedsiębiorców w Polsce. Orientacje te odnoszone są do czterech dominujących w Polsce wzorów przedsiębiorczości: żywiołowej, ewolucyjnej, systemowej i etycznej, zaś ich analiza przeprowadzana jest z trzech zasadniczych perspektyw. Po pierwsze, z perspektywy podstawowych funkcji, jakie mogą pełnić te orientacje w procesie rozwoju lub spowalniania przedsiębiorczości rynkowej. Po drugie, z perspektywy dynamiki zmian technologicznych i towarzyszącej im niepewności w sferze działań biznesowych. Po trzecie, z perspektywy przestrzennej: lokalnej, regionalnej i globalnej.*

*W rozwoju MŚP w Polsce podstawowe znaczenie mają również uregulowania prawne, systematycznie dostosowywane do regulacji unijnych, zwłaszcza zaś do Europejskiej Karty Małych Przedsiębiorstw. Badania prowadzone w Polsce przez wielu autorów dostarczają danych ku temu, by potwierdzić tezę, że wśród drobnych przedsiębiorców decydującą rolę w kształtowaniu ich sytuacji pracy odgrywają nadal nie mechanizmy i orientacje rynkowe, ale przede wszystkim czynniki społeczno-kulturowe.*