Factors involved in the success of Hong Kong construction and property entrepreneurs

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Abstract

Purpose – The purpose of this paper is to report a study investigating the success stories of six entrepreneurs in the Hong Kong construction and property field.

Design/methodology/approach – Through in-depth interviews, participants shared their experiences and the factors they perceived as contributing to their success.

Findings – Evidence obtained from the interviews suggests what scholars mean by the Chinese entrepreneurial ethic is best understood as a combination of cultural values and strategizing behaviours.

Research limitations/implications – Data collected in this study were restricted to the construction and property industry. However, the same combination of values and strategies would be an essential factor contributing to success in other industries, and therefore further exploration of this is encouraged.

Originality/value – This paper explores the factors which successful Hong Kong construction and property entrepreneurs regarded as contributing to their success, it adds knowledge to the discussion of whether success can sensibly be explained.

Keywords Hong Kong, Entrepreneurs, Construction industry, Property, Culture

Paper type Research paper

Introduction

Hong Kong’s economic success in the world’s financial markets in the past few decades has captured the attention of aspiring entrepreneurs as well as scholars. Popular literature and weekly magazines such as Asian Week and The Economist frequently publish individuals’ “rags to riches” success stories as examples for others. Most previous research has centered on attempting to describe and explain the mechanisms of this success, and sometimes on predicting Hong Kong’s future (Wong, 1996; Yu,

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Lines of inquiry often go back to the post-World War II period when Hong Kong’s economy began its rapid growth, and have commonly attributed this success to the “Chinese entrepreneurial ethic” (Wong, 1996; Yu, 1997). Claims are that Chinese entrepreneurs’ organizational and management skills in establishing and expanding industries are what has propelled Hong Kong to its current high standard of living and economic influence in the world. These “taipans” (from the Chinese colloquial term for “big boss”) have played a significant role in making Hong Kong what it is today and are likely to influence its future.

Construction and property is regarded as the most influential industry in Hong Kong. Given the high population density and the need to use land wisely, the industry is critical to the economy and does encourage innovative entrepreneurial behaviours in terms of the use of capital, labour and design. Therefore, since the 1970s, many Hong Kong millionaires have developed businesses relating to construction and property. According to government statistics from 1980 to 1999, the construction industry has contributed an average of 5.6 per cent of the total GDP each year[1]. Even in the years of global economic turmoil since 1997, the contribution has not dropped below 5.8 per cent. The gross value of the total construction work performed increased almost ten times from 23.2 to 226.7 billion Hong Kong dollars in the 1980-1999 time period. Contrasting with this increase in gross value, the number of manual workers engaged actually decreased, from a high of 90.5 thousand in 1980 to a low of 55.9 thousand in 1993. In other words, the contribution made by each labourer kept climbing as Hong Kong’s economy grew.

For the few people who own and manage the business, the job is difficult. These construction and property leaders are real “taipans” who have played a significant role in making Hong Kong what it is today. They are influenced by their own perceptions when making decisions; each decision they make not only affects their own business, but can also cause a chain reaction for the entire Hong Kong economy. In addition, the economic climate that has in part been created by their own previous decisions has to be taken into account when making subsequent decisions! Thus, looking in-depth at their viewpoints and experiences can bring new insights into the “factors” involved in the success of Hong Kong construction and property entrepreneurs.

The purpose of the study presented in this paper was to apply a more systematic and methodical approach to tease out the commonalities in the success stories of particularly successful individuals in the construction and property field. This paper deals with their experience and reports the factors they see as contributing to their success. The abundant business, psychological and sociological literature on personality traits, decision making, and risk attitude were reviewed to produce in-depth interview questions, which were then applied to six Hong Kong high-profile professionals in the construction and property field. Criteria for inclusion in the study included holding the position of Chairman or Director of a company, as well as widespread recognition as being at the top of their chosen field. All were multi-millionaires or even billionaires. These six individuals agreed to participate as long as strict confidentiality was maintained. Therefore, no names or revealing details will be shared in this report. It is hoped that the data collected from these extremely high-powered and successful Hong Kong businessmen will contribute to a better understanding what factors contribute to their success.
Literature review

The literature reviewed in this paper focuses on two aspects. First, to better understand and access the right people for the study, the concepts of “entrepreneurs” (and “intrapreneurs”), with reference to the specifics of the construction and property industry in Hong Kong, have been articulated. Second, the widely accepted explanation of Hong Kong’s economic success – the “Chinese entrepreneurial ethic” – has been re-examined, and this has provided a starting point for studying Hong Kong construction and property entrepreneurs.

Entrepreneurs (and intrapreneurs)

Entrepreneurs are persons who bear the risk and face the uncertainty of an activity (Blaug, 1991). Those activities are market or commerce oriented. Entrepreneurship is the ability to create and build something from practically nothing (Timmons, 1989; Timmons et al., 1990). These people are the founders of businesses for the purpose of profit and growth. They show initiative, are innovative, profit-motivated, risk-taking and able to see and evaluate business opportunities (Chell et al., 1991). Harwood (1982) has a similar definition that an entrepreneur is a person who “takes initiative, assumes considerable autonomy in the organization and management of resources, shares in the asset risk, shares in an uncertain monetary profit, and innovates in more than a marginal way” (Harwood, 1982, p. 98). However, entrepreneurs are not assured of success. Failure must be accepted as a valuable experience and historically most have succeeded only after experiencing many failures. This raises another concern, namely how to assess whether an entrepreneur is “successful” and whether the entrepreneurial-led businesses perform well. Therefore, in this paper, following Jennings et al.’s (1994) categorization, successful entrepreneurs are defined as those who have excelled and reached the top in their chosen fields and have become multi-millionaires. Three of the six individuals participating in this study thus qualified as entrepreneurs.

Persons who are neither the originators nor founders of the business, but operate in an entrepreneurial way from within an established organization were also accessed in this study. This is simply because of the fact that this situation is common in Hong Kong’s construction and property industry. Apart from the few well-known entrepreneurs who established the leading construction and property companies many years ago, there are actually quite a number of key persons in many large companies performing organizational tasks, managing and manipulating the company. These people are known as “intrapreneurs” who work in large already successful corporations (Macrae, 1976). Intrapreneurs are, on one hand, similar to entrepreneurs in that they have initiative, are innovative, risk-taking and able to implement new ideas within the organization. On the other hand, intrapreneurs are different from entrepreneurs in that they are neither the originators nor founders of the business (Pinchot, 1985). They are the key persons of the organization; they can operate at many levels in the business, ranging from chief executives to departmental managers.

Intrapreneurs have their distinct personal characteristics and management roles (Md-Nor, 1992). They have a sense of creativity, an innovative spirit, are venturesome in their behaviour and put their personal careers on the line. They have a sense of independence that precludes emulating their superiors. They show initiative, take risks
and are strategic planners. They have to be able to manage well and to administer their companies flawlessly or else they will fail, and their management roles are often as initiators of new developments, new strategies, new products, or new services. In contrast to entrepreneurs, intrapreneurs are assured of success because by definition what people mean by intrapreneurs are those who have reached the top in the chosen field (Jennings et al., 1994). Such success in large corporations can lead to wealth that may include a huge salary, stock options and bonuses. In other words, success or failure for intrapreneurs often means the determination of upward mobility in terms of higher management opportunity. Three of the six participants of this study qualified as intrapreneurs.

The Chinese entrepreneurial ethic
The classic paradigm conceptualizes the Chinese entrepreneurial ethic as a set of cultural values, comprising abstract concepts that have been passed down from generation to generation. A typical example of this “value” paradigm is Wong’s (1988) Emigrant Entrepreneurs: Shanghai Industrialists in Hong Kong. It describes how an important cohort of people, the textile manufacturers who came to Hong Kong from Shanghai in the late 1940s and early 1950s, contributed to establishing the textile industry in Hong Kong. Based on careful research and thoughtful analysis, Wong asserted that “entrepreneurial familism” is a crucial factor in explaining the success of Chinese entrepreneurs. Familism includes kinship (blood relationship) and ethnicity (territorial background). Wong found that familism is inherently connected with the two very essential criteria of being successful entrepreneurs – innovation and closure. The Shanghainese family provided the driving force for industrial innovation and the support for risk-taking. This familism also raised barriers to people other than the Shanghainese who wished to enter the business and thus transformed an open economic niche into a relatively closed one. Therefore, according to Wong, the success of entrepreneurs was, to a large extent, due to the normative Chinese values, the phenomenon of “ethnic concentration in economic niches” (Wong, 1988, p. 173).

However, in a more recent study, Lui and Wong (1994) put forth the claim that cultural value analysis is in tension with another conceptualization that emphasizes strategizing behaviour. Strategizing behaviour simply refers to using sets of strategic actions in achieving specific goals. Stites’ (1985) study of industrial workers in Taiwan and Harrell’s (1985) review on the Chinese entrepreneurial ethic are credible examples to illustrate this second paradigm and its tension with the cultural value analysis. Based on a year’s fieldwork in Yingge, Taipei during 1978 and 1979, Stites argued that Taiwanese industrial workers pursued security and the attendant social consequences by employing entrepreneurial tactics. One method of achieving this was to first take employment in the target industry to “learn the ropes” before starting their own businesses. Entrepreneurship was seen as a strategy through which individuals could have economic safety and enjoy a happy life. In a similar way, Harrell argued that although Chinese culture does have a work ethic – Chinese do work very hard – they see working hard as “economically rational” because it often leads to a family-centered economic goal. Chinese have been willing to put huge amounts of effort into the workplace in search of economic betterment and familial security.

Clearly, analysis would not be complete if it focused only on moral or cultural incentives and overlooked the strategies underlying each entrepreneurial venture. This
is even more appropriate in the Hong Kong context, as Lui and Wong (1994) found Hong Kong’s economy is structurally conducive to Chinese entrepreneurs in two ways. First, the expansion of the economy in the past few decades “has given rise to many new forms of economic activities which are open to entrepreneurial ventures”. Second, the structure of the economy “encourages people to appropriate opportunities opened up in the process of economic development in the forms of small businesses and self-employment” (Lui and Wong, 1994, p. 19).

While viewing the Chinese entrepreneurial ethic as more of an accretion of strategic actions rather than cultural or ethnic values, it is still necessary to search for the characteristics of these entrepreneurial strategies in relation to the Hong Kong context and determine if there are identifiable attributes in the people who adopt them. Many researchers have shared this objective. For example, Siu and Martin (1990) emphasized that psychological factors (i.e. need-achievement, motives and risk-taking) are as important as other economic factors (i.e. market incentives and availability of capital) and non-economic factors (i.e. legitimacy of entrepreneurship and social mobility) when understanding Hong Kong entrepreneurs. They found “most Hong Kong businessmen possess the traits most academicians regarded as prerequisites for entrepreneurship” (Siu and Martin, 1990, p. 9). Similarly, through analyzing the self-reports of small business owners produced through in-depth interviews conducted by a very popular local Chinese magazine Next, Luk (1996) introduced a list of factors that these people believe to be important to their success. These were personal, management, product-market, and company factors. Contrasting with the Western business experience, Luk further concluded, “some of the factors considered important to success in Hong Kong small business are unique to the Hong Kong business environment” (Luk, 1996, p. 74).

Although some researchers like Chan and Lau (1993) did clearly claim that businessmen are not really entrepreneurs, both Siu and Martin’s (1990) and Luk’s (1996) analyses are insightful as they call one’s attention to seeing economic strategies as self-driven and business-oriented, and most importantly within a particular social context. In other words, their success is warranted first by the underlying cultural context Hong Kong entrepreneurs share – providing them the possibilities and opening up their personal attributes – and later by the strategies they apply to the business environment. Following the above, when examining the success experience of the construction and property entrepreneurs, this study considered the Chinese entrepreneurial ethic as more like strategizing behaviour, sets of strategic actions, in response to business situations and within a particular social context, using Chinese cultural values.

Methods
The sample: successful construction and property entrepreneurs (and intrapreneurs)
The sample investigated was a cohort of successful construction and property entrepreneurs in Hong Kong. The selection of the right entrepreneurs and intrapreneurs as suggested by the literature review, required one necessary criterion – to have excelled and reached the top in their chosen field and to have become multi-millionaires. After careful approach and serious negotiation, six people agreed to participate in the study and each was given a code for anonymity. They were well-known entrepreneurs of the industry. Each was either the Chairman or the
Director of the company. Two of them were founders of their current companies in the 1970s (RsptG and RsptK); one had continued the family business (RsptY); and the other three were known as intrapreneurs (RsptL, RsptS and RsptD). Four out of the six companies were publicly listed companies in Hong Kong with turnovers ranging from 1,800 to 5,600 million Hong Kong dollars in the year 2000/2001. They all had become multi-millionaires or even billionaires. They were typical cases of entrepreneurs and intrapreneurs, their views were prominent and significant and would, one way or another, be generalizable (Schofield, 1993).

Qualitative interviewing and the instrument used
In order to investigate in depth what the successful construction and property entrepreneurs and intrapreneurs saw as contributing to their success, the qualitative method of interviewing was used. Interviewing helps to capture viewpoints of a particular group of people. It facilitates respondents to express their views, often adding inner perspectives – “how” and “why” – to particular outward behaviour. The information collected thus gives researchers more room to make precise and meaningful interpretations (Measor, 1985; Fontana and Frey, 1994). A semi-structured interview schedule focused on different value- and strategy-related behaviours. These included the “personality traits” and “abilities” which they felt contributed to their success, the “success and failure experiences” which related significantly to their career development, the most “difficult decisions” they had faced in their working lives, the most “creative ideas” they had, and the circumstances in which they decided to (and not to) “take risks”[2].

This study aimed to ascertain if there were any common personality traits, which were often value-laden and thought of as relating to Chinese entrepreneurial ethics, possessed by these successful construction and property entrepreneurs (McClelland, 1987a; Butcher et al., 1990; Bond, 1991). Table I shows how the key factors identified in the literature were used as a basis for the constructs used in interviews for this study.

Interview questions about the participants’ abilities related to the concept of “self-efficacy”, which referred to belief in one’s capacity to organize and execute the courses of action required in managing prospective situations (Bandura, 1977, 1997; Schwarzer, 1992). Questions about their success and failure were included to relate to the concept of “locus of control”, the degree to which an individual perceives the events that happen to be dependent on one’s own behaviour or the result of fate, luck, chance or powers beyond one’s personal control and understanding (Rotter, 1966; Lefcourt, 1982; Furnham, 1986). Questions about their most difficult decisions helped to find out how these entrepreneurs “made decisions”, which might entail the use of cost-benefit rules, framing rules and the rules of heuristics (Tversky and Kahneman, 1986; Payne et al., 1992; Larrick et al., 1990, 1993)[3]. Questions about their most creative ideas

<table>
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<tr>
<th>Construct in interview questions</th>
<th>Factor identified in literature</th>
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<tbody>
<tr>
<td>Abilities</td>
<td>Self efficacy</td>
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<tr>
<td>Success and failure experiences</td>
<td>Locus of control</td>
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<td>Most difficult decisions</td>
<td>Decision making</td>
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<td>Most creative ideas</td>
<td>Creativity</td>
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<td>Circumstances influencing decisions</td>
<td>Risk attitude</td>
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helped to evaluate their individual characteristics, whether they were “creative” and whether the things they did were new and different (Gough, 1987; Shaughnessy, 1995; Amabile, 1996). Questions on the circumstances in which they had decided to (or not to) take risks helped to explore their “risk attitude”, which might be affected by both the amount of money involved and some real-life factors like market conditions and the dominant corporate objective (Tversky and Kahneman, 1992; Tversky and Fox, 1995; Warneryd, 1996; Raftery et al., 2001).

Fieldwork and methods of analysis
Fieldwork took place between June and September of 2000. Interviews were conducted in respondents’ offices by at least two experienced interviewers, with each lasting for about an hour. They were either in English or in the local Chinese dialect (Cantonese), with each respondent given the right to choose. All interviews were tape recorded, translated into English as necessary, and transcribed. Written transcripts were analyzed through a process of comparing and contrasting to identify significant themes and categories, both common and distinctive, underlying the respondents’ views. In the following discussion of results, an interpretative summary, supported with illustrative quotes, has been provided. This is intended to help readers to understand the ways in which respondents answered the questions, the meanings of the significant themes and categories, and most importantly the strong feelings the respondents held regarding the factors contributing to their success (Bryman and Burgess, 1993; Miles and Huberman, 1994).

Results and discussion
Analysis of the in-depth interviews with the six construction and property entrepreneurs/intrepreneurs revealed two themes. These were the “commonly held values” and “distinctive strategies used”, which explained how the Chinese entrepreneurial ethic warrants their success. Commonly held values refer to the moral (or cultural) values and personality traits which have been emphasized across the six respondents regarding their success, and distinctive strategies refer to the strategic actions which are meaningful to the respondents in response to specific business situations.

Table II summarizes the factors identified by the interviewees as being critical to their success. It can be seen quite clearly that there are several factors which were mentioned by all six of the interviewees: they all indicated that they were motivated by a strong interest in work, they all cited hard work and analytical skills as qualities needed to reach the top, and along the way they had learned the value of humility and confident behaviour. All six mentioned the distinctive strategy of being conservative in assessing situations before taking risks. All except one mentioned commitment to their respective fields as a motivator for doing well in business. Similarly, all but one mentioned the ability to “see the niche” is a strategy that contributed to their success. The following section will describe in more detail the respondents’ feelings and beliefs with respect to these critical success factors.

Commonly held values
The values and personality traits emphasized by the six respondents as explaining how they have excelled and reached the top in the field included:
<table>
<thead>
<tr>
<th>Type of respondents</th>
<th>Code of respondents</th>
<th>Motivator for doing well in business</th>
<th>Commonly held values Required to reach the top</th>
<th>Learned values</th>
<th>Distinctive strategies used</th>
</tr>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Strong interest in work</td>
<td>Commitment to the field</td>
<td>Need to work hard</td>
<td>Being analytical</td>
</tr>
<tr>
<td>Entrepreneurs</td>
<td>RsptG</td>
<td>V</td>
<td>Q</td>
<td>Q</td>
<td>V</td>
</tr>
<tr>
<td>Entrepreneurs</td>
<td>RsptK</td>
<td>V</td>
<td>V</td>
<td>Q</td>
<td>V</td>
</tr>
<tr>
<td>Entrepreneurs</td>
<td>RsptY</td>
<td>V</td>
<td>V</td>
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<tr>
<td>Intrapreneurs</td>
<td>RsptL</td>
<td>Q</td>
<td>V</td>
<td>Q</td>
<td>V</td>
</tr>
<tr>
<td>Intrapreneurs</td>
<td>RsptS</td>
<td>Q</td>
<td>Q</td>
<td>Q</td>
<td>V</td>
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<td>Intrapreneurs</td>
<td>RsptD</td>
<td>V</td>
<td>Q</td>
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<td>Number of hits</td>
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<td>6</td>
<td>5</td>
<td>6</td>
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Notes: “Q” means quoted and “V” means the Rspt who also holds the value or aspect.
First, they found the motivator that keeps pushing them to do well in the business is a strong sense of interest and commitment to the field. Second, provided there are a lot of competitors in the business environment, in order to reach the top, they need to work hard and be analytical. Third, in their daily contact with other people, they on one hand valued humility, while behaving confidently on the other. Note that, in the following, not all the comments of the six respondents, but selected, typical illustrative quotes are reported.

Strong interest and commitment to the field as the motivator for doing well in business. Although studies on motivation and achievement obviously suggest interest to be a sufficient condition for motivation (McClelland, 1961, 1987b; Weiner, 1992), the respondents termed it as necessary in itself. Though by definition entrepreneurs are profit-motivated, the six respondents found “interest” plays an important role in their entrepreneurial undertaking. The most typical comments were such as that from RsptL who stressed the sole driving force for him “is the interest in work”, and particularly seeing any project as a way to learn. He said, “at that time, doing a particularly unpleasant job, I had the opportunity to understand E&M (electrical and mechanical engineering), even though it was not interesting. It is something relating to my work now”.

Another motivator that was commonly described was to “stick to what they enjoy doing” (RsptS), since they saw enjoyment as a necessary pre-cursor to doing well. From his experience, he had found it difficult to teach people how to do well in business, but “if one has the chance to keep on doing what he enjoys, he must be good at it” (RsptS). Interest very often goes along with commitment. People usually conceive commitment as “a good thing”. Commitment incurs the pledging or binding of oneself to a course of action, which involves both attitudinal and behavioural aspects (Kiesler, 1971; Ghemawat, 1991). Our respondents certainly indicated a higher level of commitment, as exemplified by RsptS: “I think endurance, my endurance and my commitment to finish something that I started, has a lot to do with the fact that we actually managed to survive in China after nine, ten years”. There was also a sense that commitment is not only for material gains, but also for personal and interpersonal reasons, for example, “if I am not doing the business right, a lot of people, a lot of people's families, will be adversely affected”. For RsptS to perform well in business, this obligation certainly goes beyond Mentor’s (1995) explanation of commitment, as characterized by a strong belief in the business’s goals and values, and a willingness to exert considerable effort on behalf of the business. There was also a sense of commitment to their country: “for me, success is about contributing to the fate of Hong Kong” (RsptD).

In summary, having a strong sense of interest, continual learning and commitment – that is, a sense of obligation to the people who depend on them and to Hong Kong itself – is what keeps motivating the six respondents to do well in the construction and property business. No matter whether the times are good or bad, their interest encourages them to look at the bright side of the work, and their commitment inspires the persistent devotion and obligation that succeeding in business entails. Both are necessary to excelling in entrepreneurial undertakings.
The need to work hard and be analytical in order to reach the top. The typical Chinese wisdom is that “hard work is good, laziness is bad” and “the more the effort you put in, the more reward you will get”. As expected, all the six respondents found “hard work” helped them to reach the top. “I took five years to become manager of a site, I was promoted that fast because I put much more effort into my work than others” (RsptK). Being hardworking does not simply mean working long hours. Long hours were a “given” and working hard suggested something beyond that. As stated by RsptL, “the industry has to work for long hours, you have to accept the fact”.

As well as setting the example of hard work, they encouraged other people “to sweat it out, as nobody else is going to make any money for you” (RsptG). However, as RsptG pointed out, it is not only a matter of working hard but also of finding ways to provide better service: “work hard and use your observation and see where you can provide a better service and get a better return”.

In addition to hard work, our respondents suggested that people be analytical in their career development, not only in relation to the skills and knowledge one should acquire and employ, but also to the attitudes one should have. The entrepreneurs interviewed made it clear that their successful career paths were related directly to their knowledge and skills in their chosen field. For example, RsptG claimed, “I think my engineering skills are definitely extremely helpful.” RsptL had the same idea that “I myself come from a background of engineering. It fundamentally helps me with decision making”.

Attitudes that best facilitate the equipped skills and knowledge are equally important. RsptL added, “with those skills, it is essential to read more magazines to update yourself on the latest development, you know, construction is changing every day.” Learning never ends and people have to continuously equip themselves with up-to-date knowledge. If they stop learning, the path ahead will not be clear. That is why RsptK described himself as “incessantly studying so as to catch messages of the markets” and RsptG even warned people “if you are afraid to learn, you will die [not be able to survive]”.

The respondents further describe how people need to keep changing and adapting their skills and knowledge at different stages of their career development. For example, RsptS said, “in the first stage, I think the technical skills were most important, but once I was promoted to the rank of a manager, senior manager and director... the abilities to see things ahead were more important.” For him, being analytical meant to see further than competitors, to make quick and right decisions. Remembering the time he planned to invest a lot of money in China, he not only used the term “short-sighted” to comment on what others did, but pointed out the logic that “if you are not investing, how can you earn others’ respect, and if you have no respect from others, how can you be successful?” Similar claims on the importance of having “an inquisitive or analytical mind” were found in all the six interviews.

It was not surprising to have “analytical skills” emerge as a requirement. But this study reveals that several respondents explicitly highlighted “research skills” as a vital first step to being analytical. For example, “I did a lot of research and I was totally convinced – to build this one here and it will be very successful” (RsptG).

In summary, from the experience of our respondents, it is not only working hard and demonstrating certain achievement but also being analytical that helped them to reach the pinnacle of their careers. The construction and property field is demanding.
Being hardworking does not simply mean working long hours, it also means working smart and demonstrating good performance to others. Being analytical means both the willingness to continuously learn new skills and knowledge, and the attitude of taking seriously the importance of analyzing information before formulating a decision.

Showing humility while behaving confidently. Based on the descriptions of “working hard” and “being analytical”, it is not unreasonable to anticipate that people would admire their own efforts in achieving their current success. Yet when the respondents were asked if this is the case, the six respondents instead gave the credit to “luck”. This suggests that these entrepreneurs and intrapreneurs may have had external locus of control (Rotter, 1966; Lefcourt, 1982), for example, having met a lot of influential and good people who managed to help them along. As pointed out by RsptD, “it’s a bit of luck or bit of just circumstantial situations that happen, and perhaps gives me the chance to move ahead, to move towards success”.

This finding may be accounted for by the tendency of successful people to acknowledge external factors rather than their own efforts. Certainly, this does not suggest that success is no more than being lucky, or that putting effort in one’s career development will not work. Luck or chance are not likely to have so much influence. Put another way, our respondents did not deny that they had put a lot of effort into their entrepreneurial undertakings, but they showed “humbleness” in the face of their victory. This phenomenon relates closely to Chinese patterns of socialization which value being gentle, obedient, submissive and non-competitive (Ho, 1986; Bond, 1991).

However, the six respondents readily recognized that behaving humbly might mask a person’s true ability. Thus, to enable others to have “confidence” in what one will do and what one can manage to do is also important. RsptL echoed this when he said, “it is important to build your own confidence for other people to have trust in you, which is really important in business life”.

Primarily, they see the need to be confident in their decisions. For example, RsptG trusted that the huge investment he made in Mainland China would succeed, believing his idea of using “new materials” would work in building public housing, and RsptS was confident of the fact that a proper analysis of the market situation would help his business to excel. Their decisions were proved later to be correct. Holding firm beliefs and being confident in them certainly builds others’ trust: “in commerce, you should gain trust from others so as to be successful . . . you always have to stand by your beliefs to obtain reliance and confidence from your clients and colleagues” (RspK). RsptL gave an example of a time when he had to make a supreme effort to honour a promise: “we committed to our clients that we wanted to complete certain phases [of construction work] on certain days . . . we promised the day of completion . . . so I got hold of 70 to 80 of my staff and workers to stay overnight . . . and then we all worked together getting the block on the paving”. The result was well worth the efforts: “when the building department’s guys came two days later, they were happy . . . clients were happy, everybody was happy . . . people saw the success.”

Our respondents also mentioned the importance of sincerity for generating confidence. For example, RsptY said, “sincerity reflects in the confidence of the clients . . . I think it is sort of building up gradually, it’s not just a single event kind of thing, it’s the style used in how you deal with people.” Similarly, RsptD said, “I think I am extra-conscious about fair treatment of sub-contractors, suppliers, and clients . . . I am a fair person, and therefore people want to work with me.”
What did our respondents learn during their entrepreneurial undertakings? In summary, they learned to be “humble”. They also asserted the importance of “being confident with other people”, to believe strongly in the decisions made, sticking to what they promise to deliver and, through sincere words and deeds, being known as “fair players”. In other words, their comments indicate a high level of personal and inter-personal values of integrity, sincerity and trust.

The distinctive strategies used

The strategies used by the respondents in response to specific business situations in the field included the ways they demonstrated creativity, and the ways they analyzed situations when counting and taking risks. First, they found being creative as important to meeting the needs of the industry. Creativity is not “innovative” but “adaptive” in nature, and in fact trainable. Second, counting risks is also an important aspect of the industry, although they did make it clear that, before taking any risk, they would undertake the necessary careful planning and detailed research and analysis. Again, in the following, only illustrative quotes typical of respondents have been reported. Please refer to Table II for further information about the prevalence of these strategies among the six respondents.

Those who are extraordinarily creative are able to see the niche. The tools an entrepreneur works with – capital, people, markets and ideas – are all dynamic, and to take those tools and reorganize them in new and different manners is a very creative process. As defined by Amabile (1996), a response is judged as creative to the extent that it is both a novel and appropriate, useful, correct, or valuable response to the task at hand, and the task is heuristic rather than algorithmic. The first part of this definition is simply suggesting that what people do is creative if it is new, different and helpful. The second part of the definition suggests that if a task is heuristic, it does not impose any tried-and-true solution, no finite path.

Over the past 25 years, RsptK has introduced a number of innovative ideas and products which helped to solve problems in the industry. He said, “our products are improving the existing situation of our field.” Some of these creative products are still being used in the industry. RsptK enjoyed creating things since this was where his satisfaction came from. On the other hand, it was the need he found “to keep on trying new things to solve the existing problems” that provoked his creativity. This strong belief in creative ideas was also shown in the way he dealt with his staff. He said, “everyone in the company is in the R&D (research and development) department, we encourage them to contribute ideas for new products, so as to improve the existing industry.” RsptK’s creative ideas contributed to his success and he was positive about the impact they brought to the society; he thought, “many people inside our field would think that we are important as we will do something that they haven’t thought of before.”

We find some differences in the respondents’ styles of creativity. RsptD was typical of those who saw themselves as resolving problems that had arisen from the existing paradigm. He said, “you have to find solutions, you have to look for ideas in the situation you find yourself in, you can’t take everything as straightforward and for granted.” RsptD had been successful in looking for paradigm-cracking ideas and solutions to the problems he faced. One of the examples was his first major job in Hong Kong, in which he was asked to build cofferdams in deep water. He launched an idea
that he thought was creative. He said, “we prefabricated the whole whaling cage into a multi-level thing and took it out with a floating crane... [had] never done that before.” He termed this power of generating creative ideas “the ability to see the wood for the trees”. According to RsptD, this ability is not difficult to develop, one simple way is that, “you have to have a mind which says, ‘what’s going on here, what are the issues?’ and be able to focus on those issues, and solve the key problems”.

In summary, being creative was one of the distinctive strategic actions that our respondents used to respond to the rapidly-changing business environment in the field. Creativity is not something that can be judged from the process in which a person is engaged or the product that is produced. As our respondents described, it is trainable and primarily concentrates on producing ideas relevant to the situation at the right time in the right place.

With regard to risk-taking be conservative when assessing risks even if situations do not appear to warrant it. The concept of “risk attitude” refers to how people see and take risks. Research in economic and cognitive psychology shows that people are risk seeking for gains with high probabilities and losses with low probabilities, and are risk averse for gains with low probabilities and losses with high probabilities (Tversky and Kahneman, 1992; Tversky and Fox, 1995; Wärneryd, 1996). An interesting pattern of risk behaviour was found among the respondents. In general, there was no clear distinction between the circumstances in which the six respondents were risk seeking or risk averse. The only thought was whether they could bear the outcome, the loss. Like RsptS said, “I always manage to tell myself that I should only take a risk which I can afford,” and RsptK insisted, “I won’t take a project which is beyond my capacity... I will only take part in those which are under my control.” All possible consequences were undertaken with cautious evaluation; careful planning and detailed research and analysis were frequently reported as some of the useful tools. RsptL showed how this evaluation worked in cases when he made a decision whether to work with some “new people”. He said, “we have to do a very good analysis of the background of the new connections, sub-contractors or suppliers... to look at their past jobs, make sure we have confidence in them and also their financial background... try to do more searching on the background of these people before you take such a risk.” Typical examples of risk taking included how RsptD won contracts to build residential buildings in places other than Hong Kong by a risky act of offering discounts to the landowner, and RsptY’s risky move of “pushing forward” not “pulling backward” his investment in the property market after the 1967 disturbances in Hong Kong. However, there was also some indication that they are conservative in their risk taking: “I have to admit that I am a speculator, I am a gambler with discipline, I would only take a risk that I know if it turns sour, I would get hurt but not be killed” (RsptS).

In summary, risk taking is often unavoidable in the construction and property industry. Our respondents indicated that they are not adverse to risk taking, but that their decisions to take or avoid risk depend on the careful analysis of all possible consequences. It was a characteristic common to all of them that they would undertake careful planning and detailed research even when the situations did not seem to warrant it.
Conclusion
Looking into the success stories of six high-profile entrepreneurs in the Hong Kong construction and property field is interesting. This study focuses on exploring the “factors” which these successful entrepreneurs regarded as contributing to their success. Although the literature suggests the concept of “Chinese entrepreneurial ethic” which gives credit to how people come up with sets of cultural values and/or strategizing behaviour in their entrepreneurial undertakings and maximize the possibility of success, there is always the question of what exactly is involved in this ethic that makes it work. The responses of the six entrepreneurs interviewed in this study suggest that it is a combination of personal and interpersonal Chinese cultural values and the careful application of strategies that contributed to their success in the business environment. Commonly held values are the moral (or cultural) values and personality traits which the respondents emphasized as being critical to their success, and distinctive strategies are the strategic actions which they used in response to specific business situations. Values are rooted deeply in people’s beliefs; strategies are selected to respond to the rapidly changing business environment. The results of this study have suggested that it is the strong interest and commitment to the field that motivated the respondents to do well in business, along with being hardworking and analytical. This was combined with the attitude of being humble while behaving confidently towards other people that they had learned in their entrepreneurial undertakings. The respondents also described an adaptive style of creativity that was practical for it required people to produce ideas at the right time in the right place, but at the same time to assess potential risks even if it was not immediately apparent that a situation required caution.

Returning to the research focus of identifying the aspects that have made the Chinese entrepreneurial ethic so successful, the “factors” can be summarized as follows. Interest and commitment are motivators for devoting ideas, thoughts and obligation in business; they are sufficient and necessary to the achievement in entrepreneurial undertakings. Working hard and being analytical nourish success, since continual learning and updating with new information, knowledge and skills favours appropriate decision-making. Being humble is a virtue to honour. Behaving confidently with other people is equally important, and sincerity, responsibility and integrity are the routes. Creativity is important, and even for those who are not naturally creative, it is trainable through concentrating on asking questions, inquiring and producing solutions to the business problems at hand. Taking risks is common but careful assessment of whether the risk is “manageable” and detailed research and analysis are required even when it may appear that the situation does not warrant it.

The focus of this paper has been to explore the factors which six successful Hong Kong construction and property entrepreneurs regarded as contributing to their success, it adds knowledge to the discussion of whether success can sensibly be explained. The work reported here, on one hand, echoes many studies of the values that are commonly held among Chinese even though these values might at surface level appear to be contradictory to strategic actions for achieving success in business. While the data collected in this study were restricted to the construction and property industry, it makes sense that the same combination of values and strategies would be an essential factor contributing to success in other industries. A further exploration of this is, therefore, warranted. Future research is encouraged to learn more about the
important interplay between people's moral (or cultural) values and personality traits, and the strategies that lead to success in business.

Notes
1. These government statistics included “Gross Domestic Product”, “Hong Kong Annual Digest of Statistics” and “Report on Annual Survey of Building, Construction and Real Estate Sectors” published by the Census and Statistics Department, the Government of the Hong Kong Special Administrative Region.
2. A copy of the interview questions is available from the first author.
3. Cost-benefit rules assume that people are able to generate and choose a repertoire of strategies for solving decisions over problems and maximizing their overall welfare. Framing rules remind people how the contexts of choices, norms, habits and expectations affect the way they make decisions. Rules of heuristics show how people's cognitive thinking and beliefs might lead to biases when making decisions under uncertainty.

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Further reading


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