Tall Poppy Syndrome and its effects on entrepreneurs

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What is Tall Poppy Syndrome?

Tall Poppy Syndrome (hereafter TPS) is a phenomenon that appears to be synonymous with New Zealand’s culture.

Tall Poppies are defined as “a person who is conspicuously successful and whose distinctions frequently attracts envious notice or hostility”. Tall Poppy Syndrome (hereafter TPS) is “the New Zealand habit of denigrating or ‘cutting down’ those who are successful or who are high achievers” (Deverson, 1998 pg 833).

TPS is considered to be a culturally specific to Australasia, although has also been found in Scandinavian countries (known as ‘jante’).

Sporting stars have had the most attention with respect to TPS (Peeters, 2004, Motion et al., 2003). In a study on branding the New Zealand national rugby team (the ‘All Blacks’), researchers noted that TPS was considered as a factor when evaluating the value of their branding (Motion et al., 2003). For example, successful people in New Zealand are expected to be modest and humble, and humility is one of the All Black’s defences against TPS and ensuring their continuing popularity (Motion et al., 2003). Similarly, a study of Australian sporting heroes show that they are loved by Australians only if they are modest and unpretentious (Peeters, 2004).

These studies generally conclude that sportspeople may escape TPS altogether, or they may experience fewer effects than other high achievers such as artists, writers and intellectuals (Peeters, 2004, Hugo, 2006). While studies of TPS in sporting contexts are most common in the limited academic research, Peeters notes a disturbing notion. He observes that cutting down Tall Poppies has become a sport in itself (Peeters, 2004).
How does Tall Poppy Syndrome relate to entrepreneurs?

Entrepreneurs are an interesting case of Tall Poppies as the entrepreneur and his or her organisation are often inseparable (Kirkwood, 2007). Entrepreneurs have been found to rate highly in terms of their social status. Participants in the United States, Israel and Hungary were asked to rate the social status of high-tech entrepreneurs among other professions. They rated entrepreneurs as third or fourth, behind physicians and lawyers and managers (Malach-Pines et al., 2005).

Based on this finding and the conclusions of prior studies of TPS on academics, sportspeople and musicians it could be argued that entrepreneurs may escape the effects of TPS because entrepreneurship clearly involves effort and ability. Entrepreneurs are defined in this study as people who have founded their own business (and exclude those who have purchased a business or inherited a business).
Key findings of our research to date

In total, 65 entrepreneurs have to date been interviewed about TPS by the principle researcher, Dr Jodyanne Kirkwood. Initially, in interviews on entrepreneurs' motivations for starting a business TPS was raised by some participants. I subsequently asked about it in further interviews in this study. These first steps into investigating TPS and its impact on entrepreneurs included interviews with 40 entrepreneurs, whereby one small section of the interview discussed TPS.

These initial results found that over half of the 40 participants from New Zealand had experienced TPS in their role as entrepreneurs.

This exploratory study suggests that the effects of TPS may have three significant implications for entrepreneurship in New Zealand (and potentially wider afield).

1. TPS may discourage entrepreneurs from starting a business.
2. TPS may inhibit 'failed' entrepreneurs to establish another business because of the public reaction to their 'fall'.
3. Entrepreneurs may deliberately limit business growth because they don't want to attract attention (Kirkwood, 2007).

These initial conclusions required more investigation so a further 25 entrepreneurs were interviewed in 2007 and a wider range of questions was asked about Tall Poppy Syndrome. Similar results were found on this mostly male sample (23 males, 2 female entrepreneurs). All but one entrepreneur had heard about TPS and believed it existed in New Zealand.
One-third of these entrepreneurs believed they were affected by TPS. The ways they were affected was:

- People commenting negatively on their business/wealth
- Detractors physically damaging their property (particularly cars)
- People assuming/commenting that the entrepreneur must be a millionaire
- Customers saying the entrepreneur must be charging them too much if they are able to drive such an expensive car.

Results of these two initial studies of Tall Poppy Syndrome and its effects on entrepreneurs have highlighted that it is an issue for some entrepreneurs. However not all entrepreneurs experienced TPS in the same ways, and there appear to be some mitigating factors.

Mitigating factors

Results showed that participants believed there were a number of factors that contributed to how much TPS they experienced. These were:

- The entrepreneur's personality
- Annual sales turnover of the business
- The detractors' socioeconomic status
- The location of the entrepreneur within New Zealand (e.g., Queenstown is more accepting of entrepreneurs)
- Small size of New Zealand's population base.
Strategies for reducing TPS’s impact

Entrepreneurs who felt affected by TPS had developed strategies to cope with it. The main strategies include:

- Treating staff well/lead by example
- Working hard
- Being secretive about business ownership
- Not overtly demonstrating wealth to others
- Stay under the radar. Do not attract attention to themselves.

This leads us to conclude that TPS is more of an annoyance than a serious impediment to entrepreneurs and its significance may be marginal. In fact, entrepreneurs in this study appeared to be accepting of the existence of TPS and did their utmost to avoid its influence. Thus, we do not believe that it impacts growth intentions of entrepreneurs, but may still have an influence on how entrepreneurs manage their business, and what they do if they have had a business ‘failure’.

We found that the size of the business in terms of annual sales may be significant. Our results indicate that there may be a ‘sweet spot’ where TPS has little impact, and this is when the businesses annual sales are in the $500,000 – 1 million sales mark.
Tall Poppy Syndrome and high profile entrepreneurs – Key findings

This phase of the research involved interviews with high profile entrepreneurs (or retired entrepreneurs) who are definitely not ‘under the radar’ as the majority of the previous study participants have been.

These 13 entrepreneurs (6 women, 7 men) were selected because they have featured prominently recently in the media and/or have visible roles within the entrepreneurship community (such as also being a social entrepreneur, mentoring other entrepreneurs, involved in entrepreneurship competitions and events). Many have won awards for their business, or been awarded personally for their entrepreneurial efforts (such as in the New Zealand honours lists). To protect their anonymity, names of the entrepreneurs will not be disclosed. This report summarises the experiences of this group of entrepreneurs.

In total, this group of entrepreneurs currently employs approximately 550 people and most are growing, but their reach is far wider – as they invest in many other entrepreneurs’ businesses, have suppliers and partners, and help to mentor and educate other entrepreneurs.

The good news is that most of these entrepreneurs believed that Tall Poppy Syndrome does exist in New Zealand but it is not overly concerning to themselves as entrepreneurs. TPS appears to be so ingrained in our culture that people do not even know that they are doing it (knocking high achievers).

Becoming a high profile entrepreneur

~ It is felt that it is relatively easy to gain a high profile in New Zealand due to our population size and connectedness.
~ Many of these entrepreneurs have actively cultivated a public profile in recent years but thought long and hard before doing so because they were concerned about the potential negative reaction to putting themselves ‘out there’.
~ Once this high profile is established, it is difficult to ‘lose’ in a small country, particularly due to the internet and the longevity and accessibility of information on the entrepreneur.
~ Entrepreneurs use their high profile to their advantage, for PR and marketing for their own companies. The benefits of this free PR may far outweigh any negative comments that might occur as a result of the entrepreneurs’ high profile.
~ Entrepreneurs can use their own high profile to benefit others – through philanthropy. In many cases, the entrepreneur has a cause, or a number of causes that they support or are a patron or, and others have established more formal charitable trusts through which to channel some of their profits in order to assist others.
~ It is seen to be quite important to be viewed as being ‘humble’ and ‘real’, and not overly flashy, particularly around displaying wealth (eg. Cars).

1 Two of the entrepreneurs provided brief answers to the question by email due to time constraints.
It’s not about knocking entrepreneurs; we just aren’t good at celebrating success

~ By and large, it would appear that many of the comments entrepreneurs get are positive and congratulatory, but there is a minority of negativity that is directed at them (in one case, an entrepreneur believed it was about 60-40% in terms of positive versus negative comments).

~ There was a perception that people do not want entrepreneurs to fail, but there is a degree of glee when they make mistakes. Generally, many New Zealanders are not forthcoming in recognising the hard work and risk entrepreneurs take over a long period in order to be successful.

~ Most of these entrepreneurs felt that New Zealand is not alone in experiencing TPS, but New Zealand does not have the same culture of celebrating/admiring entrepreneurs as a country such as the United States.

~ Some entrepreneurs believed that TPS was unique to New Zealand, but had seen it in lesser degrees in other countries. A number of entrepreneurs noted that people loved them overseas while the reception to them as entrepreneurs was less enthusiastic in New Zealand.

~ Some entrepreneurs felt that New Zealand doesn’t embrace an entrepreneurial risk culture.

~ The effects of TPS may differ depending on the location within New Zealand the entrepreneur is based in. There is much celebrating of entrepreneurs success in centres such as Auckland, but less so in some other areas.

~ Tall Poppy Syndrome can affect where an entrepreneur chooses to locate their business. If an entrepreneur experiences it in a certain town/area they may move the business elsewhere. This could be to another part of New Zealand, or internationally.

~ Many entrepreneurs felt they were not congratulated for their business success (creating jobs, paying taxes, contribution to the economy), nor were they congratulated for their wider impact on the economy (i.e. the impact on suppliers, distributors, investment in other companies), or for their work for the community/environment.

~ These entrepreneurs sometimes actively apply for, or are nominated for awards/recognition in their various industries. These awards and recognition are often shown on the entrepreneurs email signature, website or in promotional materials. These entrepreneurs are good at celebrating their own successes.
Detractors – largely on social media

Being a high profile entrepreneur often means they attract many comments on social media. The good news is that unlike entrepreneurs who are ‘under the radar’ and experience TPS in person from their staff, customers and friends, the high profile entrepreneurs experience negative comments from strangers, and primarily on the internet. It appears to be a lot easier to deflect comments from strangers than people who they know personally.

After initially reading these comments (particularly after articles in publications like National Business Review or on online newspapers) now most of the entrepreneurs do not read the comments at all. Often this was an enforced decision by the entrepreneurs’ spouse, friends or staff who advised that it was ‘ruining their life’ so they should stop reading them immediately. Some get other people (i.e. Staff) to read the comments for them.

Some other main findings around the detractors:

| Some of the entrepreneurs see the comments they receive as basically cyber bullying. |
| Very few actually respond to any of these comments. |
| Women entrepreneurs appeared to be more affected by the negative comments than men. |
| Some of the women entrepreneurs noted that they felt TPS was linked closely to sexism, and was difficult to separate the two. A minority of the women entrepreneurs believed they got more support because they are a woman. |
| These detractors are generally not considered as having opinions of any value to offer, nor are they seen to be offering any constructive criticism or advice. |

Generally, the detractors are seen as possibly those who operate under a ‘glass half empty’ approach to life, whereby entrepreneurs are the opposite, and describe themselves as being ‘glass half full’ people.

Overall, there was a perception from many of the entrepreneurs that there was no point worrying about their detractors. In many cases, nowadays the detractors are not traceable due to many of the negative comments coming from social media, rather than in-person communications. The electronic nature of the negativity allows entrepreneurs to choose to ignore it largely, as many of the comments come after articles have been posted about the person/company and they can choose to read those comments or not. Those who do read them often find the negative comments are the minority, and they are confident enough and have the personality type to not allow the negative comments to bother them greatly. Most of the entrepreneurs would certainly not lose sleep over these comments.

Many believed that by carrying on as they were, and believing in what they are doing, growing and employing others, and celebrating success, they would be able to keep any negative attitudes or comments at bay.
What can be done about TPS?

Generally, these entrepreneurs pay little attention to TPS and actually consider it to be part and parcel of having a high profile as an entrepreneur in New Zealand. TPS is seen as a nuisance but many of the roots behind TPS are actually what we love about New Zealand – its egalitarian culture. Some entrepreneurs believed it was improving over time, and that this was a move in a positive direction.

Most of the entrepreneurs felt there was little that could be done to prevent TPS from occurring, but some steps can be taken to minimise its effects on entrepreneurs.

These include:

- Being aware of the existence of TPS
- Celebrating entrepreneurial success
- Networking with other entrepreneurs
- Having a mentor
- Talking in schools and to groups to educate them about what entrepreneurs really do.

Profile more entrepreneurs in the media, emphasising their success has not been ‘overnight sensation’, but often many years of hard work, business failures, missteps before getting it right. Most entrepreneurs do not see failure as an option – they will try other ways and believe that their idea is bound to work.
Impact on New Zealand

From our previous work on Tall Poppy Syndrome, we concerned that TPS might be affecting our economy. After completing these interviews it appears that there may not be a great direct impact on these businesses or the economy. However, TPS has an impact on New Zealand society as a whole – which may be concerning. The reasons for this are as follows:

Many of these entrepreneurs actively network with other entrepreneurs, and also invest in other entrepreneurs' companies. Their reach and impact is significantly wider than their own company.

These entrepreneurs employ a large number of people, but their impact on the economy is much larger given their investments in other companies (particularly start-ups), their own charitable trusts (and links to others) and those who benefit from these charities.

The entrepreneurs tend to do a great deal of charity and pro bono work or have their own charitable trust alongside their business.

Many actively contribute to the entrepreneurial ecosystem in New Zealand, such as voluntary participation in events such as Start-up Weekends, Business plan competitions, and speaking at various entrepreneurial events, and writing blogs and articles on entrepreneurship.

Some of the entrepreneurs mentioned possibly withdrawing their support for the community (e.g. Doing less/no charity work) as a side effect of experiencing TPS. There is a sense of 'why bother' if the entrepreneurs are going to experience negativity from trying to help others.

In summary, it is pleasing to see that these high profile entrepreneurs tend to experience TPS somewhat less than those who are 'under the radar'. It may be that for those under the radar, they experience it more because the detractors are known to them, whereby high profile entrepreneurs get a lot of anonymous negative comments about themselves.

TPS appears to be more about displays of wealth, than entrepreneurship per se. Entrepreneurs can earn wealth, but they feel less able to display this wealth to others (flash cars are commonly discussed as a 'no-no'). It is felt by some that it is important to 'fit in' and not tell others about how successful you are. Wealthy entrepreneurs may face TPS and retreat from the 'giving' side of entrepreneurship as mentioned above. They may not feel able to share their opinions in the media, nor give their time to causes they feel passionate about. These entrepreneurs then may try to become less visible, which would be a loss to the New Zealand entrepreneurial ecosystem and indeed to New Zealand as a whole.
What next?

A large scale survey of New Zealand business owners is going to be conducted in mid 2015. In future we hope to have researchers in other countries replicate our study so we can see whether TPS is uniquely a New Zealand issue (or more prevalent here).

The results of our interviews to date show there is much we need to explore further, with a larger scale quantitative survey of New Zealand business owners. We will extend our study beyond founders of businesses, to those who have purchased a business or inherited a business. This will allow us to reach a larger sample, and also be able to make comparisons between founders (entrepreneurs) and people who have entered business ownership via another means (ie. buying a business).

In this study we will explore the personality of the business owners; in order to see if that plays a part in how TPS affects them. We will also look closely at some of the relationships that our prior interviews have shown – for example, does TPS taper off at certain annual sales levels.

We also plan to extend our study to others, such as sportspeople, media personalities and those in creative industries.
References


For more information

If you would like to participate in the research and/or receive a summary of results of the survey please email: Jodyanne.kirkwood@otago.ac.nz

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