Fostering Entrepreneurial Culture: A Conceptualization

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Abstract
Entrepreneurial culture is a catchy concept fronted by scholars and several governments in their bid to promote entrepreneurship for unemployment reduction via job creation. However, the conceptualization of entrepreneurial culture is an issue that is not addressed in the entrepreneurship literature. Although entrepreneurial culture is frequently used in various studies, what it actually means and represents is not usually explicitly discussed. As such, this paper attempts a conceptualization of entrepreneurial culture in which its constituent comprising of entrepreneurial attributes, entrepreneurial values, entrepreneurial mindset and entrepreneurial behaviour are identified and discussed with a proposed model for further research on their relationship in different context. In so doing, the paper proposes that government policy focus in fostering entrepreneurial culture in a society at the level of the individual should nurture the identified constituent if quality entrepreneurs are to be supplied in such a society for a sustained job creation and economic development.

Keywords: Culture, Entrepreneurial, Entrepreneurial Culture, Entrepreneurship, Government Policy

1. Introduction
Does classroom participation enhance students’ knowledge of concepts learnt in the lecture? Classroom Government interest in fostering entrepreneurial culture arises from the growing importance accorded entrepreneurship in the last two decades. Fraught with the issues of poverty and unemployment especially with the inability of government parastatal to create more jobs, entrepreneurship considered a central force of economic and social development through job creation, innovation and change becomes the major tool to aid curb the problem (Minniti, 2008; Potter 2005). This arises from the empirical link established by several studies between entrepreneurship and economic growth (Acs and Szerb, 2007; Sternberg and Wennekers, 2005) and entrepreneurship and job creation (Faria et al, 2010; Henderson and Weiler, 2010). More importantly, Birch’s pioneering work on job generating capabilities of US small businesses in 1979 also contributed immensely to the interest of policy makers in the pursuit of entrepreneurship as a new method of reducing the high unemployment that existed in the 80s (Brock and Evans, 1989) through encouraging new venture creation. Hence, with the importance given to entrepreneurship, the main issue that arises is how does one reproduce its main agent -the entrepreneur in order to replicate their dynamic activities for the same benefits described above in the economic growth and development of other regions and nations? It is in this regard that fostering entrepreneurial culture has become a key policy priority for governments (Drennan et al., 2005) to not only meet the demands for entrepreneurship, but to supply entrepreneurs. However, to foster entrepreneurial culture, there is a need to understand the meaning of the concept for proper government policy intervention in the entrepreneurship market.

2. Literature Review
Entrepreneurial culture is considered important in explaining the differences in the economic success of nations (Leff, 1979). Literature in the field of regional science and economic geography also attributes the economic development of regions to non-economic elements of which the role of entrepreneurial culture is mentioned (Beugelsdijk, 2004). However, entrepreneurial culture remains an ill defined concept and sometimes misrepresented in an attempt by scholars to explain regional economic success in terms of non-economic factors (ibid.). Although entrepreneurial culture is essential for the development of entrepreneurship, the ability of the government to foster it and create an entrepreneurial society to reduce the problem of unemployment has been hindered due to a lack of conceptual clarity of entrepreneurial culture in entrepreneurship research. This lack of conceptual clarity emanates from the lack of distinction between entrepreneurial culture and organizational culture. For instance, while many studies on entrepreneurial culture have failed to explicitly define the term, the concept have been highly associated with established firms (Berson et al., 2005; Boojihawon et al., 2007; Kuznetsov and Kuznetsova, 2005); seen as part of an organizational culture (Birkinshaw et al. 1998; Dulčic,
2003; Prabhu, 2005) and perceived as personality characteristics of entrepreneurs (Beugelsdijk, 2007; Chen and Lin, 2006).

Birkinshaw et al. (1998) defined entrepreneurial culture as an organizational context in which certain behaviours, including initiative are fostered. This definition confines entrepreneurial culture in a business context. In the same vein, Prabhu (2005), Conrad (1999) and Dulcic (2003) both defined entrepreneurial culture as a type of organizational culture while Dulcic (2003) further described it as a mix of all the factors that form the entrepreneur’s personality. Beugelsdijk (2007) and Chen and Lin (2006) defines entrepreneurial culture as characteristics of entrepreneurs with Benneworth (2004) asserting that entrepreneurial culture reflects localized social mores and accumulated economic success which are not easily replicated elsewhere. These different perspectives on entrepreneurial culture having been defined within the context of established businesses limits the applicability of such conceptualization to development of entrepreneurship among individuals in the society. Hence, with the interest of governments to foster an entrepreneurial culture in the society, how is such a slogan conceptualized for its application to the society?

2.1 Definitions
Entrepreneurial culture is a term derived from two words ‘entrepreneurial’ and ‘culture’. Our understanding of the meaning of these two words can to a great extent aid in the conceptualization of entrepreneurial culture. Wickham (2006) defined the term entrepreneurial as an adjective describing how the entrepreneur undertakes what they do. He asserted that to use this adjective suggest that there is a particular style to what entrepreneurs do. Atherton (2004) defined being entrepreneurial as a behaviour that can be demonstrated and manifested regardless of the nature of involvement in an organization. Building on the body of knowledge on culture, Brownson (2011) defines culture as an attribute, values, beliefs, and behaviour which can be learned or acquired by man from one generation to another, from one individual to another, from one group to another as long as one is a member of the society and it has the ability of distinguishing one group from another. Therefore the nurturing of certain attributes, values, beliefs and behaviour indicates an attempt to foster a certain type of culture. As such, to conceptualize entrepreneurial culture, the definitions of the two concepts are merged together.

3. Conceptualization of Entrepreneurial Culture
Entrepreneurial Culture is here conceptualized as a society that depicts the exhibition of the attributes, values, beliefs (attitude or mindset) and behaviour associated with entrepreneurs by individuals in such a society which distinguishes them from others. As such, to foster it implies that such government policy measures must anchor on the promotion of the attributes, values, mindset and behaviour associated with entrepreneurs in individuals which will impact on such individuals’ mindset towards entrepreneurship. Such an individual can be propelled to act entrepreneurially in an already established organization and other areas of life where they are opportune to find themselves. This implies that such individual when nurtured by any policy measures targeted at entrepreneurship will differ from other individuals since culture distinguishes one group from another (Hofstede, 1980). Therefore, the constituent of entrepreneurial culture at the individual level in the society is depicted in figure 1 below.

![Fig.1: Constituent of Entrepreneurial Culture in the Society](image-url)
In conceptualizing the constituent of entrepreneurial culture above, one may ask at what level do they exist, how do they interact to form the culture and at what time frame can they be nurtured? Culture is asserted to exist in different levels\(^1\) (Pettigrew, 1990). Kundu (2009) classified the levels of culture into three and posited that these levels contribute to the formation of culture which is adapted and applied in this paper as follows: Level 1: The unconscious and invisible level – Attributes and Values; Level 2: The semi-conscious and semi-visible level – Mindset; and Level 3: The conscious and visible level – Behaviour as depicted in figure 2 below.

![Fig. 2: Levels of the Constituent of Entrepreneurial Culture](image)

On the time frame that these constituent of culture can be nurtured, researchers have argued that culture sometimes adjust slowly to changing conditions and the result can be culture lag as such, some elements of culture may change more rapidly than others thus one aspect of culture may lag behind another (Andersen and Taylor, 2011). However, scholars differ in the degree to which they believe culture changes overtime (Harrison and Huntington, 2000 cited in Taylor and Wilson, 2010). This implies that one or more constituent of entrepreneurial culture may be nurtured more rapidly than others depending on the time span\(^2\) it may take such constituent to be nurtured. However, given a five year period, meaningful nurturing of the constituent could occur. Having identified the constituent of entrepreneurial culture above, a review of the constituent to reveal their nature and relationship is carried out to develop a conceptual framework of their relationship.

4. Constituents of Entrepreneurial Culture

4.1 Entrepreneurial Attributes

Entrepreneurial attributes have been recognized as being of great importance in understanding and fostering entrepreneurship (Raab et al., 2005). Attributes are indicators of entrepreneurial potentials. They can be acquired from both nature and nurture (Bridge et. al, 2009) thereby implying that every individual may have some entrepreneurial attributes though most of them may not realize it. As such, it may be in this respect that some government through policy instruments seeks to nurture entrepreneurial culture. Though it has been argued in the literature that entrepreneurial attributes are stable (Rauch and Frese, 2007), some researchers disagreed with the view by asserting that entrepreneurial attributes are changeable (Robinson et al., 1991) in that individuals who one thought do not possess certain attributes could have such attributes developed via external triggers (ibid.) of which government policy measures are likely to trigger such changes in the participants of such measures.

Entrepreneurial attributes allows a practical understanding of how entrepreneurial culture manifest itself (Lee-Ross and Mitchell, 2007). Entrepreneurial attributes are considered important due to the level of relationship they share with the other constituent of entrepreneurial culture. For instance, entrepreneurial attributes were found to be a critical factor in influencing an individual’s entrepreneurial decisions to start a business (Gray et al., 2006). They have been found to predict entrepreneurial behaviour that is, new firm formation (Lee et al., 2004; Rauch and Frese, 2007) and have also been found to have a strong impact on individuals’ mindset towards self-employment (Luthje and Franke, 2003).

Frank et al. (2007) noted that it is possible to influence the potential number of people willing to start

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\(^1\) Levels refer to the degree to which cultural phenomenon is visible to the observer and ranges from tangible manifestations that one can see and feel to the deeply embedded, unconscious basic assumptions (Kundu, 2009).

\(^2\) Scholars have not agreed on the time span as pointed out by Harrison and Huntington (2000 cited in Taylor and Wilson, 2010).
new businesses on the basis of their attributes. Kristiansen and Indarti (2004) acknowledged that entrepreneurial attributes counts in determining whether an individual starts a business but occurs through related individual attitudes. Mahadea (2001) adds that the supply of effective entrepreneurship can be enhanced through appropriate training and experience, as such, encouraging entrepreneurial attribute is essential in influencing the development and realization of startup ideas. The above review suggests the following hypothesis:

**H1: Entrepreneurial Attributes of an individual is associated with their entrepreneurial values, mindset and behaviour**

**H2: The Entrepreneurial Attributes of individuals nurtured by any policy measures will differ from those not nurtured**

### 4.2 Entrepreneurial Values

Kluckhohn (1967 cited in Kundu, 2009) defines value as a conception, explicit or implicit, distinctive of an individual or characteristics of a group, of the desirable which influences the selection from available modes, means and ends of actions. Values are associated with standards of behaviour (Soanes et al., 2006) as such, entrepreneurial values are those values or standards of behaviour associated with entrepreneurs in which when nurtured can distinguish such individual from others.

Values are the driving force for decision making (Keeney, 1994). They reflect the entrepreneur’s conscious view (or belief) of him/herself and directly shapes his/her movement towards action or owns’ motive (McClelland, 1965). Thereby implying that values can influence a person’s mindset for actions on a behaviour. Kilby (1993) noted that values are instrumental in advancing the constructive understanding of human behaviour and consequent change. As such, personal values have important implications not only for the decision to pursue entrepreneurship but also in the way in which the individual entrepreneur approaches a venture (ibid.). Morris and Schindehutte (2005) pointed out that, values can become internalized in such a way that they affect entrepreneurial motives and behaviours. Scholars have found that variation in the prevalence of entrepreneurial values and beliefs affect the rate of new firm formation (Mueller, 2004) as such, these points to the importance of shaping individual’s values towards entrepreneurship if the government is to attain their goal of job creation.

Payne and Joyner (2006) identified three values prized by successful entrepreneurs which are integrity, honesty and work ethics. Mourdoukoutas and Papadimitriou (2002) associated values such as autonomy, the freedom to act independently, innovativeness, freedom of experimentation, risk taking, proactiveness, ability to take initiatives and competitive aggressiveness with entrepreneurship. Tambunan (1999 cited in Shariff and Peou, 2008) found that small business owner-managers having entrepreneurial values such as creativity, integrity, achievement, among others, were more likely to have superior performance in managing organizations than owner-managers without these values. McGrath et.al (1992) in their exploratory analysis of cultural differences between entrepreneurs and non-entrepreneurs concluded that entrepreneurs share a common set of values despite their different cultural backgrounds. As such intervention should seek to increase the social recognition of entrepreneur’s value to aid in the fostering of entrepreneurship. Morris and Schindehutte’s (2005) study revealed common values shared by entrepreneurs such as hard work, independence, loyalty, honesty, family, money, creating jobs, friendship/relationship and respect. They revealed that while some of the salient values are clearly traceable to the entrepreneur’s native culture, it appears that entrepreneurs share certain core values regardless of cultural origin. Their empirical study further indicated that values such as independence, innovativeness, honesty and hard work were linked to the start of the venture of the entrepreneurs investigated and were among the most emphasized value linked by these entrepreneurs with their entrepreneurial activities and the description of their venture. The review leads to the following hypothesis:

**H3: Entrepreneurial Values of an individual is associated with their entrepreneurial mindset and behaviour**

**H4: The Entrepreneurial Values of individuals nurtured by any policy measures will differ from those not nurtured**

### 4.3 Entrepreneurial Mindset

Mindset\(^1\) is a mental attitude which determines how an individual will interpret and respond to situations (Wordweb, 2009). It is defined as learned predisposition to respond in a consistently favourable or unfavourable

\(^1\) Mindset and attitude are used here interchangeably.
manner with respect to a given object (Schwarz et al., 2009). Fisbein and Ajzen (1975) posited that attitude is one of the psychological systems that cannot be seen completely through actions but, can only be seen through actions shown impliedly but not made explicitly in an individual. Attitude provides the foundation for human motivation and personal accomplishment (Kristansen and Indarti, 2004). Therefore, the question here is can an individual’s mindset be nurtured in a particular direction? Robinson et al. (1991) explained that attitude is dynamic in nature and due to this nature implies that it changes across time and from situation to situation. The rate of change varies depending on how deep seated or fundamental the attitude is to the individual’s identity. Therefore, by being interactional, attitudes influences and are influenced by experiences we have, actions we take, and how we think and feel about those experiences (ibid.). This implies that individuals who participate in any designated government policy in their bid to foster entrepreneurial culture may have a change of mindset towards entrepreneurship (Schwarz et al., 2009). As previously stated that the constituents of entrepreneurial culture are related to each other, attitude has been found to be related to entrepreneurial behaviour (Krueger, 1993).

For instance, Luthje and Franke (2003) suggested that if public policies seek to raise the number of new entrepreneurs, an improvement of individual’s attitude towards entrepreneurship is an effective level. Moen et al. (2004) recommended that programmes should aim at cultivating attitudes towards entrepreneurship as a person may have the business knowledge but without a positive attitude about entrepreneurship, they may not plunge into the field as such a change in their attitude with more positive aspects towards the entrepreneurial field should be emphasized thoroughly to produce more entrepreneurship among participants (ibid.). In the same vein, Walstad and Kourilsky (1998) added that those who wish to foster entrepreneurship must support and reinforce the perceptions that it is personally feasible, and socially and personally desirable.

Empirically, studies have also linked entrepreneurship programmes to a change in attitude towards entrepreneurship. For instance, Hatten and Ruhland’s (1995) study of students’ attitude towards entrepreneurship in an SBI (Small Business Institute) programme found significant and positive changes in the students’ attitude towards entrepreneurship emphasizing that participants in entrepreneurship programmes are more likely to become entrepreneurs. Similarly, Souitaris et al.’s (2007) study of entrepreneurship programmes found that they indeed raised individual’s attitude. Though student samples have been used in this cases, the studies however indicated that it is possible to tune and shape individuals’ entrepreneurial attitude especially with a well planned entrepreneurship programs which could further enhance a rich entrepreneurial culture among individuals (Kumara and Sahasranam, 2009). This review suggests the following hypothesis:

**H5: Entrepreneurial Mindset of an individual is associated with their entrepreneurial behaviour**

**H6: The Entrepreneurial Mindset of individuals nurtured by any policy measures will differ from those not nurtured**

#### 4.4 Entrepreneurial Behaviour

The creation of new venture is the central focus of entrepreneurship research (Samuelsson and Davidson, 2009). New venture creation is sometimes referred to as the entrepreneurial behaviour/action, startup (Ibid.) as well as entrepreneurship. Entrepreneurship has been used in the developed countries as one of the most effective means of tackling the problems of unemployment of which various empirical researches has affirmed. For instance, Lasch et.al. (2007) found unemployment as one of the key factors that determines entrepreneurship. Petrobelli et al.’s (2004) found relationship between self employment and emerging form of entrepreneurship, self-employment was not motivated by the desire to evade taxes, but rather an active role of the government was seen to have enhanced it (ibid.).

Benus’ (1994) study on the US self-employment assistance programme found that the self-employment programmes increased not only the likelihood of entry into self-employment, but the likelihood of total employment as well as the duration of the employment. Brown’s (1990) investigation on a Graduate Enterprise Programme (GEP) found that the scheme provided incentive for young people to accelerated and bring forward the timing of their projected business start-up. He asserted that the programme had a positive outcome as half of the participants in the programme owed their start, or more importantly, the timing of the start of their own business, to the encouragement of the GEP programme while Kloosterman (2003) observed in his study of policies aimed at increasing openings for immigrant entrepreneurs in the Netherlands that immigrant entrepreneurs seems to have seized the opportunities that occurred as shown in the businesses established after the policies were introduced. This implies that new ventures are likely to spring up with the focus of government
policy in nurturing this constituent of entrepreneurial culture. Hence, this will go a long way in aiding in the reduction of unemployment for a sustained economic development of such a region. The review suggests the following hypothesis.

- **H7:** Individuals nurtured by any policy measures towards entrepreneurship are more likely to startup a business compared to those not nurtured

- **H8:** The Entrepreneurial behaviour of individuals nurtured by any policy measures will differ from those not nurtured

5. Conceptual Framework for the Constituent of Entrepreneurial Culture

From the review of the constituent of entrepreneurial culture above, The model in figure 3 below is proposed for the investigation of the relationship between the constituent of entrepreneurial culture using hypothesis **H1, H3** and **H5** which can be applied for both participants and non-participants of designated policy measures (as theorized by hypothesis **H2, H4, H6, H7** and **H8**) for the fostering of entrepreneurial culture in different context.

![Conceptual Model](image)

The model proposes that entrepreneurial attributes and values which are the invisible constituent of entrepreneurial culture is directly correlated with each other at the same level as well as being directly correlated with entrepreneurial mindset at the semi-visible element of the culture and the entrepreneurial behavior the only visible constituent of entrepreneurial culture (**H1**). The model proposes that entrepreneurial values are directly correlated to entrepreneurial mindset and entrepreneurial behaviour (**H3**) with entrepreneurial mindset being directly correlated with entrepreneurial behavior (**H5**). The model posits that the nature of the relationship between the constituent of entrepreneurial culture in those nurtured (participants of) by designated government policy measures are very likely to differ from those not nurtured (non-participants of) by such policy measures (using **H2, H4, H6, H7** and **H8**).

6. Conclusion

This paper set out to conceptualize entrepreneurial culture which has not been explicitly conceptualized in extant entrepreneurship research. Entrepreneurial culture was synthesize and conceptualize as a society that depicts the manifestation of the attributes, values, mindset and behaviour associated with entrepreneurs by individuals thereby distinguishing such individuals from others in the society. The constituent of entrepreneurial culture as conceptualized in this paper may be understood as existing in levels such as from the unconscious and invisible level (comprising of entrepreneurial attributes and values), the semi-conscious and semi-visible level (consisting of entrepreneurial mindset) to the conscious and visible level (consisting of the entrepreneurial behaviour only) which interacts together to form the culture (Kundu, 2009). As such, attempt by government to foster entrepreneurial culture implies that such policy should focus on the promotion of the identified constituent of
entrepreneurial culture in an integrative way especially when the focus is at the level of the individual due to their importance to entrepreneurship. The proposed model if investigated on participants and non-participants of government policy measures aimed at promoting entrepreneurship could give insight into the effectiveness of policy outcomes and the development of strategies for motivating individuals into participating in such policy measures.

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