

# Entrepreneurial Culture Background

A variety of studies lend support to the argument that cultural values influence entrepreneurial behavior.

Much of the study of ethnic entrepreneurs is based on issues of culture, with a growing body of literature supporting the argument that national culture influences a variety of economic/management behavior (Hofstede, 1980, 2001) and entrepreneurship (McGrath et al., 1992). The aggregated level of entrepreneurial activity is uncertain and heavily influenced by cultural traits, i.e. there is a significant difference among entrepreneurial rates of different groups, which may occur in spite of relatively modest differences among their economic and institutional characteristics. It is acknowledged that substantial variation exists in entrepreneurial activity between countries, with cultural and social norms emphasized as the major strength and weakness of entrepreneurial support structures (Reynolds et al., 2002).

Investigating entrepreneurship in the USA over time, Gartner and Shane (1995, p. 285) suggests entrepreneurship is significantly higher per capita than any other time in the last hundred years; and indeed, the USA may be undergoing some fundamental changes in how the economy is organized. It seems the individual is getting in and out of business in greater frequencies as a normal part of their work histories. Some individuals with different cultural roots tend to be more prolific in initiating ventures (Boyd, 1990, p. 54).

Based on previous research pertaining to culture, the configuration of cultural values for increased entrepreneurship is based on Hofstede's (1980) dimensions. Hofstede (2001) did not specify the relationship between entrepreneurship and culture; however, his dimensions are useful in identifying criteria of culture related to entrepreneurship.

Cultural values also affect the perception of an individual through cognitive schema, interpretation, and sense making; therefore, the dimensions of culture play an important role in shaping an individual schema and sense making which subsequently act as powerful filters that shape interpretation and perception which in turn leads to differences in behaviors and outcomes (Chrisman et al., 2002). Growth intentions of entrepreneurs in China were tested via a cognitions model, found not only entrepreneurial commitment, need

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for achievement, and social environment are important, but that a cognitive understanding of the environment also has a direct impact on growth intentions (Lau & Busenitz, 2001, p. 30).

## REFERENCE:

Urban. B. (2010). Antecedents of entrepreneurship, with a focus on culture in an emerging country context. *Problems and Perspectives in Management*, 8(1-1)

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