

# Entrepreneurial Intention, Culture, Gender and New Venture Creation: Critical Review

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## ABSTRACT

In today's world, the formation of new firms is crucial for the vitality of national economies. Initialization and support of new business ventures are important tasks for both policy makers and academics. This independent conceptual study paper investigates the relationship between entrepreneurial intention and new venture start-ups as moderated by the effects of cultural values as well as the intervening influence of gender. Peoples' attitudes toward income, independence, risk, and work effort forms the foundation of entrepreneurial intent. Entrepreneurs are often described in terms of the strength or weakness of their attitudes in these dimensions. Previously, research on the question of why people choose entrepreneurship as a career option has been based predominantly on the disciplines of psychology and sociology. More recently there have been important contributions from an economics' perspective also. Analysis of past literature has indicated the existence empirical concerns on the venture creation and entrepreneurial intention relationship. In particular, there is a paucity of research on how entrepreneurs harness the potential of cultural influence in new firm creation. Some researchers have also raised issues relating to the important theoretical arguments which are anchored on the role of gender in new venture creation. The current study focuses on past contributions in this stream of literature, seeking to provide definitive evidence of previously examined relationships between entrepreneurial intention and new venture as impacted by culture and gender.

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## Introduction

Entrepreneurship has long been recognized as an important source of innovation, job creation and economic development (Audretsch et al. 2006; Baumol 2002; Carree and Thurik 2010; Reynolds 1994), even if these relationships are not always straightforward (Carree et al. 2007) due to the diverse forms of entrepreneurial activity and economic contexts (Stam and Van Stel 2011). Subsequently, fostering entrepreneurship has been widely viewed by policy-makers and academics as a potential vehicle to address social and economic challenges in different societies, which in turn has triggered research to increasingly seek to identify the elements that can explain and promote entrepreneurial behaviors.

A large body of the previous research on entrepreneurship has sought to provide useful insights into how personal attributes and economic conditions shape either the entrepreneur's behaviour or the activity of new firms (Thornton et al. 2011). This, however, has led to a tendency in entrepreneurship research to overlook the early phases of the individual venture creation process (Davidson and Honig 2003; Newbert and Tornikoski 2011), while underestimating the role of the variety of external environments, which has limited our knowledge of the influence of spatial, social, and institutional contexts in particular (Welter 2011) on the pre-emergent phase of entrepreneurship. Even though the importance of understanding the pre-firm formation phase on the one hand (Bird 1988; Katz and Gartner 1988; Reynolds and White 1997) and the different contexts for economic behaviour on the other (Dicken 1990; Granovetter 1985) have long been recognized, academics have only recently emphasized the need for a more contextualized and multi-layered approach to enhance our knowledge of when, why, and how entrepreneurship evolves in certain

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environments (Autio and Wennberg 2010; Jennings et al. 2013; Thornton 1999; Thornton et al. 2011; Welter 2011).

The recent call for a more contextualized view of entrepreneurship has gained even more importance as environments have become more diversified and interconnected, thus creating further variations in entrepreneurial activity and economic growth on different spatial scales (Bosma et al. 2008; Veciana and Urbano 2008). While these variations over time are closely related to economic development, technological change and the emergence of new markets, scholars have recently argued that entrepreneurship variations across nations and regions seem to be the outcome of socio-cultural contexts, emphasizing the importance of identifying other environmental conditions than economic and business contexts (Freytag and Thurik 2007; Thurik and Dejardin 2011; Welter 2011). In other words, it has been recognized in the recent literature that entrepreneurship needs to be understood in the various contexts in which it emerges (Jennings et al. 2013; Gartner et al. 2006; Stam 2010; Sternberg 2009; Welter and Smallbone 2011; Zahra 2007). The challenge remains, however, to conceptualize and empirically examine a context 'which cuts across levels of analysis and influences entrepreneurship directly or indirectly, but which also is influenced by entrepreneurial activities' (Welter 2011).

As a consequence, successive research has sought to address the different contexts of entrepreneurship by shifting to spatial, cultural, gender, age and institutional perspectives of entrepreneurs. An institutional perspective, in particular, has been increasingly suggested as a fruitful meta-framework with which to develop our understanding of the different environmental settings that interact with entrepreneurship (Autio and Wennberg 2010; Bruton et al. 2010; Kalantaridis and Fletcher 2012; Stenholm et al. 2013; Thornton et al. 2011; Veciana and Urbano 2008; Welter 2011). Moreover, scholars have recently suggested that an institutional perspective can serve as a useful frame to uncover the various contexts for entrepreneurial cognitions and the individual decision to found new firms (Lafuente et al. 2007; Liñán et al. 2011; Lim et al. 2010; Thornton et al. 2011).

At the same time, it assists in better understanding the individual's role in changing the contexts for entrepreneurship, such as the social and institutional environment (Welter 2011; Kalantaridis and Fletcher 2012). This way of thinking is in line with Veciana and Urbano's (2008) seminal work on institutional theory and entrepreneurship, which has emphasized that in the field of entrepreneurship the concern should be how the institutional context affects the emergence of entrepreneurs' and new venture creation. Taken together, there is an obvious need for further research that seeks to address both the conceptual and empirical challenges of contextualizing the emergence of entrepreneurship. This conceptual paper advocates for the developing a multi-layered institutional understanding of how new ventures are created by entrepreneurs with cultural contexts based on gender parity.

### **Entrepreneurial Intentions**

The study of entrepreneurial intentions opens new arenas to theory-based research as it directs attention toward the complex relationships among entrepreneurial ideas and the consequent outcomes of these ideas' (Bird 1988: 442). This concluding statement by Bird (1988) in her article titled implementing entrepreneurial ideas. The case for intention symbolizes the growing interest from the 1980s onward in intentions when researching the emergence of entrepreneurial behaviour. Bird (1988) together with Katz and Gartner (1988) were among the first scholars to develop a concept of the nature of entrepreneurial intentions. Following their work, mainly starting from the 1990s, the explanation of entrepreneurial intentions has become an area of research where a large body of entrepreneurship studies using social psychological theories has emerged<sup>1</sup> (Bird 1992; Kolvereid 1996; Krueger 1993; Krueger et al. 2000; Gird and Bagraim 2008; Liñán and Chen 2009; Van Gelderen et al. 2008; Kautonen et al. 2013).

In light of this emerging research, scholars have suggested that becoming an entrepreneur involves a complex cognitive and decision-making process (Gatewood et al. 1995; Linan 2008; Mitchell et al. 2002a; 2007), while, the start-up process involves a range of actions, such as saving money, finding premises and equipment, or innovating and developing a product or service, among others (Carr and Sequeira 2007; Aldrich and Martinez 2001). Considering these initial decisions and steps as essential in the pre-start-up phase of founding a business, many scholars agree that becoming an entrepreneur is an emerging (Gartner et al. 2010; Sternberg 2009), but also intentional process (Carr and Sequeira 2007; Carter et al. 1996;

Krueger et al. 2000; Lafuente et al. 2007). In this context, Kolvareid (1996) has already emphasized the intentional nature of entrepreneurial behaviour by suggesting that entrepreneurial intentions, among other things, include a willingness to make decisions, being independent and creative, and seeking performance-based remuneration.

Entrepreneurship scholars have increasingly suggested that since entrepreneurial behaviour is intentional, entrepreneurial intentions can predict subsequent behaviour aimed at starting a business (Bird 1988; Krueger and Carsrud, 1993; Linan and Chen 2009). Underlying this argumentation, a substantial amount of empirical research from diverse behavioural domains has demonstrated that intention is a good predictor of subsequent action. For instance, meta-analyses by Armitage and Conner (2001) and Sheeran (2002) reported mean correlations of 0.53 and 0.47 between intention and behaviour, while a recent study by Kautonen et al. (2013) shows that entrepreneurial intention explains a significant amount of the variance in subsequent start up behaviour. Accordingly, the present study paper considers entrepreneurial intention as a strong predictor of future (nascent) entrepreneurial behaviour. Recognizing new firm formation as an intentional act calls for theory-driven process models of entrepreneurial cognition focusing on intentions and their perceptual bases (Bird 1988; Katz and Gartner 1988).

Building on the theory of reasoned action (Fishbein and Ajzen 1975), the theory of planned behaviour (TPB) (Ajzen 1991) has become one of the most widely used psychological theories when explaining and predicting human behaviour (Armitage and Conner 2001). It is also the most common theoretical framework in the study of entrepreneurial intention to this day (Carr and Sequeira 2007; Linan and Chen 2009; Kautonen et al. 2013; Krueger and Carsrud 1993 and Krueger 2009). According to Thompson's definition (2009), entrepreneurial intent is a self-acknowledged conviction by a person that they intend to set up a new business venture and consciously plan to do so at some point in the future, while Ajzen (1991) defines intentions as indications of how hard individuals are willing to try, of how much of an effort they are planning to exert, to perform the behaviour. Subsequently, the stronger an individual's intention to engage in a specific behaviour, the more likely it should be to translate into their actual performance or, in other words, intention is the immediate antecedent of behaviour (Ajzen 1991; 2000). Ajzen's (1991) TPB framework is here adopted as the basis for understanding entrepreneurial cognitions and the formation of entrepreneurial intentions.

Within this framework, entrepreneurial intention is conceptualized as a function of three cognitive antecedents which, as prior applications of the TPB show (Kolvareid, 1996; Linan and Chen, 2009; Van Gelderen et al., 2008), explain 30–45% of the variance in entrepreneurial intention: attitude, subjective norm and perceived behavioural control. According to Ajzen (1991), attitude refers to the degree to which a person makes a favourable or unfavourable evaluation or appraisal of the behaviour in question. Subjective norm stands for an individual's perceived social acceptance, with their closer social environment, of performing that behaviour. Perceived behavioural control refers to the degree to which an individual believes they are able to perform the behaviour. Accordingly, Ajzen and Fishbein (2004) suggest that the three theoretical antecedents should be sufficient to predict intentions. Thus, generally speaking, the more favourable the attitude and the subjective norm with respect to the behaviour, and the greater the perceived behavioural control, the stronger is the individual's intention to perform the behaviour.

Research over the past decades has suggested that becoming an entrepreneur is an emerging process consisting of complex choices and different activities depending on the level of engagement in the venture creation process (Katz 1990), intention (Katz and Gartner 1988; Learned 1992). While scholars have focused on developing concepts and measurements to capture the different phases and levels of the entrepreneurial process, they have also explored the practical decisions and activities involved in founding and developing a business. Scholars have particularly explored different notions applied to the very early phase of the emergence of new ventures, such as aspiration (Katz 1990), intention (Katz and Gartner 1988; Learned 1992), personal commitment (Reynolds and Miller 1992), the conception (Reynolds 1997) and the initial thought (Grilo and Thurik 2008) of founding a business. However, referring to the work of Rotefoss and Kolvareid (2005), an individual's entrepreneurial intent to start up in business reflects in their aspiration and commitment to found a venture, while these elements arguably mirror that an individual considers becoming an entrepreneur as a potential career option.

Furthermore, the notion of conception indirectly refers to the emergence of an individual's intention and commitment to found a firm, which, in turn, is a prerequisite of starting to prepare their business, and entering the nascent entrepreneurial phase (Reynolds and Miller 1992; Reynolds 1997). Accordingly, the

formation of an individual's intention to start a new venture is argued to relate to or capture the different elements of the initial start-up. Supporting the role of intentions in the new firm formation process, Gartner et al. (1992) have stated that emerging organizations are elaborate fictions of proposed possible future states of existence. Krueger (2009) has even suggested that entrepreneurial intentions may reflect the final phase before actually launching a business, highlighting the closeness of the genuine form of intent and nascent activity. Subsequently, this section of the conceptual study suggests that, in order to understand the pre-emergent phase of entrepreneurship, from an individual perspective, it is important to recognize the process nature of starting up in business, the different levels of entrepreneurial engagement, and particularly the entrepreneurial cognitions and intentions that deter the translation into the nascent entrepreneurial activities respectively starting up in business. Following this, and from the existing body of entrepreneurship research discussed above, Rotefoss and Kolvereid's (2005) three-stage-concept (aspiring, nascent and fledgling entrepreneur) is adopted as a broad basis for understanding the firm formation process in this study.

### **Towards a Contextual View of Entrepreneurship**

For many years, academics have been illustrating that economic behaviour is facilitated by different social, cultural, economic and geographical contexts (Amin and Thrift 1994; Dickens 1990; Granovetter 1985; Jacobs 1969 and Hodgson 2004). In the last two decades there has been also an increasing recognition that entrepreneurship can be better understood when considering the contexts within which it is embedded (Drakopoulou-Dodd and Anderson 2007; Gartner 1995; Stam 2010; Sternberg 2009; Thornton 1999; Thornton and Flynn 2003; Ucbasaran et al. 2001; Veciana and Urbano 2008 and Welter 2011).

Reflecting these rather recent developments in entrepreneurship research, Welter's (2011) recent work has sought to reemphasize the importance of exploring the multiplicity of contexts and their impact on entrepreneurship for understanding when, how, and why entrepreneurship happens and who becomes involved. Such a contextualized lens has become even more important in recent entrepreneurship research since environments have become more diversified and interconnected, as a result of globalization processes, thus creating further spatial variations in entrepreneurial activity (Veciana and Urbano 2008; Thornton et al. 2011). This has led recent research to increasingly argue that the conceptual idea of context is a very multiplex phenomenon (Welter 2011), which directly or indirectly facilitates entrepreneurship at various levels of analysis (Thornton et al. 2011; Welter 2011), while acknowledging that context is shaped by entrepreneurial activities themselves (Welter 2011; Garud et al. 2007; Bruton et al. 2010). Complementary to this view, academics have further emphasized entrepreneurship as a multidimensional phenomenon spanning different units of observation ranging from the individual to the firm, region or industry, and even nation (Grilo and Thurik 2008; Lundström and Stevenson 2005; Wennekers and Thurik 1999 and Davidsson, 2004).

Subsequently, there is a growing body of scholars, from different disciplinary and theoretical strands that has begun to recognize the multiple nature of both context and entrepreneurship, aiming to develop our understanding of the contextual conditions and boundaries that support, restrict or interact with the different forms and levels of entrepreneurship (Aldrich and Martinez 2001; Armington and Acs 2002; Fritsch and Schmude 2006; Begley et al. 2005; Blanchflower 2000; Bosma et al. 2009; Brixy and Grotz 2007; Gartner et al. 2006; Malecki 2009; Stam 2010; Stam and Van Stel 2011; Sternberg 2009; Tamásy 2006; Thornton 1999; Thornton et al. 2011; Welter 2011; Veciana and Urbano 2008). While a range of influencing factors has been identified and discussed (Blanchflower 2000), scholars have pointed out that economic factors and business contexts have been widely addressed and perhaps even overemphasized in studies on entrepreneurship, which, in turn, has limited our multilevel understanding of the social and cultural influences on entrepreneurial behaviour (Autio and Wennberg 2010; Freytag and Thurik 2007; Schendel and Hitt 2007; Thornton et al. 2011; Welter 2011).

These developments have apparently come as a surprise to many academics as the idea that individuals influence and are influenced by their social context is not new (Thornton et al. 2011; Welter 2011), for instance, when remembering the work of Max Weber (1904, 1905) in the early twentieth century. Here, scholars are reminded that Weber's work has already highlighted the validity of holding a multi-layered lens up to approaching the relationship between culture and economy, by arguing that the protestant culture has promoted individualism, which in turn has deterred economic activity and development (Steyaert and

Hjorth 2006; Thornton et al. 2011; Welter 2011). In this context, Thornton et al. (2011) have emphasized the importance of combining the social and cultural context to understanding the nature of entrepreneurial decisions and behaviour, while Welter (2011) has offered a similar, but somewhat broader conceptual approach. Inspired by the work of John (2006), Whetten (2009) and Hackman (2003), among others, Welter (2011) has suggested that in order to be able to conceptualize and analyze entrepreneurship through a context lens, it is important to capture the lower and higher levels of analysis, particularly at the social, spatial or geographical, and cultural and political contexts, within which the potential entrepreneur is embedded.

Against this backdrop, this independent study paper seeks to conceptualize these recent challenges in entrepreneurship research, drawing upon a contextual view of the emergence of entrepreneurship, where entrepreneurship is taking place in intertwined social, societal, and geographical contexts, which can be perceived as an asset or a liability by entrepreneurs (Welter 2011). In the current study, that statement is taken as being equally applicable to prospective entrepreneurs. Underlying this argumentation, Low and McMillan (1988) have already suggested that it is important to capture process and context, to understand the emergence of entrepreneurship.

More recently, Newbert and Tornikoski (2011) have concluded that nascent entrepreneurs are embedded in different relational and structural relationships that in turn affect a nascent organization's transformation into an operating business. Fuller et al. (2008) have argued that the core rationale for the emergence of entrepreneurship assumes that it is due to interactions between the individual and the environment, calling for future research that addresses the different levels of contextual analyses, applying multilevel theoretical concepts. Supportive of this call, Bosma and Schutjens' (2011) recent work has argued 'that understanding entrepreneurial behaviour and attitudes, and eventually influencing entrepreneurship in general, calls for different instruments at different spatial scales in different stages of entrepreneurship'. Drawing upon such conceptual introductions, this independent conceptual study paper proceeds to provide an extensive review of the entrepreneurship studies that have both explicitly and implicitly sought to explore the social, spatial, and institutional influences on the emergence of entrepreneurship.

### **Social Context**

Inspired by the well-established, sociological literature on the intertwined notions of social capital (Jacobs 1962; Coleman 1988), social networks (Burt 1992; Podolny 2001) and social embeddedness (Granovetter 1985; Stinchcombe 1965), many studies have emerged over the past two decades that seek to understand entrepreneurship as a social phenomenon (Aldrich and Zimmer 1986; Anderson and Jack 2002; Baron and Markman 2003; De Carolis and Saporito, 2006; Greve and Salaff 2003; Jack and Anderson 2002; Katz 1993; Liao and Welsch 2005; Drakopoulou-Dodd and Anderson 2007). This increasing body of literature has begun to address the limitations of the dominant atomized view of entrepreneurs in research, calling for a more socially embedded, process-based view of entrepreneurial activity (Drakopoulou-Dodd and Anderson 2007). Welter and Smallbone (2011) have further underlined that that it is necessary to incorporate the role of social context if the nature and extent of entrepreneurship are to be understood. Thus, even if academics differ in their views on the role of the individual in the entrepreneurial process it has been increasingly recognized that the emergence of new firms is embedded in and affected by social processes (Anderson and Miller 2003; Davidsson and Honig 2003; Katz and Gartner 1993; Liao and Welsch 2005; Gartner et al. 2010). Drawing upon these ideas, academics are increasingly exploring and theorizing on the social embeddedness of entrepreneurship.

Prior studies have dwelt on the influence of social context on entrepreneurial intentions. For instance, Alistair Anderson and his colleagues (Jack and Anderson 2002; Anderson and Miller 2003; Drakopoulou-Dodd and Anderson 2007) begun to postulate that the formation and development of a firm is related to the business founder's social world (culture) and to all of the subjective configurations associated with this social world (Anderson and Miller 2003). Linking to the work of Becker and Gordon (1966), Nelson and Winter (1982), Pfeffer (1982), among others, Gartner et al. (2010) have also argued that the process of organization formation is rooted in social interaction where individuals continuously re-organize resources, routines and structures, to found their business. Underlining these developments, Anderson and Miller (2003) have illustrated that social capital is embodied within social networks, supporting resource-acquisition strategies necessary for operating a business.

Applying the widely used social network concept of Nahapiet and Goshal (1998), Liao's and Welsch's (2005) empirical study has concluded that, for nascent entrepreneurs, what matters is how to utilize their social ties and interaction (structural capital) to influence and shape the norms and practices of their networks (cognitive capital) and in turn to develop trust and trustfulness and access to various actors' support (relational capital). Tornikoski and Newbert (2007) have further emphasized that it is important for a nascent entrepreneur to be legitimized in the eyes of their potential network members and resource gatekeepers, by convincing them that their nascent organization is operational. In a later study, these authors added that while a nascent entrepreneur might have a large number of ties with contacts, it does not necessarily mean that those contacts have the ability and motivation to support their venture creation. They have also concluded that once the nascent entrepreneur has a larger number of contacts that directly support them with valuable resources; the importance of enlarging the network diminishes (Newbert and Tornikoski 2012).

Academics have also begun to add family perspectives more explicitly to social capital and network approaches (Chang et al. 2009). For instance, Anderson and Miller (2003) have illustrated how the development of an entrepreneur's social capital is determined by their family background, while Aldrich and Cliff (2003) have explored how family networks influence the emergence and recognition of entrepreneurial opportunities and resources, and the final decision to go ahead and create a new venture. Greve and Salaff (2003) have argued that family members act as important resource holders to potential entrepreneurs who lack access to other social support networks during the firm formation process, while previous research has pointed out that this is particularly the case when family members have an entrepreneurial background (Aldrich and Cliff 2003). However, investigating family businesses, Anderson et al. (2005) have also shown that family members that are not directly involved in the family business or in other entrepreneurial activities also offer essential resources to entrepreneurs, such as professional advice and emotional support.

Supporting this argumentation, Chang et al.'s study (2009) has highlighted that the support of family networks directly or indirectly influences new venture creation by helping individuals to become better prepared for entrepreneurial activities and to carry out their ideas to actually open their new business. Their study has further argued that support from both family and other social actors facilitates an individual's entrepreneurial intentions and their subsequent acquisition of resources to prepare the new venture. These insights are in line with the large number of entrepreneurship studies that apply Ajzen's (1991) TPB, where the perceived social support is conceptualized as one important determinant of intention.

Most of the past studies have empirically demonstrated that an individual's entrepreneurial intention is stronger when they perceive positive social support and approval from networks of family and friends (Krueger 1993; Van Gelderen et al. 2008; Liñán and Chen (2009) have further argued that the social expectations of family and friends can indirectly shape an individual's entrepreneurial intention by affecting their entrepreneurial attitude and self-belief in being able to operate a venture. Utilizing the intention model of Shapero and Sokol (1982), Linan and Santos (2007) have shown that individuals' perceived bonding social capital, as outlined above, influences their desire to become an entrepreneur, while illustrating that bridging social capital, in other words the perceived social support in a broader network context, has an impact on their perception of the feasibility of entrepreneurial activity. Uniting those ideas, De Caloris et al. (2009) have suggested that an individual's social capital and ties with social networks can influence their entrepreneurial cognitions, such as risk propensity and impression of being in control in the context of entrepreneurship, and consequently, their progress in preparing and starting a new venture.

Even though scholars have increasingly recognized the role of norms in social networks, the previous research on social networks has merely focused on the exchange of resources and information, thus limiting our understanding of the social norms provided by the network actors (Krueger 2000; Autio and Wennberg 2010). Scholars have also increasingly begun to argue that these social contexts within which the potential entrepreneur operates are, in turn, embedded in a broader environment, drawing attention to the relationship between the social networks and cultural contexts. For instance, Welter (2011) and Thornton et al. (2011) have recently emphasized the importance of, and major challenge involved in, exploring social-cultural links; the social norms and values they create both theoretically and empirically, and how they influence entrepreneurial aspirations and behaviors. Underlining this view, Thornton et al. (2011) have further argued that the processes of exploitation of social capital are normative and cultural in nature,

potentially implying social rules that emerge within networks that can label people winners and losers (Anderson and Jack 2002) or exclude outsiders (Portes and Landolt 2000). Linan et al's (2011) study argued that both norms and values within the closer social environment and society at large have an impact on the formation of entrepreneurial intentions. Autio's and Wennberg's (2010) recent multilevel study offers a first empirical insight into how norms and attitudes of entrepreneurship are spread in social reference groups, suggesting that the cues of entrepreneurial behavior propagated by external institutions are modified through social interaction and networks. In addition, the case study by Hamilton (2006) has highlighted how institutionalized images of the typical entrepreneur within society are reproduced within family firms, where it is generally men who adopt the role of owner-manager. This leads to calls for further multilevel research and concepts that explore the emergence of entrepreneurship in light of the relationship between social and cultural contexts and, particularly, the related social norms and sanction mechanisms emerging within the potential entrepreneur's social networks. Welter (2011) has highlighted the need for further studies and concepts that incorporate the recursive links in contextualizing the emergence of entrepreneurship, drawing attention to the ability of potential entrepreneurs to shape social norms and their social, and institutional, contexts. We still know little of how social norms emerge from the potential entrepreneur's social networks; how they are co-determined by the institutional environment; and how potential entrepreneurs are able to resist and change prevalent social norms during their business start-up process.

Academics are increasingly highlighting the role of spatial contexts in entrepreneurial activity. Spatial research on larger geographical scales has become widely established, providing useful insights into national variations of entrepreneurship levels such as nascent entrepreneurship, start-up activity. That has spurred scholars to emphasize the regional and local dimension of entrepreneurship, in light of studies that have found the national framework, and other, conditions for entrepreneurship to vary within a country, across larger and smaller regional units. As noted previously, a number of regional conditions have been identified, ranging from demographic, social, economic, to industry features of the region (Sternberg 2009). Moreover, besides the processes of globalization and the related increasing importance of regional markets (Bosma et al. 2008), scholars have turned their attention to the locational inertia of entrepreneurs (Stam 2007). This has added further impetus to the calls to include the local and regional context in research on new venture creation. This body of research has indicated that entrepreneurs usually start new businesses in their area of residence, owing, for instance to personal motives, personal relationships, established local contacts and knowledge, and financial issues. However, while spatially orientated research has been growing significantly, over the past decade, research on the local and regional nature of the emerging process of entrepreneurship remains undeveloped. Malecki (2009) has underlined that relatively little research on entrepreneurship has examined the critical nature of the potential entrepreneur's local context in which he/she operates, while Sternberg (2009) has suggested that despite the increasing recognition of contextual aspects, entrepreneurship research still largely neglects spatial implications. In line with these arguments, the literature research by Trettin and Welter (2011) revealed that only a small body of spatial research is conceptual in nature and pointed out the lack of studies explicitly addressing socio-spatial contexts.

The emerging process of new ventures is strongly affected by the potential entrepreneur's local environment (Stam 2010), where, for instance, role models, social networks, and prevalent social sanctioning mechanisms can influence entrepreneurial intentions (Linan et al. 2011) and entrepreneurial activities (Mueller 2006; Bosma et al. 2011). Thus, spatial contexts can also be understood by reference to the social boundaries of the local communities, reflecting cognitive and culture-based norms and shared meanings (Thornton and Flynn 2003). It is a finding that calls for further research exploring the links between local context and socio-cultural elements, and their implications for the emergence of new ventures (Anderson 2000; Linan et al. 2011; Welter 2011).

### **The Role of Culture**

While scholars have long been exploring the role of broader cultural, economic and political contexts for economic activity (Cochran 1960; Hodgson 1988; Polanyi 1957; North 1990; Veblen 1919; Weber 1904, 1905), more recent research has begun to explicitly explore the influence of culture and society and also political and economic systems on entrepreneurship (Welter 2011). Such research often, whether directly or indirectly, refers to informal institutions such as culture, values, norms, traditions and formal institutions such as laws, property rights, economic and regulations.

Accordingly, a number of studies have emerged particularly since the 1990s, that draw attention to the various forms of entrepreneurship embedded in different institutional environments (Ahlstrom and Bruton 2002; Aidis et al. 2008; Kalantaridis 2007; Freytag and Thurik 2007; Lim et al. 2010; Nee 1992; Stephen et al. 2005; Stenholm et al. 2013; Welter and Smallbone 2008, 2011), increasingly suggesting that the process of becoming an entrepreneur is highly conditioned by the formal and informal institutions (Veciana and Urbano 2008). It has also come to be widely acknowledged that informal institutional contexts need to be combined in order to understand the influence of each pillar on entrepreneurial activity as well as the interaction between institutions and entrepreneurship more generally (Acs and Karlsson 2002; Davidsson et al. 2006; Li and Zahra 2012; Welter and Smallbone 2011). However, while several theoretical conceptions of the different forms of institutions strongly consider the interactive elements between formal and informal institutions or even neglect this simplified, binary distinction, the existing empirical research that tackles relationships between institutions and entrepreneurship is often characterized by focusing either on formal or on informal structures for entrepreneurial activity (Welter 2011). Towards this end, Bruton et al.'s (2010) literature review has underlined that only a small body of the institutional research on entrepreneurship explicitly engages in institutional theoretical work, apart from using established classifications of institutional pillars (North 1991; Scott 1995). Accordingly, North's (1991) binary distinction of formal and informal institutions is used to structure the literature as relates to culture.

Formal institutional context Scholars have increasingly sought to understand formal institutional structures for entrepreneurial activity by investigating regulatory frameworks of both a political and an economic nature. For instance, Smallbone and Welter (2009) have researched the initial reforms of legal systems in Central and Eastern European countries showing how changes in formal institutional frameworks can profoundly determine entrepreneurial activity by permitting private businesses to exist. These authors have also uncovered different ways in which the governments of Estonia and Belarus influence the nature and pace of business development, thus emphasizing the role of institutionalized behaviours in this emerging process (Smallbone and Welter 2010). In addition, Ireland et al. (2008) have suggested that in the transition economies of Central and Eastern Europe social movement activity by groups with different political identities can influence the rules that support or constrain entrepreneurship. Meanwhile Shane (2003) has argued that political forces, technological change and business regulations are decisive factors in the existence and number of new entrepreneurial opportunities.

Scholars have long emphasized that culture and the informal institutional environment influence economic activity and development (McClelland 1961; North 1990; North 2005; Shane 1993), while increasingly acknowledging that cultural norms and values shape entrepreneurial behaviour (Ahlstrom and Bruton 2002; Baumol and Strom 2007; Freytag and Thurik, 2007; Hayton et al. 2002; Sternberg 2009; Thornton et al. 2011) through both the demand and supply side of entrepreneurship (Verheul et al. 2002). While formal institutional and regulatory contexts have been relatively well-researched (Welter 2011), empirical research on informal institutions and culture in the context of entrepreneurship is still in an early phase (Hayton et al. 2002; Freytag and Thurik 2007). Nevertheless, a range of empirical studies have emerged, particularly in the past two decades that provide useful insights into the cultural and informal institutional contexts for entrepreneurship, across and within countries. For instance, Wilken's (1979) often cited comparative and historical study of the industrial development of six societies (England, France, Prussia-Germany, Japan, the USA, and Russia) during the eighteenth and nineteenth centuries has already explored how the more social legitimacy was accorded to entrepreneurship in a society the higher the subsequent level of entrepreneurship.

More recently, Shane (2003) stated that the interest in engaging in entrepreneurial activities is higher when the level of social acceptance of entrepreneurship in a society is high too. Further, the study of Begley and Tan (2001) has found how socio-cultural values shape the individual interest in entrepreneurship, and can hinder or support an individual's decision to prepare for and start a business. For example, they have shown that cultural perceptions of the entrepreneur's social status and shame stemming from a business failure were better indicators of entrepreneurial motivations in East Asian than in Anglo-Saxon countries. Mueller and Thomas (2000) found, in their study based on a student sample across nine countries, a positive relationship between individualistic cultures and an internal locus of control orientation, while particularly demonstrating that internal locus of control, combined with innovativeness, tends to relate to (Hofstede's 2001) operationalization of individualistic, low uncertainty avoidance cultures than collectivistic and high uncertainty avoidance cultural environments. Mitchell et al.'s (2000) research, across seven Pacific Rim



countries, has found that cultural values shape entrepreneurial cognitions and their relationship with the actual decision to start a business.

In particular, they have shown that an individual's perception of their competence to become an entrepreneur and their willingness to do so is altered by Hofstede's (2001) individualism and power distance cultural attributes, suggesting cultural permeability in the enactment portion of the venture creation script' (Mitchell et al. 2000). Mitchell et al. (2002) has further supported these findings by identifying significant cross-country variations in willingness and ability cognitions among 990 entrepreneurs from 11 countries, while further exploring that a set of cognitive entrepreneurial archetypes do indeed vary among countries.

### **The Role of Gender**

Underlining the role of culture and gender in the formation of entrepreneurial intention, the study by Veciana et al. (2005) has found that in Catalonia a student's gender relates to their desire and intention to create a new firm, while in Puerto Rico a student's gender plays no role in these processes. Moreover, Welter and Smallbone (2008), among others, have explored a number of specific institutional aspects involved in women's enterprising activities in transition economies. For instance, based on case studies in Uzbekistan they have shown that formal institutional voids, such as tax regulations and access to finance, almost equally hinder the creation of new businesses for both female and male entrepreneurs. However, it is the informal institutional environment with its cultural norms and behavioural codes that most affects the nature of female entrepreneurship, a large part of which involve home-based or subsistence activities in an attempt to combine family responsibilities with the need to generate income for the household (Welter and Smallbone 2008).

While the study by Langowitz and Minniti (2007), across 17 countries, has concluded that women tend to perceive themselves and their business environment in a less favourable light compared to men, the recent research by Shinnar et al. (2012) has particularly emphasized the role of culture and gender in entrepreneurial cognitions and intentions. The latter study has demonstrated that, based on a sample of 761 university students- women in the United States and Belgium perceived lack of competency and fear of failure a greater barrier than men, while this gender effect did not appear in China, suggesting that the 'Chinese culture somehow acts to shape individual perceptions of these two barriers in a way that eliminates gender differences' (Shinnar et al. 2012).

Underlining how cultural norms can affect entrepreneurship, a case study by Takyi-Asiedu (1993) had already illustrated that Entrepreneurial action, in sub-Saharan Africa has been viewed as being relatively static, because a religious commitment to tradition has led to the suppression of flexibility and adaptability to change religious commitments to traditional values. Wennekers et al. (2007) have further examined the role of uncertainty avoidance culture in an individual's occupational choice (employment vs. self-employment), using longitudinal-data across 21 countries for the years 1976, 1990 and 2004. In opposition to the study findings presented (Mueller and Thomas 2000), their research found a positive relationship between uncertainty avoidance (as defined by Hofstede 2001) and the prevalence of business ownership, suggesting that a restrictive environment of large businesses in high uncertainty avoidance countries tends to push individuals seeking for autonomy towards self-employment. Feyrtag and Thurik (2007) have further shown that cultural elements particularly influence the individual preference for entrepreneurship, whereas hard economic factors, such as tax rates and direct regulatory burden, shape the actual business start-up levels.

According to the study by Stephen et al. (2005), higher levels of entrepreneurship and business ownership can in turn enhance higher entrepreneurial potential levels in an economy, emphasizing potential role model effects on entrepreneurial motivations. Applying Inglehart's post-materialism index, the study of Uhlaner and Thurik (2007), based on data from 27 countries, has shown that a society in which non-materialistic values are dominant tends to have lower entrepreneurial activity levels (according to the GEM classifications), even when controlling for a set of demographic, economic and social indicators. Introducing a measurement of country institutional profile for entrepreneurship, Busenitz et al.'s (2000) research, based on student samples across six countries (Germany, Italy, Norway, Spain, Sweden, and the USA), has demonstrated that social normative contexts that approve of entrepreneurship encourage individuals to

start a new venture, whereas formal institutional environments become essential for established firms to make initial public offerings and to gain resources and external investors.

Supporting this finding, Spencer and Gómez's (2004) study, across 23 countries, has shown that informal institutional contexts (i.e., the society's attitudes towards entrepreneurs) has an effect on self-employment rates, but not on more advanced forms of entrepreneurship. In addition, the recent study by Li and Zahra (2012) has provided new insights into informal institutional influences on venture capital activity by demonstrating that even though a strong formal institutional framework stimulates venture capital investment; both uncertainty avoidance and collectivism seem to reduce the sensitivity of funding to the incentives provided by formal institutions. Thus, in line with North (1990), they have concluded that similar formal institutional frameworks in different societies can lead to different economic outputs.

Other scholars have explored how popular metaphors, discourses or narratives are generated, particularly by the media, and promote certain enterprise beliefs and norms within societies, portraying who business owners are and how they should be (Ainsworth and Hardy 2009; Anderson and Warren 2011; Down and Warren 2008; Nicholson and Anderson 2005). For instance, the work and publications of Schmolders (1978) indicated how images and understandings of the entrepreneur can become institutionalized within different societies through influences from different bodies, such as trades unionists, intellectuals and educators. More recently, the study by Nichol森 and Anderson (2005) has provided strong evidence of how media texts present ideal types of entrepreneurship by portraying the entrepreneur as heroic, a near mythical figure supporting the economy and society. Based on a sample of 480 newspaper articles, their study has shown that print media discourses tend to describe the entrepreneur in heroic terms, akin to masters of time, as a lovable rogue or as a type of polite rebel, arguing that these created images shape how people think and learn about the role of the entrepreneur.

In line with the presented quantitative studies on culture and gender, the case studies of Hamilton and colleagues (Hamilton and Larty 2009; Hamilton 2006; Hamilton and Smith 2003) among others, have highlighted how the dominant masculine nature of these institutionalized discourses and ideal types of the entrepreneur can discriminate against female entrepreneurs. In particular, Hamilton (2006) has found how established images of the entrepreneur within society are reproduced within family firms in the discourse of the heroic male owner-manager and the invisible women embedded in the patriarchal/paternal discourses and practices (Hamilton 2006). Moreover, scholars have begun to uncover informal institutional structures emerging from discourses that praise a younger enterprising culture, which can create barriers for older individuals who engage in entrepreneurial activities (Ainsworth and Hardy 2008, 2009; Down and Revelly 2004; Down and Warren 2008). For instance, Ainsworth and Hardy (2009) have stated that entrepreneurship and age are independent constructs that do not complement each other, and that older entrepreneurs find it difficult to conform to a younger, dominant enterprising culture. As such, they deviate from popular norms of enterprise, within discourse, which reflect social reality, where negative stereotypes can prevent the intentions of nascent entrepreneurs and discriminate against older entrepreneurs (Ainsworth and Hardy 2008, 2009).

Generally speaking, the existing cross-country research on culture and entrepreneurship has mainly followed Hofstede's (2001) seminal work (Hayton et al. 2002) or an aggregated psychological trait approach (Freytag and Thurik 2007). A comprehensive review by Hayton et al. (2002) of 21 empirical studies that investigate the association between national cultural attributes and entrepreneurship has underlined that the lion's share of these studies is based on Hofstede's concepts of national culture and that other approaches have been neglected or underdeveloped. Stemming from such research, uncertainty avoidance, among others, has become probably one of the most prominent cultural indicators used to investigate the relationship between culture and entrepreneurship, mainly suggesting that the greater the uncertainty avoidance, the less entrepreneurial a society tends to be. Furthermore, uncertainty avoidance is a cultural trait closely linked to attitudes of risk and uncertainty and, consequently, to the entrepreneurial propensity within a country according to the aggregate psychological traits approach, which suggests that, for a given country, the more individuals with entrepreneurial values there are in a society, the more individuals will display entrepreneurial behaviour (Thurik and Dejardin 2011). Accordingly, previous research has largely focused on cultural aspects of entrepreneurship from a highly individualistic view of culture, using aggregated psychological measures to capture cultural differences in entrepreneurship.

In addition, previous empirical research has tended to examine only broad cultural values and their relationship with different forms of entrepreneurship, neglecting measures of normative institutional environments that are specific to a particular domain, such as a society's attitudes about entrepreneurship, which appear to hold greater predictive power (Spencer and Gomez 2004). This is reflected in the current debates on institutions and entrepreneurship, calling for further research that addresses effects of specific institutional and cultural contexts on entrepreneurship (Schendel and Hitt 2007) and thereby adds to the literature aimed at contextualizing entrepreneurship, and particularly at conceptualizing and measuring specific socio-cultural influences on entrepreneurial behaviour (Thornton et al. 2011; Welter and Smallbone 2011). Now further research is needed that applies and develops approaches that enable the capture and measurement more directly and holistically of cultural and societal values towards entrepreneurship.

In this regard, the social and moral legitimization approach of entrepreneurship in a society (Etzioni, 1987) has been discussed as potentially offering a way of capturing such specific informal institutional settings for entrepreneurship (Freytag and Thurik 2007), suggesting that the more entrepreneurship is socially legitimized in a society, the higher the level of entrepreneurial activity should be (Shane 2003; Wilken 1979). However, to date, very little cross-country research exists that seeks to theorize and empirically uncover the various entrepreneurial legitimization processes in society and their impact on entrepreneurship. Moreover, Bruton et al. (2010) have emphasized that unfortunately, unless larger samples can be identified, the interdependencies between values and entrepreneurship may remain difficult to discern. Furthermore, future research requires a more cogent conceptualization of anticipated interactions among culture, institutional context, and behaviors than has been presented to date.

### **New Venture Creation**

Towards the end of the twentieth century, entrepreneurship scholars increasingly highlighted the process nature of new firm formation, emphasizing the importance of understanding the initial and pre-emergent phase of entrepreneurial behavior and new ventures (Bhave 1994; Bird 1988; Bull and Willard 1993; Carter et al. 1996; Gartner 1985, 1988; Katz 1990; Low and MacMillan 1988; Reynolds and Miller 1992; Reynolds and White 1997; Van de Ven et al. 1989; Venkataraman 1996). Accordingly, academics have steadily recognized that 'the creation of an organization is a very complicated and intricate process' (Gartner 1988: 28), and that 'before there can be entrepreneurship there must be the potential for entrepreneurship' (Krueger and Brazeal 1994: 91). This growing body of research has sought to respond to the over-dominance of studies on existing entrepreneurs and firms or, in other words, to the lack of knowledge of how (potential) entrepreneurs and firms emerge (Reynolds and White 1997).

This branch of academic work has also started to critically address a prior, established research stream (McClelland 1961), which mainly focused on the traits that distinguish entrepreneurs from non-entrepreneurs in society, for instance by tackling questions on whether 'entrepreneurs are born or made' (Lundström and Stevenson 2005). Here, Gartner (1988) and Katz and Gartner (1993) in the late 1980s, symbolically raised the need for a reorientation of entrepreneurship research from characteristics of individuals to behaviors in the process of emergence' (Davidsson 2006). Moreover, inspired by the emphasis laid by other influential scholars on the process nature of venture creation (Bhave 1994; Van de Ven et al. 1989), a dynamic and process-oriented view of entrepreneurship has begun to replace an established static view, rooted in the work of Knight (1921), 'which sees entrepreneurship as a state which one can adopt or not' (Van der Zwan et al. 2010: 2183).

In this context, one major stream of this emerging research has begun to seek to uncover the factors that influence the very early stage of the entrepreneurial process, that is, an individual's intention to start up in business (Bird 1988; Krueger 1993; Shapero and Sokol 1982; Tkachev and Kolveried 1999). Another stream has started to investigate the decisions and activities of individuals often called nascent entrepreneurs who are already actively preparing their business (Delmar and Davidsson 2000; Reynolds and White 1997), while other scholars have sought to develop frameworks that explore the different phases of the entire business start-up and early firm process (Katz 1990; Katz and Gartner 1988; Carter et al. 1996). Thus, there is an increasing body of research that seeks to develop our knowledge of the emergence of entrepreneurship, by investigating entrepreneurial cognitions (Mitchell et al. 2002 Mitchell et al. 2007), the formation of entrepreneurial intentions (Kautonen et al. 2013; Liñán and Chen 2009), the nascent entrepreneurship phase (Müller 2006; Newbert and Tornikoski 2011, 2012; Reynolds et al. 2005) or a

combination of different phases of the entrepreneurial process (Rotefoss and Kolvereid 2005; Van der Zwan et al. 2010).

### **The Different Phases of New Venture Creation**

At this point, many scholars agree that entrepreneurship is a process of emergence (Baron and Shane 2005; Davidsson 2006; Grilo and Thurik 2008; Reynolds 2007; Sternberg 2009: 15; Stam 2007; Welter 2011), while others even consider the processes of new venture creation to be the core characteristic of entrepreneurship (Carter et al. 1996; Gartner and Carter 2003; Gartner 2010). Subsequently, many theoretical conceptions and empirical studies have emerged in the past decades seeking to describe and explore the various phases involved in the individual process of founding a business, while also focusing on the continuation of different stages after the business start-up (Gartner and Carter 2003).

The earlier scholars contributed a great deal to the literature on the evolution of venture creation phases. For instance, Wilken (1979) has sought to explain how individuals need to develop a business idea and concept, and then carefully plan the new business before actively engaging in the business establishment. Birley (1984) has suggested that the firm formation process emerges in a sequential order, from deciding to found a business, creating a bank account, acquiring premises and resources, handling initial orders, and paying the first taxes through to hiring workers. Vesper (1990) has stated that the venture creation process consists of the acquisition of five key elements, while adding that these elements can be combined in a different order: technical know-how, product or service idea, personal contacts, physical resources and customer orders. Katz and Gartner (1988) have proposed four significant properties that conceptualize the creation of a new venture: intention to found an organization, acquiring resources to form an organization, establishing the boundaries of the organization, and exchanging resources across these boundaries.

Katz (1990) has further argued that individuals need to overcome three hurdles in the process of becoming self-employed, those being the hurdles of aspiring, preparing and entering. The aspiring hurdle indicates an individual's intent to become self-employed, while the preparing hurdle reflects their preparations by scanning the environment and acquiring resources before facing the entering hurdle that arises when they actually open the business. Learned (1992) has suggested a framework that illustrates three sequential elements that lead to an individual's decision to start or not to start a business: propensity to become an entrepreneur, intention to start a business, and making sense of information acquired during the attempt to develop ideas and accumulate resources.

Equally, Rotefoss and Kolvereid (2005) have conceptualized three milestones of the business creation process including the aspiring, preparing and entering milestone by combining the models developed by Katz (1990) and Learned (1992). According to their definitions, 'reaching the aspiring milestone represents an intention to pursue, or commitment to continue, an entrepreneurial career, reaching the preparing milestone indicates an attempt to establish a business; and the entering milestone implies the actual start-up of a fledgling new business' (Rotefoss and Kolvereid 2005). Moreover, Reynolds and Miller (1992) have sought to trace four different events that can indicate the 'gestation markers' of the emergence of an operating business: personal commitment (starting to invest personal time and resources), financial support (obtaining external financial support), sales (receiving first sales income) and hiring (employing someone full- or part-time).

Prior studies have indicated that not all events necessarily occur in the firm creation process and that the events do not take place in a particular order, while mainly concluding that 'the gestation period, from conception to birth, should be treated separately from the post-birth period' (Reynolds and Miller 1992: 416). Reynolds (1997) and Reynolds and White (1997) have continued to propose a specific distinction between the different stages of the firm formation processes, which includes the conception, gestation, infancy, adolescence, maturity and decline stages; whereas the notion of 'nascent entrepreneurship' has subsequently become increasingly pronounced in entrepreneurship research (Reynolds et al. 2005), representing the gestation and infancy phase. Supporting these developments, the study by Carter et al. (1996) has uncovered three different profiles of nascent entrepreneurs.

These critical processes and outcomes in the nascent entrepreneurship phase can be further understood by the suggestion that potential entrepreneurs need—almost constantly—to discover and exploit

entrepreneurial opportunities to successfully found and establish businesses (Shane and Venkataraman 2000).

Inspired by these prior studies, Grilo and Thurik (2005, 2008: 1114) have proposed seven levels of an individual's involvement in the entrepreneurial process, noting that the levels do not necessarily indicate an increasing degree of entrepreneurial engagement. Their concept includes two early stages of entrepreneurial engagement (thinking about it' and 'taking steps to start a business), and levels that indicate if an entrepreneur is running a young or older business, or has given up or even closed their business. Besides that, they have defined a level that represents individuals who are not thinking of becoming an entrepreneur, and thus are not (yet) engaging in the entrepreneurial process. Following their work, Van der Zwan et al. (2010) invented the concept of the entrepreneurial ladder, by incorporating five of the seven entrepreneurial engagement levels in a sequential order: 'Never thought about it', 'Thinking about it', 'Taking Steps', 'Young business' and 'Old business'.

The concept behind this framework is that entrepreneurship is seen as a process, where each level captures an increasing degree of engagement in the entrepreneurial process, while the determinants of entrepreneurship can vary across these levels (Grilo and Thurik 2008; Van der Zwan et al. 2010: 2184).

### **Entrepreneurial Intention and New Venture Creation**

Towards the end of the twentieth century, entrepreneurship scholars increasingly highlighted the process nature of new firm formation, emphasizing the importance of understanding the initial and pre-emergent phase of entrepreneurial behavior and new ventures (Bhave 1994; Bird 1988; Bull and Willard 1993; Carter et al. 1996; Gartner 1985, 1988; Katz 1990; Low and MacMillan 1988; Reynolds and Miller 1992; Reynolds and White 1997; Van de Ven et al. 1989; Venkataraman 1996). Accordingly, academics have steadily recognized that 'the creation of an organization is a very complicated and intricate process' (Gartner 1988: 28), and that 'before there can be entrepreneurship there must be the potential for entrepreneurship' (Krueger and Brazeal 1994: 91). This growing body of research has sought to respond to the over-dominance of studies on existing entrepreneurs and firms or, in other words, to the lack of knowledge of how (potential) entrepreneurs and firms emerge (Reynolds and White 1997). Peoples' attitudes toward income, independence, risk, and work effort forms the foundation of entrepreneurial intent. Peoples' attitudes toward income, independence, risk, and work effort forms the foundation of entrepreneurial intent

### **Culture and New Venture Creation**

Culture which is expressed in both values and judgments of individuals consists of patterns, explicit and implicit, of and for behavior acquired and transmitted by symbols, constituting the distinctive achievement of human groups, including their embodiment in artifacts; culture systems may, on the one hand, be considered as products of action, and on the other, as conditioning elements of future action. (Kroeber et al, 1952). Culture determines the creation of businesses. It determines the worthiness of entrepreneurship as a valuable achievement. (McCormick 2001). Cultural factors that have an influence on entrepreneurship include religion, personal relations, attitude towards risk networking among others (McCormick 2001). Underlining how cultural norms can affect entrepreneurship, a case study by Takyi Asiedu (1993) illustrated that Entrepreneurial action, in sub-Saharan Africa has been viewed as being relatively static, because a religious commitment to tradition has led to the suppression of flexibility and adaptability to change from the religious commitments of traditional values. Culture diversity has been witnessed in new venture creation in many countries where the nation's drive toward entrepreneurship is being led by women, family business owners, immigrants, past-timers, home-based business owners, minorities, corporate castoffs, copreneurs and corporate dropouts (Zimmerer et al 2009).

### **Gender and New Venture Creation**

The term gender refers to the sex of individual, which is either male or female. An individual's gender affects the role one is expected to play in the context of societal norms and a culture. A gender role is a set of social and behavioral norms that are generally considered appropriate for either a man or a woman in a social context. There are differences of opinion as to which observed differences in behavior and personality

between genders are entirely due to innate personality of the person and which are due to cultural or social factors, and are therefore the product of socialization, or to what extent gender differences are due to biological and physiological differences.

Utilizing the intention model of Shapero and Sokol (1982), Linan and Santos (2007) have shown that individuals' perceived bonding social capital, as outlined above, influences their desire to become an entrepreneur, while illustrating that bridging social capital, in other words the perceived social support in a broader network context, has an impact on their perception of the feasibility of entrepreneurial activity. Uniting those ideas, De Caloris et al. (2009) have suggested that an individual's social capital and ties with social networks can influence their entrepreneurial cognitions, such as risk propensity and impression of being in control in the context of entrepreneurship, and consequently, their progress in preparing and starting a new venture.

Women tend to start businesses to support their family welfare and that are related to their roles in the family like child rearing, home organization, beauty and health, education among others. Gender can also be used to explain the differences in new venture financing; women prefer to use informal sources with minimal risk (McCormick 2009).

**Table 6.1: Summary of Knowledge Gaps and Proposed Objectives**

Researchers	Focus	Findings	Comments	Knowledge gaps
Welter 2011	Entrepreneurial context	No clear understanding of the various contexts within which entrepreneurship emerges	Need to conceptualize and empirically examine a context 'which cuts across levels of analysis	Entrepreneurship needs to be understood in the various contexts in which it emerges.
Welter (2011)	Spatial contexts in entrepreneurial activity	The national framework, and other, conditions for entrepreneurship vary within a country, across larger and smaller regional units.	Entrepreneurship research still largely neglects spatial implications	Research on the local and regional nature of the emerging process of entrepreneurship remains undeveloped
Autio's and Wennberg's (2010)	Social-cultural links	There exist major challenges involved in exploring social-cultural links.	Need for further multilevel research and concepts that explore the emergence of entrepreneurship in light of the relationship between social and cultural contexts and, particularly, the related social norms and sanction mechanisms emerging within the potential entrepreneur's social networks.	Research on entrepreneurship in light of the relationship between social and cultural contexts and related social norms
Linan et al's (2011)	Social-cultural links	There exist major challenges involved in exploring social-cultural links.	Need for further multilevel research and concepts that explore the emergence of entrepreneurship in light of the relationship between social and cultural contexts and, particularly, the related social norms and sanction mechanisms emerging within the potential entrepreneur's social networks.	Research to explore the emergence of entrepreneurship in light of the relationship between social and cultural contexts
Thornton et al. (2011);	Institutions and entrepreneurship		Need for further research that addresses effects of specific institutional and cultural contexts on entrepreneurship	General neglect of measures of normative institutional environments that are specific to a particular domain, such as a society's attitudes about entrepreneurship
Wennberg (2010)	Social networks	Past research findings are inconsistent	Further empirical research to shed light on the impact of social norms as they relate to entrepreneurship.	Limited understanding of the social norms and their direct relationship to entrepreneurial intent
Welter and Smallbone (2011)	Institutions and entrepreneurship		Need for further research that addresses effects of specific institutional and cultural contexts on entrepreneurship	General neglect of measures of normative institutional environments that are specific to a particular domain, such as a society's attitudes about entrepreneurship

Thurik and Dejardin (2011).	The relationship between culture and entrepreneurship	There is a paucity of research on the relationship between national culture and entrepreneurship.	Further research on the relationship between national cultures and entrepreneurship	Research has to a large extent focused on cultural aspects of entrepreneurship from a highly individualistic view of culture, using aggregated psychological measures to capture cultural differences in entrepreneurship
Welter (2011)	Informal institutions and culture	Empirical research on informal institutions and culture is in early stages	Need for more empirical research study on the context of entrepreneurial intent	Empirical research on informal institutions and culture in the context of entrepreneurship is still in an early phase
Bruton et al. (2010)	Entrepreneurial legitimation processes		Future research requires a more cogent conceptualization of anticipated interactions among culture, institutional context, and behaviours.	Very little cross-country research exists that seeks to theorize and empirically uncover the various entrepreneurial legitimation processes in society and their impact on entrepreneurship.
Bruton et al.'s (2010)	Formal and informal structures of entrepreneurial activity	Limited research study carried out on the formal and informal structures of entrepreneurial activities	Empirical research that tackles relationships between institutions and entrepreneurship is often characterized by focusing either on formal or on informal structures for entrepreneurial activity	Only a small body of the institutional research on entrepreneurship explicitly engages in institutional theoretical work. Much is unknown
Sternberg (2009)	Spatial contexts in entrepreneurial activity	The national framework, and other, conditions for entrepreneurship vary within a country, across larger and smaller regional units.	Entrepreneurship research still largely neglects spatial implications	Research on the local and regional nature of the emerging process of entrepreneurship remains undeveloped
Freytag and Thurik (2007)	Informal institutions and culture	Empirical research on informal institutions and culture is in early stages	Need for more empirical research study on the context of entrepreneurial intent	Empirical research on informal institutions and culture in the context of entrepreneurship is still in an early phase
Krueger( 2000);	Social networks	Past research findings are inconsistent	Further empirical research to shed light on the impact of social norms as they relate to entrepreneurship.	Limited understanding of the social norms and their direct relationship to entrepreneurial intent



## Conceptual Framework

This conceptual independent study is informed by institutional theory. In particular the institutional theory has been increasingly suggested as a fruitful meta-framework with which to develop our understanding of the different environmental settings that interact with entrepreneurship (Kalantaridis and Fletcher 2012; Stenholm et al. 2013; Thornton et al. 2011 and Welter 2011). Moreover, scholars have recently suggested that an institutional perspective can serve as a useful frame to uncover the various contexts for entrepreneurial cognitions and the individual decision to found new firms (Lafuente et al. 2007; Linan et al. 2011; Lim et al. 2010). Previous studies have established binary relationships between Entrepreneurial intention, culture and gender. This study conceptualizes that each of the variables in the study are positively related with new venture start up.

The conceptual model schematically presents the perceived relationships between the variables under this study. The conceptual model (Figure 1) shows the various links among the variables in the Entrepreneurial Intention- Culture-Gender and New venture creation (EI- C-G-NVC) paradigm. The model, specifically demonstrates the important link between Entrepreneurial intention and culture and the link between Entrepreneurial Intention and new venture creation. More importantly, the model demonstrates how cultural variables moderate the relationship between firm creation and the entrepreneurial intention.

Figure 1: Conceptual Model

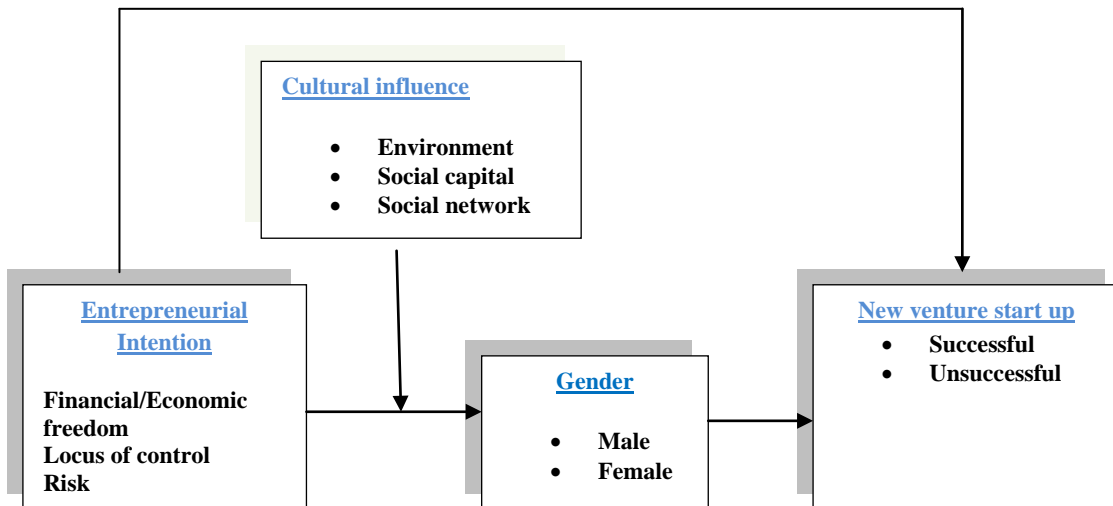


Figure 1: Factors Affecting the Relationship between Entrepreneurial Intention, Culture, Gender and New Venture Creation

## Conclusion

A great deal of research has investigated the reasons for the creation of new enterprises and the entrepreneurial characteristics of those individuals responsible for the emergence of new firms. An important question is why some individuals decide to pursue entrepreneurial endeavours while others do not. Research has investigated the possible reasons behind this behaviour from the perspective of the individual themselves as well as economic and other factors in their environment (Acs, Audretsch and Evans, 1994; Hofstede, 2004).

Focal to entrepreneurship literature has been the relationship between entrepreneurial intentions and new venture start-ups. More recently, authors have begun to place greater emphasis on variables impacting the strength or direction of the relationship between EI and Venture creation. Concurrently, a debate has emerged surrounding the dimensional nature of the EI construct and the validity of such a measure given the unique contributions of individual variables. These more recent contributions have revealed several important areas of concern for EI researchers.

Following on the contemporary logic and thinking, it is hoped that the proposed conceptual framework and model will go a long way in providing insights and guiding empirical research to address the identified knowledge gaps. It is, however, important to note that the choice of context where empirical study is to be carried out has lots of implications. This should be carried out in a way that will ensure significant manifestation of the concepts and variables under consideration.

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