

The Moderating Role of National Culture in the Relationship between University Offerings and Students' Start-up Activities: An Embeddedness Perspective

USASBE 2016 – San-Diego, CA

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*Research has been conducted with financial support from Russian Science Foundation grant (project No.14-18-01093)

The role of context

- **Context** is a critical factor in explaining entrepreneurial activity [Welter, 2011]
- The spirit of educational place, its shared values and norms can **affect entrepreneurial intentions and actions**
 - There is relationship between university context and entrepreneurial activities undertaken by students [Bae et al., 2014]
 - University entrepreneurial environment can be seen as the number of interrelated parts that may have an impact on student entrepreneurship [Morris, Shirokova & Tsukanova, 2015]
- **National culture** may impact the supportiveness of the external environment for new venture creation [Etzioni, 1987; Hayton, George & Zahra, 2002] and explain the difference in the levels of entrepreneurial intentions and startup activity in different countries

- **RQ: What is the impact of university environment and national culture on students' entrepreneurial behavior?**
 - Embeddedness perspective & entrepreneurship research
 - **Entrepreneurship behavior:**
 - **Start-up activities** are the events and behaviors of individuals who are engaged in the process of starting a new venture [Gartner, Carter & Reynolds, 2004]
 - Entrepreneurs who were engaged in **more start-up activities** were more likely to continue the organizing effort [Brush, Manolova & Edelman, 2008]

Two Levels of Embeddedness

- The **embeddedness concept** enables understanding of how involvement in different social groups and places influences and shapes actions [McKeever, Jack & Anderson, 2015]
- **Two levels** of embeddedness for student entrepreneurial start-up activities:
 - (1) **university environment** explains the impact of different types of university offerings, conventions, norms, values and beliefs which are common in the university context where students are embedded, and can influence their entrepreneurial behaviors
 - (2) **national culture** uncovers the influence of social conventions, norms, attitudes, values and beliefs of the nation where students were brought up and within which they make their decisions and the real entrepreneurial actions take place

University Context

- Universities are **facilitators** of student entrepreneurial behavior
- **Three basic types** of university resources (offerings) related to entrepreneurship and start-up activities:
 - (1) lectures and seminars about different topics (curricular programming)
 - (2) networking and coaching opportunities (co-curricular programming) and
 - (3) financial resources for founding a business [Kuttim et al., 2014]
- **We hypothesis that**
 - **H1.** The engagement of students in entrepreneurship-related curricular programs is positively related to the scope of their start-up activities.
 - **H2.** The engagement of students in entrepreneurship-related co-curricular activities is positively related to the scope of their start-up activities.
 - **H3.** The engagement of students in financial support programs for student entrepreneurs is positively related to the scope of their start-up activities.

National Culture

- **Culture** determines the mental models and the way how the information is managed by a person
- Within the cultural dimensions developed by Hofstede (2001), *individualism*, *power distance*, and *uncertainty avoidance* can help to understand the “*how*” and “*why*” of student entrepreneurship.
- **We hypothesize that** the positive relationship between students’ engagement in (a) entrepreneurship-related curricular programs; (b) entrepreneurship-related co-curricular activities; (c) programs offered financial support for student entrepreneurs and scope of their start-up activities will be
 - **H4.** stronger in high individualistic countries than in low individualistic countries (students take advantage of education)
 - **H5.** weaker in high power distance countries than in low power distance countries (more empowered to make a difference)
 - **H6.** stronger in low uncertainty avoidance countries than in high uncertainty avoidance countries (willingness to pursue entrepreneurial initiatives)

Methodology

Sample & Descriptive Statistics

- Data from “Global University Entrepreneurial Spirit Students’ Survey (GUESSS) 2011”, a biannual online survey of students from 26 countries
- Our sample: N=31,812 “intentional founders” among students from 24 countries and 281 universities
- Students were, on average, 24 years old, just 47% were female, and above 53% reported that their parents were and had been entrepreneurs

Statistical Procedure

- DV= count number of start-up activities;
- IVs=as the number of courses/activities attended by students
- Hierarchical Poisson Regression (STATA) + we clustered the standard errors at the university level to account for the possibility of non-independence of observations

Main Findings

- Students' engagement in entrepreneurship-related curricular programs is positively related to the scope of start-up activities undertaken by students (**H1**, confirmed)
- Students' engagement in entrepreneurship-related co-curricular activities is positively related to the scope of start-up activities among students (**H2**, confirmed)
- Students' participation in financial support programs at universities is ~~positively~~ **negatively** related to the scope of their start-up activities (**H3**, rejected)

Main Findings

- The positive impact on the scope of start-up activities of entrepreneurship-related curricular programs and co-curricular entrepreneurship-related activities in high individualistic countries was stronger compared to low ones (**H4a** and **H4b** were confirmed)
- In high power distance countries the positive effect of entrepreneurship-related curricular programs and co-curricular entrepreneurship-related activities on the scope of student start-up activities was weaker (**H5a** and **H5b** were confirmed)
- High uncertainty avoidance in the society diminishes the positive effect of entrepreneurial courses on the number of student start-up activities (**H6a** were supported).

Conclusions

- Entrepreneurship can be considered as a **learned** phenomenon
- **Culture** can be depicted as a moderator of the relationship between university offerings and student entrepreneurship and its effect can't be ignored
- **Contribution:**
 - Understanding of how university students' entrepreneurial intentions are translated into entrepreneurial actions
 - Understanding of the impact of key elements of the university environment on student start-up activity
 - Insights regarding the role of national culture in moderating the impact of the university environment on students' start-up behavior
 - **Implications** for entrepreneurship educators and public policy makers responsible for developing and supporting entrepreneurial university context

**Thank you
for your attention!**

