

# **Entrepreneurs' individual-level resources and social value creation goals: The moderating role of cultural context**

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# Entrepreneurs' individual-level resources and social value creation goals: The moderating role of cultural context

## Abstract

**Purpose**—This study seeks to provide a better understanding of how the interplay of individual-level resources and culture affects entrepreneurs' propensity to adopt social value creation goals.

**Design/methodology/approach**—Using a sample of 12,685 entrepreneurs in 35 countries from the Global Entrepreneurship Monitor, this study investigates the main effects of individual-level resources—measured as financial, human, and social capital—on social value creation goals, as well as the moderating effects of the cultural context in which the respective entrepreneur is embedded, on the relationship between individual-level resources and social value creation goals.

**Findings**—Drawing on the resource-based perspective and Hofstede's cultural values framework, the results offer empirical evidence that individual-level resources are relevant for predicting the extent to which entrepreneurs emphasise social goals for their business. Furthermore, culture influences the way entrepreneurs allocate their resources toward social value creation.

**Originality/value**—The study sheds new light on how entrepreneurs' individual resources influence their willingness to create social value. Moreover, by focusing on the role of culture in the relationship between individual-level resources and social value creation goals, it contributes to social entrepreneurship literature, which has devoted little attention to the interplay of individual characteristics and culture.

**Keywords**—Social entrepreneurship, culture, resources, cross-country analysis, multilevel regression

## Introduction

At the beginning of the twenty-first century, humankind confronts a variety of socio-economic and environmental problems, including poverty, chronic undernourishment, inequality, climate change, discrimination, corruption, and health issues. Scholars and practitioners agree that businesses not only can but should play a key role in resolving these challenges, especially by adopting social value creation goals in their activities (Bull, 2008; De Clercq and Voronov, 2011; Lumpkin *et al.*, 2013; Maclean *et al.*, 2013; Meyskens *et al.*, 2010a; Schaltegger and Wagner, 2011; Shaw and de Bruin, 2013; Stevens *et al.*, 2015). Institutions, international groups (e.g., United Nations, European Union, World Bank), governments, nongovernmental organizations, public agencies, universities, and firms all assign priority to social value creation efforts (Chell *et al.*, 2010; Urban and Kujinga, 2017), leading to its enhanced prominence in both developing and developed markets (Lepoutre *et al.*, 2013). Recent research into the drivers of social entrepreneurial activities identifies both individual and contextual characteristics as determinants, though few studies combine both influences to delineate motivations for such activities (e.g., Estrin *et al.*, 2016; Hechavarría *et al.*, 2017; Pathak and Muralidharan, 2016). Yet interactions of individual- and country-level drivers likely are relevant, particularly for understanding why and in which conditions entrepreneurs are willing to create social value through their endeavours.

Therefore, the objective of this study is to clarify the interplay of individual-level resources and the cultural context, in terms of how it affects the propensity of entrepreneurs to embrace social value creation goals in their start-up efforts. Using a resource-based perspective (Shepherd and Wiklund, 2005; Sieger *et al.*, 2011), this study examines how an abundance of financial, human, and social capital might determine entrepreneurs' willingness to address social objectives, beyond mere economic objectives. By analysing financial, human, and social capital as three forms of individual resources, the study seeks to provide

deeper insight into how different individual-level resources can enable and motivate entrepreneurs to prioritise social goals. Notably, the focus is not on social entrepreneurs or the creation of social enterprises, as separate categories of individuals or ventures. Rather, it is on how any entrepreneurs might include social value creation goals, in addition to commercial or other goals, in their business endeavours, depending on their resource reservoirs.

This study also addresses the potential moderating effects of the cultural context, with the prediction that the positive relationship between individual-level resources and social value creation goals is moderated by a country's culture. Because culture inherently sets the boundaries for entrepreneurial activity (Chand and Ghorbani, 2011; De Clercq *et al.*, 2013; Liu and Almor, 2016; Muralidharan and Pathak, 2017), it may influence how entrepreneurs apply their resources to contribute to social wealth. According to this view, the allocation of resources to social value creation cannot be considered in isolation from the broader environmental context in which (social) entrepreneurial activity takes places. Because entrepreneurs are embedded in a set of environmental characteristics, they cannot act independently of the situation in which they find themselves. Therefore, this study responds to calls for more comparative (social) entrepreneurship research that “fruitfully build[s] closer links between institutional theory and the resource-based view and give[s] resource considerations a more central role in theorizing alongside motivational mechanisms” (Stephan *et al.*, 2015, p. 324).

To test the moderating impact of culture on the exploitation of individual-level resources for pursuing social value creation goals, this study draws on Hofstede's cultural values framework. The tests of the hypotheses rely on data from more than 12,000 entrepreneurs from 35 countries and random effects multilevel analyses. In turn, this research contributes to extant social entrepreneurship literature in two main ways. First, by adopting

an interactionist approach, it reveals how the cultural environment influences resourceful entrepreneurs—who have higher levels of financial, human, and social capital—in their decision to adopt social value creation goals for their business. With its cultural perspective, the multilevel framework contributes to a better understanding of entrepreneurs’ uses of resources to adopt social value creation goals. Second, by testing the framework empirically across a wide range of countries, this study broadens the base of evidence regarding country-level drivers of social value creation goals. Cross-country research pertaining to social entrepreneurship is relatively limited, so this study provides novel insights that can advance the current state of knowledge about the interplay of individual- and country-level drivers of social value creation goals. The conceptual framework and its constitutive hypotheses are summarised in Figure 1.

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Insert Figure 1 about here  
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## **Theoretical background and hypotheses**

### *Role of individual-level resources in entrepreneurs’ social value creation goals*

Entrepreneurship requires individual-level resources. According to resource-based theory (Audretsch *et al.*, 2011; Shepherd and Wiklund, 2005; Walker and Mercado, 2015), resources can shape the recognition and consideration of new business opportunities and provide entrepreneurs with capabilities to perform a wide variety of tasks, such that they directly influence entrepreneurial decision making (Alvarez and Busenitz, 2001; Kor *et al.*, 2007; Meyskens *et al.*, 2010b; Mickiewicz *et al.*, 2017; cf. Stevens *et al.*, 2015). In particular, financial, human, and social capital exert significant influences on both commercial and non-commercial entrepreneurial activity (De Clercq *et al.*, 2013; Estrin *et al.*, 2016; Hörisch *et al.*, 2017; Kachlami *et al.*, 2017; Lim *et al.*, 2016; Meyskens *et al.*, 2010a; Urbano and Alvarez, 2014). Entrepreneurs confront various challenges and substantial uncertainty, but an

abundance of financial resources, education, and social networks can increase their chances of overcoming these challenges and insecurities (Meyskens *et al.*, 2010a). Such benefits also should be pertinent for socially oriented entrepreneurs who often face even more constraints than commercially oriented entrepreneurs do. For example, they might suffer a limited ability to mobilise and deploy financial funding or find good employees (Lumpkin *et al.*, 2013).

This study suggests that entrepreneurs' resource endowment drives their willingness to pursue social objectives with their businesses. An abundance of financial, human, and social capital might be an essential requirement for the adoption of social value creation goals. Tangible and intangible resources enable entrepreneurs to conceive of or implement strategies that add social value. Without these resources, entrepreneurs might not be able or willing to undertake these activities, even if they can benefit the wider public. First, *financial capital*, such as household incomes or financial assets, is a fundamental aspect of entrepreneurs' social value creation orientations. Without sufficient financial resources, entrepreneurs tend to give priority to economic goals and efficiency demands (Stevens *et al.*, 2015), to ensure that they can meet their basic human needs. Accordingly, entrepreneurs need some minimum amount of financial capital to have control over their life, which allows them to develop a caring orientation (cf. Inglehart and Welzel, 2005; Welzel, 2013). Moreover, prior research notes the difficulty that socially oriented entrepreneurs have when they seek to mobilise financial resources, in that entrepreneurs who emphasise social value creation goals often have fewer channels available for accessing unrestricted funding and depend mainly on their own financial resources (Austin *et al.*, 2006; Meyskens *et al.*, 2010b). When they possess more financial capital, entrepreneurs have easier access to other elements of structural support due to higher credibility, and they thus are generally better able to reduce the uncertainties surrounding the entrepreneurial process (De Clercq *et al.*, 2013). An

abundance of financial capital then may be an essential element to activate an entrepreneur's social orientation and willingness to pursue social value creation goals.

Second, *human capital*, which relates to people's education, experience, and skills, has long been considered a critical resource for businesses. Intangible resources like human capital help businesses achieve competitive advantages and thrive (Hitt *et al.*, 2001). Human capital also pertains to knowledge that is relevant for entrepreneurial activity (De Clercq and Arenius, 2006); it is important for entrepreneurship in general and socially oriented entrepreneurial activities in particular (Estrin *et al.*, 2016; Rauch *et al.*, 2005). Human capital positively affects an entrepreneur's ability to mobilise the cognitive resources, motivation, and courses of action needed to overcome the day-to-day challenges of running a business (Mair and Noboa, 2006). For socially oriented entrepreneurship, human capital enables entrepreneurs to identify the key benefits of their social value creation goals. For example, education enhances preferences and motivations to contribute to social goals, beyond achieving economic goals, because it makes people more sensitive to others' basic needs and provides an important source of individual social orientations (Inglehart, 1990; Welzel, 2013). Empirical evidence affirms that education affects ethical attitudes, decision making, and consumption (e.g., Furrer *et al.*, 2010; Hines *et al.*, 1987; Ng and Burke, 2010; Zu and Song, 2009). People with more education tend to be more engaged in pro-social actions, such as volunteering or social movements (Welzel, 2013), and Estrin *et al.* (2016) and Pathak and Muralidharan (2016) show that education positively influences the likelihood of being engaged in social, rather than commercial, enterprise activities.

Third, *social capital* reflects the extent of network connections. Social capital is an intangible resource, which describes "relational resources, occurring in cross-cutting personal ties" (Runyan *et al.*, 2006, p. 461). Networks are critical for entrepreneurship, because a rich network provides access to emotional support, start-up skills, and entrepreneurial experience

(Austin *et al.*, 2006; Danis *et al.*, 2011; De Clercq *et al.*, 2010; Meyskens *et al.*, 2010b; Montgomery *et al.*, 2012). With more social capital, entrepreneurs can overcome resource constraints, improve their efficiency, and develop new strategies, competencies, or growth (Thornton *et al.*, 2011). Social capital also generates trust and reciprocity among the members of a firm, and it allows entrepreneurs to benefit from important information and knowledge transfers (Runyan *et al.*, 2006). A resourceful network is important for any entrepreneur but especially for socially oriented entrepreneurs, due to their limited access to conventional resources or formalised support. As Montgomery *et al.* (2012, p. 376) note, “much of social entrepreneurship appears, in fact, to be collaborative and collective, drawing on a broad array of support, cooperation and alliances to build awareness, gain resources and, ultimately, make change.” As parts of a strong network with a high reputation, entrepreneurs can mobilise resources to adopt social value creation goals (Mair and Noboa, 2006). Therefore, the extent to which an entrepreneur emphasises social goals for the business should be positively influenced by the availability of social capital.

Taken together, this evidence leads to the first hypothesis, referring to the effects of an entrepreneur’s individual-level resources on social value creation goals, as follows:

*Hypothesis 1: Individual-level resources are positively associated with social value creation goals.*

#### *Moderating effects of cultural context*

The cultural context may moderate the relationship between individual-level resources and social value creation goals. Culture, or the “collective programming of the mind” (Hofstede, 1980; Hofstede *et al.*, 2010), provides people with a meaningful context and knowledge about how to interpret their experiences (Trompenaars and Hampden-Turner, 2012). Culture influences human thought and behaviour and provides guiding principles for how people should behave in the social environment and during interactions, both at work



and in their personal lives (North, 1990). Differences among people from different cultural backgrounds often have been ascribed to different value systems. In this sense, values are the building blocks of culture, or in Basáñez's (2016) terms, the musical notes of culture's symphony. They determine the definition of what is "good" or "bad" and how those notions relate to the ideals shared by group members (Trompenaars and Hampden-Turner, 2012).

Culture also determines many aspects of ethics, including ethical attitudes, decision making, and behaviour (e.g., Franke and Nadler, 2008; Ho *et al.*, 2012; Liñán *et al.*, 2016). Four empirical, cross-country studies discuss the role of culture in a social entrepreneurship context. Hechavarría (2016) and Hoogendoorn (2016) report a positive relationship between self-expression values and social entrepreneurship; Pathak and Muralidharan (2016) present evidence that societal collectivism relates positively to the likelihood of being engaged in social entrepreneurship, rather than commercial entrepreneurship; and Hechavarría *et al.* (2017) point out that entrepreneurs are more likely to create social value in post-materialistic societies.

This study suggests that the cultural context should influence entrepreneurs' motivations to leverage their individual resources for social value creation. That is, the cultural context in which the entrepreneur is embedded might moderate the willingness of resourceful entrepreneurs to choose social goals for their businesses. To examine this moderating impact of culture on the relationship between individual-level resources and social value creation goals, this study draws on Hofstede's cultural values framework, which has been used widely to understand business practices in general and entrepreneurial activities in particular. With survey data from 88,000 interviews collected from IBM employees between 1967 and 1973, Hofstede investigated four axes for classifying cultures: power distance, uncertainty avoidance, individualism–collectivism, and masculinity–femininity. Later, Hofstede and colleagues added two more axes: long-term orientation and

indulgence versus restraint (Hofstede *et al.*, 2010; Hofstede and Minkov, 2010; Minkov and Hofstede, 2012). According to Hofstede (1980), each cultural dimension can explain employee behaviours and organizational leadership styles. Most cross-cultural studies in recent decades thus have used Hofstede's cultural values framework or at least referred to it (Kausch, 2013), making him one of the most cited social scientists worldwide.

This study considers Hofstede's original four cultural dimensions—power distance, uncertainty avoidance, individualism versus collectivism, and masculinity versus femininity—which appear to account for most of the variability in attitudes, intentions, and behaviour (Ho *et al.*, 2012). Because this study seeks to determine how culture influences the effect of individual-level resources on the propensity to create social wealth with a business, Hofstede's cultural dimensions serve as country-level moderators, such that the focus is the interaction effects between cultural dimensions and individual-level resources on the adoption of social value creation goals. The extent to which an entrepreneur pursues social objectives may depend on the interplay of available individual-level resources and the cultural context in which the entrepreneur is embedded. Therefore, this study predicts specific roles of the cultural dimensions for channelling individual-level resources toward social value creation goals.

*Power distance.* Power distance is the extent to which members of a culture expect and accept that power is distributed unequally in society (Hofstede *et al.*, 2010). Hofstede (1980) introduced this concept as a measure of interpersonal power between a leader and a subordinate, as perceived by the less powerful subordinate. It refers to the degree to which the less powerful person (within a family, organization, or institution) accepts and expects an unequal distribution of power. However, it is not only the less powerful who tolerate, recognise, and legitimate a concentration of power; the leaders do not question their special privileges either. An unequal distribution of power thus is considered natural among groups

with varying status in societies with higher levels of power distance. In a business context, high power distance is manifested as strong hierarchies and low employee participation in decision making. Superiors are expected to make decisions without consulting subordinates. But in low power distance settings, hierarchies tend to be flat, and higher levels of equality and joint decision-making processes appear among superiors and subordinates. Employees may scrutinise business practices and strategies and present alternative ideas whose implementation might move the organization forward.

Some evidence suggests that power distance relates negatively to ethical attitudes and decision making and that a positive relationship exists between power distance and the level of corruption in a country (e.g., Husted, 1999; Yeganeh, 2014). Moreover, in their cross-country study, Ringov and Zollo (2007) find that power distance has a negative influence on corporate social and environmental performance. Similarly, Peng *et al.* (2014) report a negative relationship between power distance and the firm's corporate social responsibility (CSR) engagement, and Scholtens and Dam (2007) present evidence of a negative association between power distance and the ethical policies of firms.

Power distance accordingly should have an inhibiting effect on how entrepreneurs use their individual resources to pursue social objectives. Power and status are highly valued in high power distance cultures, so resourceful entrepreneurs in these cultures likely use their individual resources to a greater extent, compared with their counterparts in low power distance cultures, to maintain or increase their power and privilege (e.g., wealth, social status, prestige). Focused on their own advantage, resourceful entrepreneurs from societies that score high on power distance try to increase their power, relative to less powerful individuals. The strong acceptance of inequality in countries marked by high power distance may prompt these resourceful entrepreneurs to reinforce their advantageous position (Carl *et al.*, 2004), such that they barely consider the needs of other stakeholders, whether employees,

consumers, or external investors. Their business accordingly may exhibit significantly fewer social goals aimed at reducing inequalities in power and wealth. Conversely, in societies in which power concentration, status privileges, and wealth inequality are neither expected nor accepted, social initiatives are more likely to emerge and be openly discussed, so resourceful entrepreneurs may be more keen to use their financial, human, and social capital to address social issues. They do not do so to accumulate more resources; instead, they likely believe that a reduction in the unequal distribution of power is desirable. Therefore, this study hypothesises that power distance negatively moderates the positive relationship between individual-level resources and social value creation goals:

*Hypothesis 2: Power distance negatively moderates the positive relationship between individual-level resources and social value creation goals.*

*Uncertainty avoidance.* In some cultures, members feel more nervous, anxious, or even threatened by uncertain or unknown situations. People in high uncertainty avoidance cultures feel uncomfortable in uncontrollable, unstructured situations, so to deal with ambiguity or uncertain future events, they structure their relationships, organizations, and institutions carefully (Hofstede, 2010). Social value creation similarly can mitigate anxiety associated with uncertain social situations, and several studies present empirical evidence of a positive relationship between high uncertainty avoidance and ethical behaviour. For example, organizations in higher uncertainty avoidance cultures pay more attention to codes of conduct and ethical policies (e.g., Scholtens and Dam, 2007). According to Ho *et al.* (2012), corporate social performance relates positively to cultures that score high on uncertainty avoidance. Peng *et al.* (2014) also show that uncertainty avoidance has a positive influence on a firm's CSR commitment, and Kausch (2013) finds, in a six-country study, a positive association between uncertainty avoidance and social corporate sustainability attitudes among business students.

Similarly, uncertainty avoidance should affect resourceful entrepreneurs' willingness to adopt social value creation goals for their business. More precisely, high uncertainty avoidance likely motivates resourceful entrepreneurs to follow social objectives, in an effort to reduce uncertainty. Resourceful entrepreneurs also may be influenced by stakeholders to adopt social objectives, in two ways. First, consumers in high uncertainty avoidance cultures may appreciate the products and services of socially oriented entrepreneurs more than do consumers in low uncertainty avoidance cultures, because social value creation can mitigate consumers' general uncertainty levels. Strong consumer demand for social products and services may then motivate resourceful entrepreneurs to become more socially oriented in their actions. Second, stakeholders such as activists might be more critical in high uncertainty avoidance cultures if resourceful entrepreneurs exhibit poor social performance. Because poor social performance may negatively affect societal uncertainty levels, social pressures should steer resourceful entrepreneurs toward social value creation goals.

*Hypothesis 3: Uncertainty avoidance positively moderates the positive relationship between individual-level resources and social value creation goals.*

*Individualism–collectivism.* The cultural dimension of individualism versus collectivism involves the person's self-concept of "I" or "we." Individualism implies an "I," whereas collectivism is linked to the "we." In societies that score high on individualism, children learn to think of themselves as an "I," emphasising a personal identity that is different from others' identities. They see themselves as independent, believe in self-reliance, and prioritise their own interests over group interests (Triandis, 1995; Weaver, 2001). The underlying assumption is that the individual, with its experiences, talents, knowledge, preferences, and goals, is unique and self-made (Epitropaki and Martin, 2005; Schwartz, 1999; Trompenaars and Hampden-Turner, 2012). In collectivist cultures, children instead learn to think themselves as members of a "we" (Hofstede *et al.*, 2010, p. 91) or in-group,

such that each individual is embedded in a collective, whether family, friends, work unit, or local community. People in collectivist cultures place the goals of the group ahead of their individual goals; they use their own resources to increase the welfare of the in-group and behave according to social group norms to maintain social coherence.

Evidence about whether individualism or collectivism increases ethical attitudes, decision making, or behaviour to a greater extent is mixed. On the one hand, Waldman *et al.* (2006) point out that institutional collectivism is positively predictive of stakeholder CSR values, shareholder/owner CSR values, and community/state welfare CSR values. Kausch (2013) also finds a positive relationship between collectivism and social corporate sustainability, and Vitell *et al.* (1993) suggest that people in individualistic cultures are more concerned with their own interests and less influenced by social norms. On the other hand, Husted (2005) and Peng and Lin (2009) find positive relationships of individualism with environmental performance, Scholtens and Dam (2007) offer empirical evidence that individualism is positively associated with firms' ethical policies, and Williams and Zinkin (2008) report that consumers in individualist cultures are more likely to punish irresponsible corporate behaviour.

Considering this composite evidence, it can be predicted that individualism negatively moderates the positive relationship between individual-level resources and social value creation goals. In collectivist cultures, entrepreneurs are interdependent, which implies the sharing of personal resources. Stakeholders—especially employees, who may develop close work relations and high involvement with their company in collectivist cultures—may expect resourceful entrepreneurs to consider their needs, wishes, and satisfaction. If entrepreneurs fail to do so, stakeholders may discipline these resourceful entrepreneurs for putting their own interests over those of the in-group. In contrast, resourceful entrepreneurs in individualist cultures are more autonomous and independent, so they can make decisions

about the allocation of their resources more freely. Thus, the pressure on resourceful entrepreneurs to use their resources in the interest of a collective should be weaker in individualist cultures. Because entrepreneurial decisions are less influenced by strong in-group norms and boundaries, resourceful entrepreneurs may be less willing to pursue social objectives. That is, resourceful entrepreneurs in individualist cultures, compared with their counterparts in collectivist cultures, should be less willing to pursue social objectives with their business. Formally,

*Hypothesis 4: Individualism negatively moderates the positive relationship between individual-level resources and social value creation goals.*

*Masculinity–femininity.* The cultural dimension of masculinity versus femininity refers to the extent to which gender roles are clearly distinct. Traditional masculine values emphasise performance, achievement, and material success; traditional feminine values prioritise caring, nurturing, helping, cooperating, and social support (Hofstede, 2001; Hofstede *et al.*, 2010). As Hofstede *et al.* (2010, p. 146) note, “masculinity-femininity is about the stress on ego versus a stress on relationship with others, regardless of group ties.” In masculine cultures, men are tough, assertive, competitive, and materialistic, while women function as nurturers (Ho *et al.*, 2012). In feminine cultures, these gender roles overlap, such that both genders place more importance on benevolence and less on competitive behaviour, out of concern for their quality of life (Hofstede, 2001). According to Hofstede *et al.* (2010), masculine cultures strive for a performance-oriented society, whereas feminine cultures try to establish a society in which individual behaviour is oriented toward the common good.

Most research suggests that masculinity is negatively associated with ethical behaviour. For instance, Husted (1999) reveals that corruption is higher in societies that score high on masculinity, and Steensma *et al.* (2000) find a lower tendency to pursue cooperative entrepreneurial strategies in masculine societies. Ringov and Zollo (2007) present cross-

country evidence that masculinity is negatively associated with corporate social and environmental performance.

Against this background, this study suggests that resourceful entrepreneurs in countries marked by high levels of masculinity are less willing to pursue social objectives with their businesses, compared with counterparts in countries marked by low levels of masculinity. In feminine cultures, stakeholders expect resourceful entrepreneurs to adopt a more caring, cooperating, and nurturing role in society, and the higher their level of available resources, the stronger this expectation should be. At the same time, resourceful entrepreneurs in feminine cultures should be more willing voluntarily to be socially oriented in their business. Conversely, because resourceful entrepreneurs in masculine cultures focus on their own achievement and material success, the social orientation in their entrepreneurial activity may be lower. Thus, more formally:

*Hypothesis 5: Masculinity negatively moderates the positive relationship between individual-level resources and social value creation goals.*

## **Research method**

### *Data collection*

This study obtained individual-level data from the Global Entrepreneurship Monitor's (GEM) *Adult Population Survey* (APS) database. The GEM project gathers data each year from representative samples of at least 2,000 adults in more than 50 countries. The data are valid and reliable (De Clercq *et al.*, 2013; Reynolds *et al.*, 2005; Sternberg and Wennekers, 2005). In 2009, it included special topic questions on the adoption of social value creation goals in the APS (Hörisch *et al.*, 2017; Lepoutre *et al.*, 2013; Terjesen *et al.*, 2016), and the responses provide the basis for the individual-level dependent variable. The study also linked the individual-level data from GEM with important country-level predictors, drawn from Hofstede's database and the World Bank database. The sample represents the adult



population (18–64 years) in each country (Estrin and Mickiewicz, 2011; Lepoutre *et al.*, 2013). Hofstede’s database does not include information for all countries of the GEM database. The analyses thus are based on individual- and country-level data for 12,685 entrepreneurs located in 35 countries, as detailed in Table 1. Table 2 lists the Hofstedian cultural dimensions for each country in this study.

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### *Measures*

*Social value creation goals.* The dependent variable considers the degree to which an entrepreneur wants to adopt social value creation goals. Entrepreneurs had to allocate 100 points to three possible objectives for their business: social objectives, economic objectives, and environmental objectives. The study used the points assigned to social value creation goals as the score for the dependent variable, similar to previous research (e.g., Hechavarría *et al.*, 2017; Hörisch *et al.*, 2017; Lepoutre *et al.*, 2013).

*Individual-level resources.* *Financial capital* measures the financial resources of the entrepreneur; the GEM respondents provided information about whether they fell in the lower, middle, or upper one-third of household incomes in their country of residence (De Clercq *et al.*, 2013; Hechavarría *et al.*, 2017; Pathak and Muralidharan, 2016). *Human capital* considers the highest educational degree that the respondents had earned: 0 for pre-secondary education, 1 for lower secondary or the second stage of basic education, 2 for (upper) secondary, 3 for post-secondary non-tertiary education, and 4 for the first or second stage of tertiary education (Estrin *et al.*, 2016; Hechavarría *et al.*, 2017; Pathak and Muralidharan, 2016). Finally, *social capital* refers to network resources, measured as the number of owners of the respondents’ business (Hechavarría *et al.*, 2017), using five categories (1 = one business owner, 5 = five or more owners who manage the business).

*Cultural context.* To measure the cultural context, Hofstede's (1980) country-level scores of the four cultural dimensions are used.

*Control variables.* At the individual level, the study controls for entrepreneurs' gender, age, household size, fear of failure, work status, and whether they were a nascent entrepreneur, using data from the GEM APS. Hechavarría *et al.* (2017) find empirical evidence that female entrepreneurs, compared with their male counterparts, are more socially oriented in their business. The study measures *gender* with a dummy variable that takes a value of 1 if the entrepreneur is female and 0 if male. *Age* often appears as an important control variable in empirical studies investigating entrepreneurial activity (Estrin *et al.*, 2016; Kautonen *et al.*, 2014; Lévesque and Minniti, 2006). The study also controls for *household size*, because the number of household members could influence an entrepreneur's decision to create social value (Hechavarría *et al.*, 2017). This variable contains five categories, ranging from 1 for one household member to 5 when five or more members live in the household. *Fear of failure* reflects the entrepreneur's fear of potential losses; it represents a key motivation to set up a business (Estrin *et al.*, 2016; Wennberg *et al.*, 2013). It is measured with the item: "Fear of failure would prevent you from starting a new business," for which the responses were 1 if the entrepreneur feared failing and 0 if otherwise. *Work status* has been found to be an important predictor for (social) entrepreneurial activity (Arenius and Minniti, 2005; Estrin *et al.*, 2016). This variable takes the value of 1 if the entrepreneur works full-time or part-time and 0 otherwise. *Nascent entrepreneur* measures whether the entrepreneur has set up a business in the past year but has not paid salaries, wages, or invoices for more than three months (Bosma and Sternberg, 2014). Entrepreneurs running a business who have reached the stage after the start of a new firm can be owner-managers of a new business or an established business. Nascent entrepreneur is coded 1 if the entrepreneur has been involved in creating a business and 0 if the entrepreneur has a new business. Recent

research presents evidence that nascent entrepreneurs tend to give more priority to environmental value creation goals than established entrepreneurs do (Hörisch *et al.*, 2018).

At the country level, GDP per capita, the GINI coefficient, and unemployment are included as controls. Specifically, *GDP per capita* is measured in constant 2010 U.S. dollars. Hoogendoorn (2016) shows that GDP per capita is positively related to the prevalence of social entrepreneurial activities. To control for wealth inequality disparity, which may affect the need for social entrepreneurship, the *GINI* coefficient also appears in the analysis. *Unemployment* is the percentage of the population that is unemployed. Hechavarría *et al.* (2017) present empirical evidence that unemployment relates negatively to a venture's social value creation. All country-level control variables came from the World Bank database.

#### *Data analysis*

The individual-level data are nested within country-level data, so a linear, multilevel regression modelling approach is appropriate; significant variance in the dependent variables lies between countries (Hox, 2010). To check for variance in the dependent variable, the intraclass correlation coefficient of a multilevel model without any independent variables (null model) was estimated. Its value of 15.05% provides strong evidence of significant variance in the dependent variable across countries. In international business research, intraclass correlation coefficients of 0.05, 0.10, and 0.15 are considered small, medium, and large, respectively (Hox, 2010). Finally, to test the hypotheses, a multilevel linear regression with random intercepts was conducted using the 'mixed' command in Stata 14. Because the models include interaction terms, all the independent variables were z-standardised.

#### **Results**

Table 3 presents the variable correlations. Significant, positive, bivariate relationships emerge between human capital and social value creation goals ( $r = 0.139$ ;  $p < 0.01$ ) and between social capital and social value creation goals ( $r = 0.052$ ;  $p < 0.01$ ). A negative but

not significant bivariate relationship arises for the relationship between financial capital and social value creation goals ( $r = -0.010$ ; n.s.).

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Table 4 contains the results of the multilevel regression models used to test the hypotheses. Model 1 includes the control variables, and Model 2 adds the individual-level resources to test for Hypothesis 1, as well as the cultural context variables. Model 3 adds the interaction terms between the individual-level resources and power distance to test Hypothesis 2. Model 4 includes the interaction terms between the individual-level resources and uncertainty avoidance, to test Hypothesis 3. Model 5 integrates the interaction terms between the individual-level resources and individualism to test Hypothesis 4, and Model 6 includes the interaction terms between the individual-level resources and masculinity to test Hypothesis 5. All explanatory variables are z-standardised, to allow for direct comparisons of each variable's relative impact on social value creation goals. The highest variance inflation factor was 1.84, below the conservative cut-off value of 5, so there is no notable indication of multicollinearity in the analysis.

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The results of Model 1 show that four control variables—gender ( $\beta = 1.023$ ;  $p < 0.01$ ), household size ( $\beta = -0.560$ ;  $p < 0.01$ ), nascent entrepreneur ( $\beta = 1.106$ ;  $p < 0.01$ ), and GDP per capita ( $\beta = 2.769$ ;  $p < 0.05$ )—are significantly associated with social value creation goals. Next, the results of Model 2 provide partial empirical support for Hypothesis 1, revealing a strong, significant relationship between human capital and social value creation goals ( $\beta = 1.124$ ;  $p < 0.01$ ). More educated entrepreneurs appear more willing to create social value. In addition, the positive, significant relationship between social capital and social value creation goals ( $\beta = 0.333$ ;  $p < 0.05$ ) indicates that a larger network with more business

owners increases readiness to be more socially oriented in the business. In contrast with the study's prediction though, financial capital is negatively associated with social value creation goals ( $\beta = -0.326$ ;  $p < 0.05$ ).

With respect to the impact of culture, Model 3 indicates that power distance does not attenuate the relationships of the individual-level resources with social value creation goals. That is, this study does not find a significant moderating effect of power distance on the relationship between human capital and social value creation goals ( $\beta = -0.264$ ; n.s.) or the relationship between social capital and social value creation goals ( $\beta = 0.115$ ; n.s.). Moreover, in contrast with expectations, the results indicate a *positive*, significant moderating effect of power distance on the association between financial capital and social value creation goals ( $\beta = 0.493$ ;  $p < 0.01$ ). Thus, entrepreneurs who have more financial resources are more willing to create social value when they are embedded in a high power distance culture, compared with their counterparts in low power distance cultures. Hypothesis 2, predicting that power distance negatively moderates the relationships between individual-level resources and social value creation goals, receives no support.

This study hypothesised a positive moderating effect of uncertainty avoidance on the relationships between individual-level resources and social value creation goals. Accordingly, the results of Model 4 indicate that uncertainty avoidance positively moderates the relationship between financial capital and social value creation goals ( $\beta = 0.601$ ;  $p < 0.01$ ). In addition, a positive, significant moderating effect of uncertainty avoidance on the positive relationship between social capital and social value creation goals emerges ( $\beta = 0.664$ ;  $p < 0.01$ ). These results imply that uncertainty avoidance motivates entrepreneurs with higher levels of financial resources and stronger social networks to invest in the inclusion of social objectives. However, no significant interaction occurs between uncertainty avoidance and

human capital on social value creation goals ( $\beta = -0.108$ ; n.s.). This evidence provides partial support for Hypothesis 3.

For the cultural dimension of individualism–collectivism, all the moderating effects are significant. As the Model 5 results show, the interaction between financial capital and individualism is negative and significant ( $\beta = -0.723$ ;  $p < 0.01$ ), indicating that entrepreneurs with higher levels of household incomes emphasise social value creation goals to a lesser extent when they live in a country marked by high levels of individualism. Individualism also weakens the positive relationship between social capital and social value creation goals ( $\beta = -0.387$ ;  $p < 0.05$ ), suggesting that entrepreneurs with a broader network of owners are more socially oriented in their businesses in collectivist cultures, compared with their counterparts in individualist cultures. However, it is surprising to find a positive interaction between human capital and individualism ( $\beta = 0.436$ ;  $p < 0.05$ ), indicating that more educated entrepreneurs tend to choose a stronger social orientation for their business when they are embedded in an individualist culture. Therefore, Hypothesis 4 is partially confirmed.

Finally, the results in Model 6 indicate that a masculine culture makes a statistically significant difference in terms of how resourceful entrepreneurs choose their social value creation goals for their businesses. The regression coefficients indicate that a masculine culture negatively moderates the relationship between two of the three individual-level resources and social value creation goals. Specifically, the interactions between financial capital and masculinity ( $\beta = -0.465$ ;  $p < 0.01$ ) and human capital and masculinity ( $\beta = -0.404$ ;  $p < 0.05$ ) are significant, whereas the interaction between social capital and masculinity is not ( $\beta = -0.168$ ; n.s.). Entrepreneurs with more wealth and education thus appear more likely to adopt social value goals in their businesses when they live in a feminine, rather than a masculine, culture. This result affirms two of the three relationships predicted in Hypothesis 5.

To gain a better understanding of the nature of these significant interactions, the corresponding graphs are plotted. The strength of the negative relationship between *financial capital* and social value creation goals appears stronger when a financially well-equipped entrepreneur is embedded in a society that scores high on individualism and masculinity, and low on power distance and uncertainty avoidance (Figure 2). The strength of the positive relationship between *human capital* and social value creation goals is subdued in countries marked by low individualism and high masculinity (Figure 3). Further, there is an invigorating effect of uncertainty avoidance and a mitigating effect of individualism on the positive relationship between *social capital* and social value creation goals (Figure 4).

A post hoc test also considers whether the hypothesised relationships might be specific to predicting social value creation goals, not just any type of goals that entrepreneurs might have for their ventures. In particular, a reiteration of the analyses shown in Table 4 includes the extent to which entrepreneurs adopt economic goals in their activities as the dependent variable. These analyses actually generate opposite signs for the direct effects of the different resource types, as well as for many of the interaction effects, relative to the results in Table 4. Even though these findings might stem from the trade-offs that respondents had to make among the different goals that they emphasise in their businesses, they also underscore the value of examining the interplay of individual and macro-level factors to explain entrepreneurs' propensity to adopt social value creation goals *specifically*, as studied herein, rather than their goal-oriented behaviours in general.

## **Discussion**

Drawing on the resource-based perspective (Shepherd and Wiklund, 2005; Sieger *et al.*, 2011) and Hofstede's cultural values framework, the objective of this study has been to analyse the interplay of individual-level resources and culture, in the context of the extent to which entrepreneurs adopt social value creation goals in their business. Using a unique

multisource data set, this study has investigated the main effects of individual-level resources—financial, human, and social capital—on social value creation goals, and then considered the moderating effects of the cultural context in which an entrepreneur is embedded, on the relationship between individual-level resources and social value creation goals. As expected, an abundance of financial, human, and social capital is highly relevant for predicting the extent to which entrepreneurs are willing to adopt social value creation goals in their businesses. The empirical evidence indicates that human and social capital are positively associated with social value creation goals; entrepreneurs with more education and a stronger social network are more likely to emphasise social goals for their businesses.

However, in contrast with the expectation that entrepreneurs are less willing to be socially oriented with their business when they have lower levels of financial capital, the study reveals a negative relationship between individual-level financial capital and social value creation goals. This finding might reflect the measure of entrepreneurs' financial situation; the GEM only provides information about entrepreneurs' self-selection into the household income segments in their country of residence, so this study cannot draw conclusions about whether entrepreneurs actually suffer under financial hardship or live in financial security. The GDP per capita may offer a useful, alternative measure to investigate this proposed relationship, and when results in the control model (Model 1) are considered, the study provides indirect support for the logic implied by the hypothesis. That is, entrepreneurs from countries with higher levels of GDP per capita are more likely to adopt social value creation goals for their businesses. This finding suggests that the extent to which entrepreneurs emphasise such goals is not so much an outcome of resource constraints, as some previous studies that focus on social enterprises suggest (Defourny and Nyssens, 2010; Desa and Basu, 2013; Mair and Marti, 2009), but rather a consequence of resource-abundant



conditions. This result is in line with recent research by Terjesen and colleagues (2016, p. 235), who note that

while theory suggests that higher levels of market failures and institutional voids may lead to greater engagement in social entrepreneurship, this is not evident in the data.

What is evident in the data is the theory from Mair (2010) that individuals who live in countries with higher levels of economic and social development are better positioned to seek to develop social ventures.

Similarly, studying the association between GDP per capita and the share of social entrepreneurship in a country, Hoogendoorn (2016) finds that an increase in GDP per capita relates positively to an expected increase of the share of social entrepreneurial activity in all entrepreneurial entry. The negative relationship between financial capital and social value creation goals, at the individual level, might arise because entrepreneurs with high levels of financial capital have strong self-enhancement values, focusing more on their self-interests than the interests of the collective. This strong orientation toward their own interests then might be reflected in their low willingness to adopt social value creation goals. Furthermore, this finding might be explained by entrepreneurs' willingness to accept cuts to their incomes and wealth if they choose to create more social value. A strong orientation on social value creation goals thus might correspond with lower incomes. Prior literature similarly shows that socially oriented entrepreneurs have difficulty mobilising financial resources, compared with commercially oriented entrepreneurs (Lumpkin *et al.*, 2013). Perhaps social value creation goals and income relate negatively because socially oriented entrepreneurs have restricted access to financial resources.

Regarding the moderating effects of the cultural context, culture significantly influences entrepreneurs' willingness to use individual resources to pursue social objectives. Somewhat surprisingly, and in contrast with the hypothesis that resourceful entrepreneurs

may try to reinforce their advantageous position by ignoring the social needs of others, the study finds a positive moderating effect of power distance on the negative association between financial capital and social value creation goals. More financially equipped entrepreneurs from high power distance countries, compared with their counterparts in low power distance countries, appear to emphasise social value creation goals to a greater extent. Perhaps the key is an expectation, widespread in countries marked by high levels of power distance, that high-status people should act as benevolent leaders. As Carl *et al.* (2004, p. 531) note, “power differences can be legitimated and sustained only if those in power maintain and enforce a sense of moral discipline.” In high power distance cultures, low status persons see themselves as inferior to high status individuals (Tyler *et al.*, 2000), yet they also expect care and support from those high status persons. If such reciprocal obligations appear normal and important to the social class structure (Carl *et al.*, 2004), high status people might demonstrate more care and support for their followers. Carl *et al.* (2004) similarly propose that societal power distance is positively associated with both self-protective leadership, which aims to ensure the safety and security of the leader and the group, and with humane-oriented leadership, which emphasises being supportive, considerate, compassionate, and generous. The stronger emphasis on social value creation goals by more wealthy entrepreneurs in high power distance cultures thus might represent a strategy to meet societal expectations, in terms of how they should act toward less powerful stakeholders in the workforce, community, or society. In this regard, the non-significant moderating effect of power distance on the relationships of human capital and social capital with social value creation goals might be explained by two mechanisms that balance each other out: the hypothesised mechanism to increase existing status and power on the one hand, and the aforementioned social expectation to care for others on the other hand.

In accordance with expectations, uncertainty avoidance positively moderates the relationships between (1) financial capital and social value creation goals and (2) social capital and social value creation goals. Resourceful entrepreneurs in high uncertainty avoidance cultures, compared with their counterparts in low uncertainty avoidance cultures, are more willing to follow social objectives to reduce uncertainty and establish predictability for the present and future. The adoption of social value creation goals thus provides a means to address uncertainty, allowing members of society to carry on with their lives while confronting daily challenges.

Noting that resourceful entrepreneurs in individualist cultures are more autonomous and independent in their decision making, whereas those in collectivistic countries confront boundaries and in-group pressure, this study predicted that resourceful entrepreneurs in collectivistic countries would pursue social objectives more closely. The results indicate strong support for this hypothesis in the case of financial and social capital. However, in contrast with the hypothesis that individualism negatively moderates the relationships between individual-level resources and social value creation goals, the results reveal a surprising, positive, moderating effect on the positive relationship between human capital and social value creation. Perhaps individualism empowers educated entrepreneurs to use their skills and knowledge in the interest of the common welfare, reflecting a substitution effect (cf. Welzel, 2013). Thus, in individualist cultures, higher education may be especially potent for increasing awareness about social issues.

Finally, financially wealthy and highly educated entrepreneurs in feminine cultures, compared with their counterparts in masculine cultures, are more willing to create social value. These findings might be explained by the realisation that resourceful entrepreneurs try to increase their own achievement and material success in masculine cultures. In contrast, the ambition to create social value should be higher among resourceful entrepreneurs in feminine

cultures in which benevolence and care orientations are highly appreciated (Ringov and Zollo, 2007; Steensma *et al.*, 2000).

## **Conclusion**

This study investigated how the extent to which entrepreneurs adopt social value creation goals, in addition to commercial and other goals, depends on their resource reservoirs and the cultural context in which they operate. The findings support many of the study's key assumptions, shedding new light on how entrepreneurs' individual resources influence their willingness to create social value. Furthermore, by focusing on the role of culture in the relationship between individual-level resources and social value creation goals, this study contributes to social entrepreneurship literature, which has devoted little attention to the interplay of individual characteristics and culture. Thus, this research responds directly to the call for more comparative (social) entrepreneurship studies that examine the interplay between individual characteristics, as informed by the resource-based view, and institutions in shaping entrepreneurial activities (Stephan *et al.*, 2015). The way resourceful entrepreneurs should behave and use their resources in doing business depends strongly on the cultural environment in which they are embedded. Previous research has not investigated the moderating role of culture in how entrepreneurs allocate their resources toward social objectives. Instead, it has assumed that culture affects entrepreneurs' social goals irrespective of their resource reservoirs (Hechavarría *et al.*, 2017; Hoogendoorn, 2016). By showing that culture, an informal institution, moderates the relationship between individual-level resources and social value creation goals, this study complements findings by Estrin *et al.* (2016) who show that the rule of law, a formal institution, moderates the individual-level relationship between specific human capital (i.e., entrepreneurial experience) and the likelihood of social start-up entry.

Policymakers wanting to promote social value creation goals among their entrepreneurial bases can derive several strategies from the study's results. Policies aimed at strengthening social entrepreneurship should consider the resource endowments of (future) entrepreneurs. An abundance of human capital is requisite for emphasising social value creation goals, so policies to improve people's education levels can generate positive side effects, in the form of more socially oriented entrepreneurial activities. The positive relationship between social capital and social value creation goals also indicates that policymakers should adopt strategies to help entrepreneurs develop social networks with other entrepreneurs. Platforms for socially oriented businesses could bring entrepreneurs, investors, funders, volunteers, and customers together.

The finding that entrepreneurs are more willing to follow social objectives in countries with higher GDP per capita indicates that policymakers should guarantee a minimum level of economic security to encourage a 'caring orientation' toward others in their societies. It might be especially important in poorer countries where economic conditions are more precarious. As highlighted in recent research (Terjesen *et al.*, 2016), economic and social development foster higher levels of social entrepreneurship. To stimulate such development, targeted support programs should create conditions that enable entrepreneurs to contribute to the wider common good. Furthermore, the financial challenges that entrepreneurs with social aspirations might face, due to scarce funding opportunities and limited access to financial institutions, could be overcome by offering special funds for socially oriented activities and reducing costly administrative burdens that might impede these activities (Austin *et al.*, 2006). As recent research shows, entrepreneurs who address social needs in their societies tend to perceive a lack of financial, administrative, and informational support, more so than their counterparts with solely a commercial focus

(Hoogendoorn *et al.*, 2017). Policymakers might be instrumental in positively influencing entrepreneurs' perceptions of the risk and value of social endeavors (Terjesen *et al.*, 2016).

In addition, policymakers should consider the interplay of individual-level resources and culture. They could implement specific policy tools to promote the adoption of social value creation goals, depending on cultural characteristics. For example, the negative, significant moderating effect of masculinity on the positive relationship between human capital and social value creation goals indicates that entrepreneurs equipped with higher education are more willing to create social value when they are embedded in a feminine culture, compared with their counterparts in masculine cultures. Thus, policymakers in strong feminine cultures may achieve a stronger social orientation among entrepreneurs if they help them acquire higher levels of education. Moreover, entrepreneurs with social capital are particularly keen to prioritise social goals when they are embedded in high uncertainty avoidance and low individualism cultures, so governments in such cultures should give priority to entrepreneurs' social networks.

Despite the value of these findings, this research has some limitations that represent avenues for further research. For example, the selection of countries reflected their availability in the GEM data set. Additional research might take even more countries into account. The measures of financial, human, and social capital captured only certain types of individual-level resources, and future research accordingly could include alternative individual-level resources, such as health, intelligence, creativity, mental attitudes (e.g., optimism), or well-being. The hypothesised relationships also may be susceptible to reverse causality. For example, the study hypothesised that financial and social capital are positively associated with social value creation goals, but an entrepreneur's decision to create more social value also might affect her or his income and networks. Therefore, further research

could use longitudinal designs and investigate the bidirectional relationships between certain individual-level resources and social value creation goals among entrepreneurs.

Further, the measurement of the dependent variable entailed a trade-off logic in terms of emphasising social value creation goals at the expense of other goals. However, previous studies indicate possible synergies between social and economic value creation goals (Meynhardt et al., 2018; Porter and Kramer, 2011; Schaltegger and Hörisch, 2017; Velte, 2017). Future research in the realm of comparative social entrepreneurship could explicitly examine whether different goals coexist in a substitutive or complementary manner, and which factors influence these scenarios. Finally, Hofstede's cultural framework has been subject to debate and criticism (Beugelsdijk *et al.*, 2015; Hunt and Levie 2003; McSweeney, 2009; Taras *et al.*, 2010). Hofstede's cultural data may be somewhat out-dated and do not reflect recent cultural changes in today's global context. Hofstede's culture value scores also are based on a sample of middle managers who worked for one specific organization (IBM), which might not be representative for countries' general populations. Accordingly, future research that predicts the adoption of social value creation goals could focus on alternative cultural variables, such as self-expression values, societal trust, or social identity (Brieger, 2018; Delhey *et al.*, 2011; Hoogendoorn, 2016).

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**Table 1:** Descriptive statistics

Variable	N	Mean	SD	Min	Max
1. Social value creation goals	12,685	21.513	18.740	0	100
2. Gender (Female)	12,685	0.383	0.486	0	1
3. Age	12,685	41.795	11.575	18	64
4. Household size	12,685	3.403	1.242	1	5
5. Fear of failure	12,685	0.287	0.452	0	1
6. Nascent entrepreneur	12,685	0.277	0.447	0	1
7. Work status	12,685	0.896	0.306	0	1
8. Financial capital	12,685	1.428	0.726	0	2
9. Human capital	12,685	2.006	1.036	0	4
10. Social capital	12,685	1.593	1.007	1	5
11. GDP per capita	35	23871.670	21694.910	2787.151	88213.930
12. GINI	35	39.563	10.057	24.83	63.01
13. Unemployment	35	8.348	4.217	3.079	23.523
14. Power distance	35	60.143	22.833	13	104
15. Uncertainty avoidance	35	72.657	22.007	23	112
16. Individualism	35	45.114	25.136	6	91
17. Masculinity	35	49.429	19.944	8	95

**Table 2:** Hofstede's cultural dimensions

Country	PDI	UA	IND	MAS
Argentina	49	86	46	56
Belgium	65	94	75	54
Brazil	69	76	38	49
Chile	63	86	23	28
China	80	30	20	66
Colombia	67	80	13	64
Croatia	73	80	33	40
Denmark	18	23	74	16
Ecuador	78	67	8	63
Finland	33	59	63	26
Germany	35	65	67	66
Greece	60	112	35	57
Guatemala	95	101	6	37
Hungary	46	82	80	88
Iran	58	59	41	43
Israel	13	81	54	47
Italy	50	75	76	70
Japan	54	92	46	95
Malaysia	104	36	26	50
Morocco	70	68	46	53
Netherlands	38	53	80	14
Norway	31	50	69	8
Panama	95	86	11	44
Peru	64	87	16	42
Romania	90	90	30	42
Russia	93	95	39	36
Serbia	86	92	25	43
Slovenia	71	88	27	19
South Africa	49	49	65	63
Spain	57	86	51	42
Switzerland	34	58	68	70
United Kingdom	35	35	89	66
United States	40	46	91	62
Uruguay	61	100	36	38
Venezuela	81	76	12	73

**Table 3: Correlation matrix**

Individual-level variables	1	2	3	4	5	6	7	8	9
1. Social value creation goals									
2. Gender (Female)	<b>0.040</b>								
3. Age	0.012	<b>-0.038</b>							
4. Household size	<b>-0.071</b>	0.020	<b>-0.173</b>						
5. Fear of failure	<b>-0.024</b>	<b>0.049</b>	0.016	0.021					
6. Nascent entrepreneur	<b>0.054</b>	0.006	<b>-0.247</b>	<b>0.062</b>	<b>-0.053</b>				
7. Work status	-0.002	<b>-0.111</b>	<b>0.059</b>	<b>-0.035</b>	0.007	<b>-0.279</b>			
8. Financial capital	-0.010	<b>-0.097</b>	-0.004	<b>0.107</b>	<b>-0.050</b>	-0.003	<b>0.084</b>		
9. Human capital	<b>0.139</b>	<b>-0.032</b>	<b>-0.031</b>	<b>-0.154</b>	<b>-0.049</b>	<b>0.064</b>	<b>0.033</b>	<b>0.238</b>	
10. Social capital	<b>0.052</b>	<b>-0.034</b>	<b>-0.059</b>	<b>0.037</b>	-0.009	<b>0.164</b>	<b>-0.066</b>	<b>0.072</b>	<b>0.120</b>
Country-level variables	11	12	13	14	15	16			
11. GDP per capita									
12. GINI	<b>-0.618</b>								
13. Unemployment	-0.294	0.254							
14. Power distance	<b>-0.704</b>	0.389	-0.053						
15. Uncertainty avoidance	-0.349	0.063	0.115	0.368					
16. Individualism	<b>0.699</b>	<b>-0.528</b>	0.083	<b>-0.764</b>	-0.423				
17. Masculinity	-0.177	0.166	0.164	0.035	0.053	0.066			

Notes: Correlations in bold are significant at  $p < 0.01$ . The sample includes 35 countries ( $N = 12,685$ ).

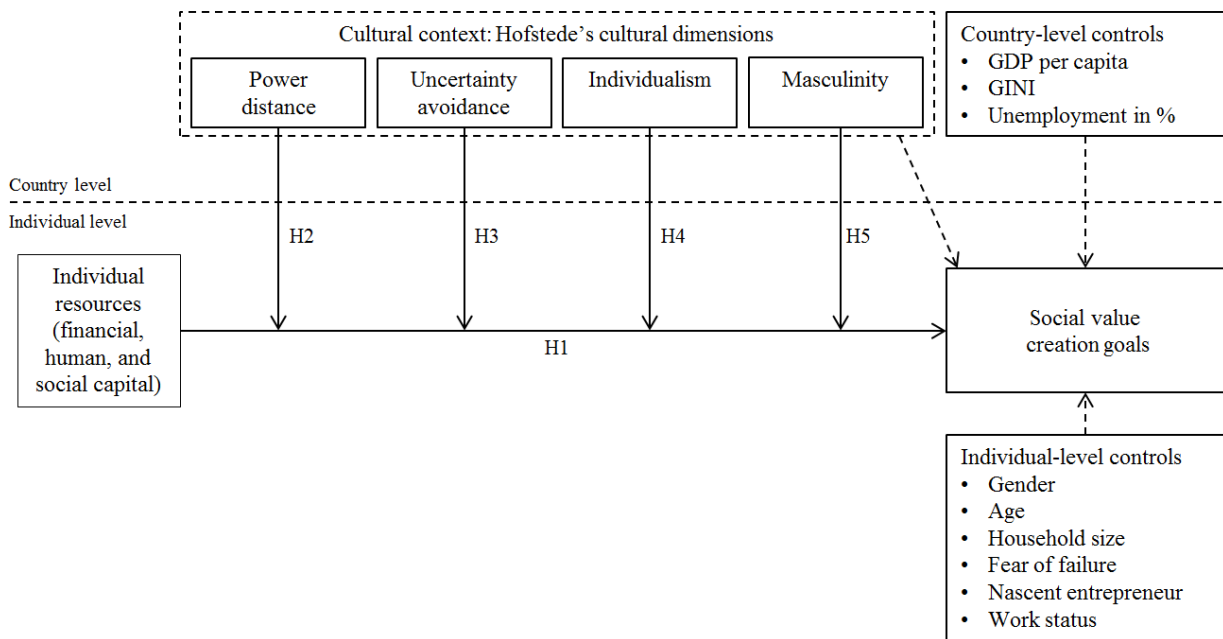


**Table 4:** Multilevel linear regression results for social value creation goals

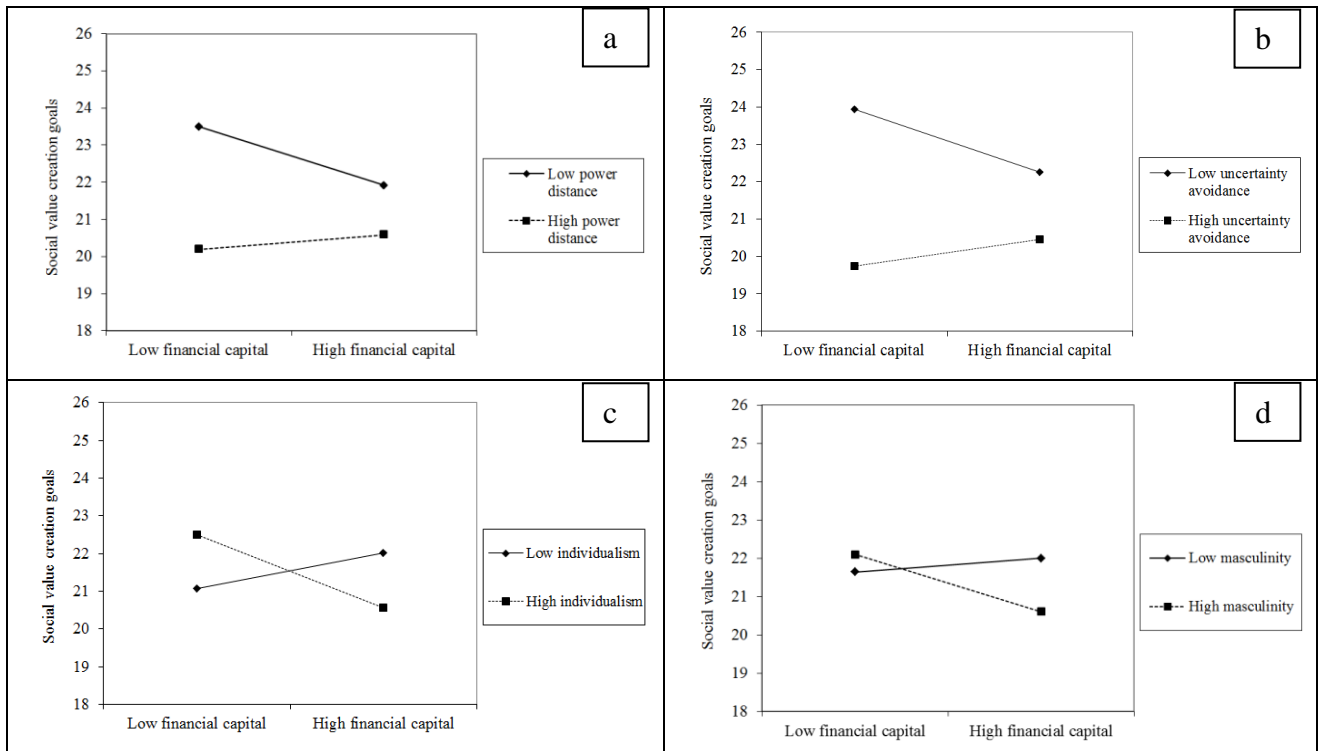
	Dependent variable: Social value creation goals					
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
<i>Individual-level resources</i>						
Financial capital (FC)		-0.326**	-0.297*	-0.237	-0.247	-0.283*
Human capital (HC)		1.124***	1.108***	1.117***	1.084***	1.124***
Social capital (SC)		0.333**	0.357**	0.337**	0.375**	0.327**
<i>Cultural context</i>						
Power distance		-1.173	-1.158	-1.221	-1.184	-1.167
Uncertainty avoidance		-1.515	-1.488	-1.495	-1.491	-1.401
Individualism		0.013	0.016	-0.046	-0.009	0.076
Masculinity		-0.381	-0.368	-0.393	-0.381	-0.234
<i>Cross-level interactions</i>						
FC × Power distance			0.493***			
HC × Power distance			-0.264			
SC × Power distance			0.115			
FC × Uncertainty avoidance				0.601***		
HC × Uncertainty avoidance				-0.108		
SC × Uncertainty avoidance				0.664***		
FC × Individualism					-0.723***	
HC × Individualism					0.436**	
SC × Individualism					-0.387**	
FC × Masculinity						-0.465***
HC × Masculinity						-0.404**
SC × Masculinity						-0.168
<i>Individual-level controls</i>						
Gender (Female)	1.023***	1.010***	1.004***	1.016***	1.006***	1.023***
Age	-0.220	-0.068	-0.065	-0.052	-0.069	-0.067
Household size	-0.560***	-0.473***	-0.455***	-0.452***	-0.441***	-0.470***
Fear of failure	-0.080	-0.070	-0.079	-0.066	-0.085	-0.074
Nascent entrepreneur	1.106***	0.970***	0.951***	0.970***	0.923***	0.997***
Work status	0.006	-0.018	-0.008	-0.006	-0.003	-0.028
<i>Country-level controls</i>						
GDP per capita	2.769**	0.844	0.838	0.868	0.811	0.836
GINI	-0.386	-0.536	-0.590	-0.567	-0.640	-0.512
Unemployment	0.322	-0.132	-0.096	-0.118	-0.103	-0.187
Intercept	21.349***	21.645***	21.551***	21.598***	21.540***	21.590***
ICC	0.13	0.12	0.12	0.12	0.12	0.12
Chi2	111.5***	158.5***	168.8***	193.2***	186.6***	176.2***
LR test vs. linear model	1220.10***	928.19***	917.28***	921.95***	933.71***	941.31***

Notes: \*  $p < 0.10$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ . The sample includes 35 countries ( $N = 12,685$ ).

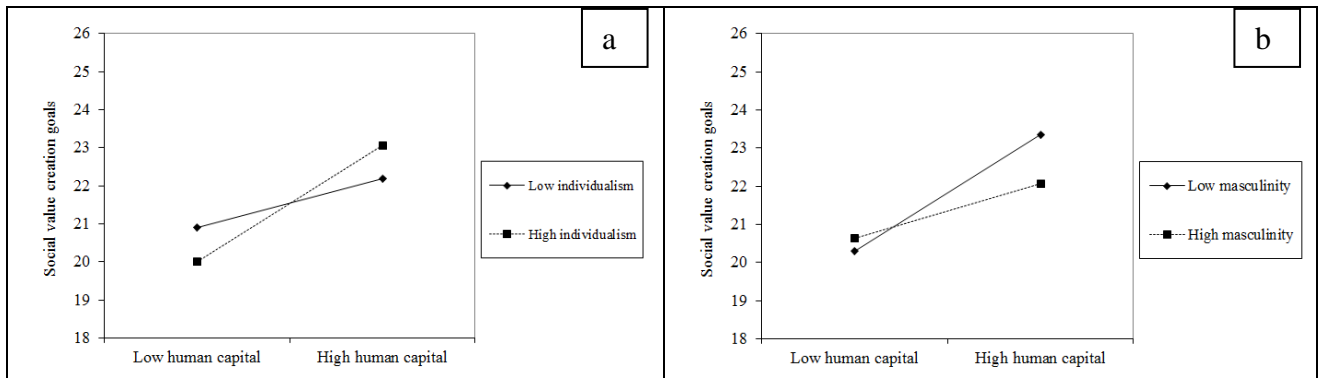
**Figure 1: Conceptual framework**



**Figure 2:** Moderating effects on the financial capital–social value creation goals relationship



**Figure 3:** Moderating effects on the human capital–social value creation goals relationship



**Figure 4:** Moderating effects on the social capital–social value creation goals relationship

