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## **Culture of social institutions and behavioural manifestations in entrepreneurship development: a South-Asian case**

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### Abstract

This paper is based on the South Asian culture, social institutions and entrepreneurship in particular to Sri Lankan entrepreneurship. Sri Lankan culture demonstrates various complex and unique behavioral patterns. Sri Lankan entrepreneurial culture can be identified to have evolved through two different routes. One can be traced to the origins of Sri Lankan civilization and the other to the western influence, originating from the Industrial Revolution, and imposed through colonization which systematically destroyed the indigenous feudal system. Moreover, the ideology of entrepreneurship training and education in Sri Lanka is exclusively western in origin and character. Observations of this research showed that the heart and the mind of such a system often do not work together and this conflict is apparent. This article focuses on disappointment of continuation of such knowledge by questioning, how such ideologies actually take root and bear fruit in the Sri Lankan setting which demonstrates complex and unique behavioral socio-cultural patterns. This article concludes that utilizing western ideologies could further worsen the effectiveness of entrepreneurship development in Sri Lanka.

### Keywords

entrepreneurship, manifestations, behavioural, case, institutions, asian, social, culture, south, development

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# CULTURE OF SOCIAL INSTITUTIONS AND BEHAVIOURAL MANIFESTATIONS IN ENTREPRENEURSHIP DEVELOPMENT:

## A SOUTH -ASIAN CASE

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### Abstract

This paper is based on the South Asian culture, social institutions and entrepreneurship in particular to Sri Lankan entrepreneurship. Sri Lankan culture demonstrates various complex and unique behavioral patterns. Sri Lankan entrepreneurial culture can be identified to have evolved through two different routes. One can be traced to the origins of Sri Lankan civilization and the other to the western influence, originating from the Industrial Revolution, and imposed through colonization which systematically destroyed the indigenous feudal system. Moreover, the ideology of entrepreneurship training and education in Sri Lanka is exclusively western in origin and character. Observations of this research showed that the heart and the mind of such a system often do not work together and this conflict is apparent. This article focuses on disappointment of continuation of such knowledge by questioning, how such ideologies actually take root and bear fruit in the Sri Lankan setting which demonstrates complex and unique behavioral socio-

cultural patterns. This article concludes that utilizing western ideologies could further worsen the effectiveness of entrepreneurship development in Sri Lanka.

Keywords: Sri Lankan culture, the western ideology of entrepreneurship; indigenization of entrepreneurship.

## 1. Introduction

Culture is manifested throughout a society and it is through culture that entrepreneurship operates. Thus culture can be cited as an explanatory variable in entrepreneurial behaviour. This article shows that entrepreneurship is a socio-cultural phenomenon and can be better understood from a specific cultural perspective. It is more realistic to assume that each country has its own style of entrepreneurship in relation to a socio-cultural context. Hence, this article conceptualises that organisational systems are cultural, answers to the problems encountered by people in achieving their collective ends. This provides evidence that entrepreneurial behaviour is affected by the institutionalised patterns of a society and its culture. The prevailing cultural context must be expected to have a fundamental impact on people's attitudes, motivations and behaviours, which are relevant for entrepreneurial activity. The article analyses the historical evolution of Sri Lankan culture and the predominant cultural behaviours and their relationship to the institutional systems of Sri Lankan culture and society. The influential socio-cultural institutions such as family, caste, ethnicity, class, religion and education were examined in relation to their specific roles and impact on personality and behaviour. The entrepreneur and the other social actors involved in the process of entrepreneurship are products of this institutional system, so this analysis provides an insight for the understanding of the socio-cultural realities of entrepreneurship development.

## 2. Culture as a behavioural determinant

Culture is experienced and explored in everyday life. Everyone in a human society is shaped by distinctive culture of its existing society. Culture represents "the values, norms, and traditions that affect how individuals of a particular group perceive, think, interact, behave, and make judgments about their world" (Chamberlain 2005 p. 197). Culture as a state or habit of mind giving rise to a way of life (Moule 2012) and it is 'a matter of ideas and values, a collective mind' (Kuper 1999: 227). This encapsulates patterns of meaning of distinct peoples or other social groups (Palmer 1994) including the processes of giving meaning to structure, power, identity, and values (Althusser 1990). Thus culture creates a particular 'social order' in which 'cultural practices' and 'cultural productions' are its main elements. Hence culture is fundamental to any social system (Milner 1994, Hofstede 2001, Bada 2003), which plays an active role in the construction of social structures.

Transmissions of cultural fundamentals and elements are still being argued. Culture is 'an historically transmitted pattern of meaning embodied in symbols, a system of inherited conceptions expressed in symbolic forms by means of which men communicate, perpetuate, and develop their knowledge about and attitudes towards life (Geertz 1993:89). Therefore, culture is socially transmitted knowledge and behaviour (Peoples & Bailey 1994). It involves all the manifestations of social habits of a community, the reactions of the individual as affected by the habits of the group in which he/she lives, and the products of human activities as determined by these habits (Kroeber & Kluckhohn 1952, Hofstede 2001, Bada 2003).

Culture has a history of learned, accumulated experience (Keesing 1994) and includes social heritage, learned behaviour, shared behaviour and abstraction from behaviour (Brumann 1999; Morrison 1998b; Cafagna 1960). Kluckhohn (1962) argues culture is a learned behaviour, that

is, culture consists in all transmitted social learning. Therefore, cultural behaviours are not only a product of social heritage but are also social processes. If culture is socially inherited the question arises whether culture allows for modification and transmission along with new cultural elements or other cultural fundamentals or alien cultural stimulations. Although often firmly rooted in distant traditions and experiences, cultural patterns of a society are continually being altered to meet the regular changes of life (Nanayakkara 1999a).

For anthropologists (Edward B. Tylor 1871, a pioneer) and other behavioral scientists, culture is the full range of learned human behavior patterns. Taybe (1988:42) also defines culture as 'a set of historically evolved learned values, attitudes and meanings shared by the members of a given community that influence the material and non-material way of life. Members of a given community learn these shared characteristics through different stages of the socialisation processes of their lives, in institutions such as family, religion, formal education, and society as whole'. In summary, cultural properties include: cultures are learned; individuals make up the culture; cultures are shared; a culture is a collection of reciprocal values, and cultures are dynamic patterns that create a particular social order.

Goulet (1975) asserts that cultural values allow the past to be interpreted, the present to be organised, and the future to be anticipated. Therefore, culture refers both to evolution and practice of family, political and economic achievements, ethics, customs, law and thought (. Thurnwald et al. 1935; Seneviratne 1971). It is clear that the very existence of people is identified and rationalised in accordance with their own cultural values and elements and culture can be concluded as a process as well as a product.

### **3. The history behind Sri Lankan cultural dynamics**

Sri Lankan historical and cultural heritage covers more than 2,000 years. Sri Lankan culture has had its own civilization for millennia. However, from the 12<sup>th</sup> century it was subjected to several invasions. The main historical foundations of Sri Lankan culture may be divided into three epochs: early settlement and civilisation; colonisation; and independence. Each epoch has imposed different influences on contemporary socio-cultural behaviour in Sri Lanka.

#### **3.1 Civilisation as a culture-building force**

The Great Dynasty (Mahavamsa) of the Sinhalese civilisation from 200 BC was based on a dry-zone irrigation complex which required a high degree of collective organisation (Mahanama et al.1964). The agricultural economy promoted a self-sufficient society (De Zoysa 1986); the introduction of Buddhism in the 3rd century BC informed peace and harmony. The agricultural profession and the philosophy of Buddhism together created a set of customs, rituals and traditional attitudes of the people which promoted a simple living pattern of society (De Silva 1981). The Sri Lankan feudalistic bureaucratic structure had a decentralised character. This was distinct from authoritarian feudalism found in the European context (Peiris 1992; Ellawala 1965; De Silva 1981).

Analysis of the Sri Lankan feudalistic system has identified distinct fundamental social relationships in Sri Lankan culture. The king established his authoritarian power and made the laws while carrying primary responsibility for political, economic and religious activities of the kingdom. The King's rule and care for the kingdom, together with extensive traditional hydraulic works, led to collectivist relationships which initiated a strong kinship social structure. The King was traditionally entitled to land revenue (De Silva et al. 1973). The officers who worked for the Kingdom were paid in lands called Nindagam. People in the Kingdom who were

loyal to the King's service (of protection and maintenance of the Kingdom) owed him a kind of caste-based rajakariya (compulsory labour) (De Silva 1981). This was not contractual but formed strong fealty relationships. In addition, the occupational hierarchical caste system formed the basis of social stratification. This system determined a person's social obligation, his/her compulsory services to the society, and position within the hierarchy in which a status relationship was paramount.

These well-rooted value relationships, kinship, fealty, authoritarianism and status are evident in the present day Sri Lankan socio-cultural institutions such as family, caste and class including characteristics of unity, collectiveness, dependence, and loyalty which are crucial elements in cultural behaviour in Sri Lanka.

**Kinship** - This is an important basis for social relationships in the society and may be considered the dominant form. The family carries primary responsibility for political, economic and religious activities.

**Fealty** - This is a form of personal relationship based on reciprocal social bond in which an individual receives loyalty and services from a group of dependent individuals in return for favour, protection and the maintenance of order.

**Authoritarianism** - This is the pattern of social relationship that is power centred towards authority. It leads to power distance and respect for authority.

**Status** - Status-based relations may be a key form of organising a society when social positions are ranked in terms of privilege. This includes vertical relations or hierarchical position.

### **3.2 Colonisation as a manifestation of new cultural behaviours**

The traditional feudalistic social structure was disturbed by the foreign invasions of the Portuguese in 1505, the Dutch in 1656, and the British in 1796. While the Portuguese and Dutch regimes only slightly influenced social changes, British colonialism for 150 years was central to the economic, political, and cultural construction of modern Sri Lanka. Under British administration the country moved to the capitalistic plantation economy including modern infrastructure and the British administrative and judicial system created complex life patterns<sup>1</sup>. Abolishing the rajakariya (compulsory labour) created a whole new range of wage employment opportunities. As a result, traditional Sri Lankan collectivism and fealty were influenced by this individualistic commercialised socio-cultural pattern. This involved some movements towards western patterns.

Moreover, a privileged indigenous class working in the British administration system freely embraced the British ideology of individualism, the English language, Christian religion, and education. The middle class was employed in a wage-based system in the British government sector. This sector was nonexistent in traditional society in Sri Lanka. This class had different life styles, wealth, and status and attitudinal patterns. The elite group with the middle class led to class-based social inequality and power distance. They amassed considerable wealth, undertook English education and enjoyed substantial administrative power in the colony. Moreover, copying British life patterns created a market for western products and resulted in a dependency on the West. The modernised complex life patterns demolished the traditional simple life patterns including fealty which is most commonly associated with feudalism. The western oriented education system also became deeply embedded in contemporary Sri Lankan society.

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<sup>1</sup> A large well-operated plantation system with modern communications, western medical services, and education in English, Christianity, banking and transport and hydroelectric projects changed the nature of social activities and the simple life style of Sri Lanka.



### 3.3 An independent nation with dynamic cultural behaviour

In 1948 Sri Lanka gained independence and power shifted to the English-educated upper class Sri Lankan politicians whose political ideology was democracy and its maxims. As a result, values and attitudes of democracy were also incorporated in the society along with the capitalistic economy. Economic changes were concerned with the traditional cultural attitudes of 'Sri Lankan self-sufficiency' and therefore, aimed at preventing dependency on imported commodities by encouraging import substitution. However, following economic reforms in 1977, import substitution shifted to export-oriented industrialisation (Williamson 1998). This entailed freeing the private sector from state control. The private sector-led economic activity introduced new values and institutional arrangements that were conducive to fostering entrepreneurial attitudes in Sri Lanka.

## 4. The predominant cultural institutions and behavioural determinants

### 4.1 The Sri Lankan family and kinship

The basic social organization in Sri Lanka is the family. The Sri Lankan family has strong roots in kinship. The highly structured and authoritarian familial set-up includes the parents and children, and the bilateral extended family. Brothers and sisters form the sibling group. The autocratic leadership of the elder-members requires submitting one's self to the decision of the family elders, and an almost one-way communication in the pecking order. This exemplifies respect for hierarchy by age. Major decisions must come from, or must have the approval of males. This has resulted in the female being regarded as a feeble figure who must be cared for.

There are no clans or similar unilateral kinship groups. The nuclear family and the sibling group form the primary basis of co-operative action by sharing economic and social-psychological security as well as the conflicts and anxieties of family members. Right from childhood, the child is made to believe that he/she belongs to the family. From childhood Sri Lankans are encouraged to tell all of their thoughts to their parents and submit to their direction, counsel and advice. The husband and wife work together and co-operate in raising the children. Each has different assigned duties and responsibilities, as do the older and younger siblings and grandparents. The father acts as an authoritarian figure and the mother takes the major role as a mediator between children and their father in communication. They are admonished to be good because any disgrace that is committed is a disgrace to the family. In times of misfortune they are assured of the family's support, sympathy and love. This background of sharing and caring with responsibility and accountability creates commitment, trust and strong work ethics within the family.

The child learns a system of control through the family. Parents have general control over almost every aspect of life including choice of spouse. Dependency is generally high due to traditional infancy caring practices including the undivided attention of the mother. The child's socialisation process is also a responsibility of the family. Parents and adults in the family often pay attention to the child's movements seeking independence and intervene abruptly.

Given the dynamic relationship between the family and Sri Lankan society, Sri Lankan society may be characterized as familial. This means that the influence of kinship, which centres on the family, is far-reaching. The family set-up also contributes to the view that males and females have different roles to play in society. The pervasive influence of the family upon all segments of Sri Lankan social organization can be illustrated in many ways. Religious responsibility, for example, is familial rather than temple- or church-centred. Each home has a family shrine. The

influence of the family upon economic and entrepreneurial business activities is also great. The so-called 'corporations' found in urban areas are generally family holdings.<sup>2</sup> Therefore, the Sri Lankan family is the nuclear unit around which social and economic activities are organized. As a result the interests of the individual in Sri Lankan society are secondary to those of the family.

#### 4.2 Impact of family on behaviour

Whiting (1953), Adams (1960) and Gupta (1974) have recognised the importance of childhood and the effects of home-life on personality and character formation. According to their work, Sri Lankans are often fashioned by a family setting of the extended family, sense of corporate identity, and the awareness of solidarity. The idiosyncratic behaviours which are often linked to entrepreneurial activity are constrained within Sri Lankan family set-ups. The family's hierarchical authority and responsibility plus abundant child caring makes it possible to ensure an almost riskless environment for the child, and curtails the child's independence and challenging behaviour. The family hierarchy sets up obedience and respect for authority. Respect owed to adults develops a mentality that authority grows with wisdom and experience which builds up with age. The family corporate action and collective behaviour leads to limits on the opportunity for individual decision-making and self-assessment, and results in a lack of individual self-confidence. Moreover, the behaviour of accepting the status quo is apparent as the family cultivates a system of order and relations that should be accepted without challenge. In this context especially, individual work behaviour is self-centred, lacks creativity and is resistant to change, thus the worker is passive and not self-directed. In the context of the extended family system, there is evidence that it is an effective institution for survival but an obstacle to development (Harrison 1998).

Although the foundations of individual personality and behaviour are established by the values, beliefs and attitudes of the family set up, there is the possibility to change individual behaviour by culture over time, as the individual gains experience and knowledge of the culture operating in the larger society.

#### 4.3 The caste system and power

The caste system in Sri Lanka is rooted in the feudal service of traditional Sinhalese culture. Although it shares an occupational focus with its Indian prototype one finds it difficult to locate a parallel to the caste system in India. The caste system among Sri Lankan Tamils is closer to the Indian system and includes more than fifty castes (Banks 1960).

Most castes in Asia are functional (Risley & Crooke 1915) and as a result, the division of labour and other schismatic processes within the society are apparent (Ryan 1953). Perera (1990:25) notes the distinct characteristics in the caste system in Sri Lanka: the 'caste system in Sri Lanka developed neither the exclusive Brahmanical social hierarchy (supremacy of caste) nor, to any significant degree, the concept of defilement by contact with impure persons or substances that was central to the Indian caste system. The claims of the Kshatriya (warrior caste in India) to royalty were a moderating influence on caste, but more profound was the influence of Buddhism, which lessened the severity of the institution'.

The Sinhalese caste system is comparatively less rigid than the Indian caste system because of the influences of Buddhist values which initially rejected caste. Table 1 depicts hierarchically the contemporary Sri Lankan castes and sub-castes with relevant occupations.

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<sup>2</sup> Some organizations have been named as "Perera and Sons company", 'Mohideen and Brothers Company' 'Flexport and Three Little Daughters' and the 'de Silva family' to indicate the family relationship of an organization.



#### 4.4 Caste system and social behaviours

Caste is a system of both psychological order and social interrelationships. It is a psychological order since the lower caste as well as the higher caste individual has a mental framework that is justified by caste stratification. Interrelations are governed by the caste responsibility for supplying specific kinds of services to the society, and values of castes which promote virtual acceptance of the will of the dominating castes. This promotes interdependency, because caste responsibilities, privilege or obligations entail reciprocal action. Therefore, contractual behaviour is lacking (as an example the earlier *rajakariya* to the king). The attitude 'to work is to live' (work has been given by status and is compulsory) rather than 'to live is to work' (working with aspiration) eliminates attitudes of work as an enjoyable and psychologically rewarding exercise. This would serve to reduce creativity and incentive.

By setting social prestige, disparity and positional power the caste system in Sri Lanka enables a higher positioned individual to decide unilaterally the value of services, because hierarchy keeps those in lower positions dependent. This limits the opportunities for deprived individuals to elevate themselves to positions in different spheres of activity. They are denied the opportunity to develop their interests and potential. This leads to a lack of self-confidence. Therefore, the caste system in Sri Lanka impacts highly on social values of positional power and similarly it limits independent self-esteem. This impacts upon the productive working culture in Sri Lanka.

#### 4.5 The class system and power conflicts

The class system in Sri Lanka is British-made, and did not naturally emerge as in Europe and North America from the feudal system to secular-commercial and later industrial modes of production. It emerged through the need for the assistance of native English-educated subordinates in the British administration system. English education was the preserve of those with the ability to pay fees (Hettige 1997). Pieris (1954: 435) describes this English educated syndrome as a '---body of men respectable from superior education and property.'

Elaborate social conventions regulated the conduct of the service's members and served to distinguish them as an exclusive caste. This situation, however, changed slowly in the latter part of the nineteenth century and quite rapidly in the next century. The British created an educated class to provide administrative and professional services in the colony. By the late nineteenth century, most members of this emerging class were associated directly or indirectly with the government. Increased Sri Lankan participation in government affairs demanded the creation of a legal profession; the need for state health services required a corps of medical professionals; and the spread of education provided an impetus to develop the teaching profession. In addition, the expansion of commercial plantations created a legion of new trades and occupations: landowners, planters, transport agents, contractors, and businessmen. Certain Sinhalese caste groups, such as the fishermen (Karava) and cinnamon peelers (Salagama), benefited from the emerging new economic order, to the detriment of the traditional ruling cultivators (Goyigama).

As a result, three types of classes emerged: lower middle, upper middle and the elite class. According to Hettige (2000) lower and middle class monolinguals who had paper qualifications were employed in the state bureaucracy. Some of those in the lower-middle class<sup>3</sup> were involved with trade and commerce. The directors and heads of departments of the ministries mainly come from the English-educated, westernised, Sinhala and Tamil upper middle class whereas ministers came from the English-educated, Sinhala upper class, elite background (Hettige 1997).

The upper middle class which acquired knowledge of the English language, and an appreciation of western societies, cultures and life styles, has used these as a point of reference to make attitudinal and behavioural distinctions between the upper and lower classes. Its behavioural

<sup>3</sup> The middle class consists of lower-middle and upper middle class in Sri Lanka.

patterns (which included British institutional ethics such as separation of home from office, punctuality, planning and controlling, and habits of drinking and smoking) also impacted on family and changed social behavioural patterns (Subramaniam 1982). This class syndrome is reinforced in present day Sri Lanka based on reputation of schools, houses, businesses, and on involvement in games (like cricket) and politics.

The classes have developed both conflicting and consensual attitudes, different life styles, and networks of power and powerlessness (Gamage 1997). In this context, wealth, power, language, culture and life styles for the elite and upper classes which have the upper hand in various fields and professions are prohibitive factors for the lower classes. Class has created status, power and a dependency syndrome. This discourages self-confidence as it creates boundaries for behaviours by power and status.

Nanayakkara (1999a) argues that the class structure in Sri Lanka was not linked with the development of a capitalistic society. He further explains 'the formation of class in Sri Lanka did not enlarge the economic base as in a capitalistic economy, and therefore the majority at lower levels had limited hope for entering the competitive race in order to rise up the class ladder'(p.62). For the majority of people the Sri Lankan class system influenced beliefs and attitudes in which hierarchical authority was acceptable in principle and work meant not only economic rewards but also status and power. Respect and authority are given to the highest position. However, this power of classes and status created very aggressive attitudes within some sections of the young people who sympathised with the Marxist concept that rich private businessmen are exploiters of labour.

#### **4.6 Education and lack of individualistic orientations**

From the early British period, the school curriculum was planned on the Grammar School system in England and based on a classical and scientific education (Ruberu 1962). However, the Sri Lankan school and university education often uses a teacher-centred system rather than student centred activity based on skill development. Activity-based education was introduced to a small degree in the 1990s.

The Sri Lankan education system aims to prepare students for government employment (Nanayakkara 1984). This encourages individual dependency and generates a lack of self-confidence. The education system trains youth to find employment as a wage or salary earner rather than promoting a self-motivated work ethic or encouraging a search for challenging job opportunities. In this system, the distance between teacher and student is far reaching; the student is encouraged to believe that the teacher is always right and is a model to follow. Teachers have informal authority to punish and sometimes use corporal punishment. Parents often do not disagree with punishment. On the first and last day of each grade students bring betel leaves and bow to the teacher. Respect for authority is therefore reinforced in the education system. The education system does not facilitate creativity or self-determination and independence but it does develop self-discipline.

#### **4.7 The social values of Buddhism**

One could hardly make sense of Sri Lankan philosophy without taking Buddhism into account, even though Buddhism is not the only constituent of Sri Lankan thought. The influence of Buddhist teaching developed a unique culture and civilization. Buddhist philosophy provides values related to human existence. According to Ling (1980) traditional Sinhalese Buddhism bears some responsibility for retarding economic development through merit-making practices, non-rational attitudes to life, and population increase. It is clear that Buddhist values were embedded in the socio-economics of Sri Lanka. The written ethics of the traditional Buddhist, including 550 *Jatakas* (Buddha's Birth stories), were the guides to human behaviour

emphasising unity and harmony and cultivating humane qualities and mental purity. They also discussed business ethics. While the *Sigalovada Sutta* underpins the traditional business system which emphasised working for the welfare of others and the maintenance of strong kinship links, the *Seruvaniga Jataka* story emphasises the honesty and kindness of the entrepreneur.

Buddhism created a systematic mental culture<sup>4</sup> which is developed by investigation rather than fixed by faith in revelation (Pickering 1995). Consequently, it teaches the way to penetrate to the root of a problem and find out the main cause of it. Therefore, individuals are guided to become solid and more skilled in managing human mental life and to promote more satisfactory living. 'Satisfactory living' is the Middle Path by avoiding the extremes-addiction to worldly pleasures and subjecting oneself to unnecessary rigours. Realising the real nature of existence depends on one's own diligence and understanding by which an individual develops his *sila* (morality). *Sila* means discipline of the senses, speech or action according to a moral code. Buddhism advises to be good, diligent and act wisely to solve problems. Therefore Buddhist ethics contribute to self-responsibility and accountability of being a socially correct person.

According to Buddhist teachings, change is natural and universal and ongoing. Every material thing that exists is impermanent. Only the good and bad points which are collected through life are carried forward by *karma*. Every living being has the results of its own past karma to work out; any interference with this situation will not be anything more than a temporary alleviation of the suffering which is bound to endure. However, Buddhism stresses the positive ethical values of *avera* (tolerance) and *ahimsa* (non-violence).

### **5. Sri Lankan politics, human rights and some cultural contrasts**

Sri Lankan politics embrace ideas and structures related to the distribution and channelling of power within the Sri Lanka society for its well being. This reflects Sri Lankan traditional bases of power alongside democracy with its structures of the law, parliament, and councils. A strong government is invested with the responsibility of upholding collective needs. Longevity of political elites seems to be the norm. Accountability and transparency are not necessarily starting points of government.

The emphasis is upon consensus and harmony, especially when pursuing economic growth. However, in the political social reality of Sri Lanka, politicians acquire more power through which discretionary and personalised favours are often brought into being. As a result, some rules are overridden. This creates situations that are governed not by rules but by the power of particular politicians. Personalised favours can be seen in most government and non-government institutions, in the absence of an adequate legal framework and also social attitudes of high value towards personal relationships.

Challenges to human rights, as understood in the west, emerge in particular social, economic, cultural and political conditions. The circumstances that prompted the institutionalisation of human rights based on individualism in the west do not exist in Sri Lanka. The importance of the community in Sri Lankan culture is incompatible with the primacy of the individual, upon which the western notion of human rights rests.

The relationship between individuals and communities constitutes the key difference between Sri Lanka and western cultural values. Compared to the west Sri Lankans prefer a more 'structured' way of life rather than one in which an individual can be assertive. Therefore, Sri Lankans are less autonomous and more dependent on their place in the surrounding social system.

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<sup>4</sup> On the question how to eradicate problems, the answer given by the Buddha is that a wise man is well established in *sila* (morality) and has developed his mind and (understanding).

Sri Lankan self-esteem is identified with the family. Sri Lankans think in terms of collective and not individual values as society is not built on the individual but on the family. Each person thinks of him/herself not as an individual but as a daughter, son, wife, father, and so on. It comes naturally for Sri Lankans to put the focus on combined interests of the family. Ethical and normative behaviour of people in Sri Lanka also has distinctive characteristics. The Sri Lankan cultural orientation is supported by shared values which function as the basis of shared behaviour. Values have reference to standards people use for evaluating what is right or wrong. Three main imperatives can be identified that underlie Sri Lankan value orientation: relational imperatives (person-to-person encounters), emotional imperatives (emotionally laden norms), and moral imperatives. Sri Lankans are moralistic which can be seen in debts of gratitude/loyalty or commitment.

## **6. Socio-cultural milieu and behavioral manifestation in entrepreneurship in Asian, Sri Lankan context**

In an attempt to understand the cultural implications of the western paradigm in Sri Lanka, Wickramasinghe and Hopper (2000) emphasised that it is difficult to evaluate and understand cultural factors through the lenses of other cultures. Hofstede (1993, 2001) argues that a form of cultural or mental programming starts in the environment in which a child grows up, usually a family of some form, and continues at school, and at work. Politics and the relationships between citizens and authorities are extensions of relationships in the family, at school and at work and in their turn they affect other spheres of life. Moreover, religious beliefs and secular ideologies are also extensions of mental programming in the family, at school and work and in government relations. These socio-cultural institutions have particular values and specific roles to perform which impact on peoples' behaviours. The term 'behaviour' is assumed in the broadest sense to include all the activities of individuals or groups or communities, whether overt or covert, physical or psychological. These reinforce the dominant patterns of thinking, feeling and acting in the other spheres. Therefore, I have analysed the predominant socio-cultural institutions in Sri Lanka such as family, caste, class, religion, and education in order to comprehend Sri Lankans' behavioural manifestations.

Values which underpin social institutions are a set of interrelated ideas, concepts and principles to which individuals, groups and societies attach strong sentiments (Nanayakkara 1999a) or 'enduring beliefs' (Rokeach 1973). Values energize human behaviour through motivative, cognitive and emotional aspects. How various values operate interactively in human behaviour is explained by Davis (1971). He argues for 'an integrated value-system' that represents goals or ideals. This means that various values assimilate with and affect each other and form behaviour. Moreover, the integration of values is personal and guides human behaviours.

According to Rokeach (1973) a value system provides a specific mode of conduct or end-state of existence. This conduct is personally or socially preferable to an opposite or converse mode of conduct. This implies a framework of preferences by which humans can evaluate their thoughts and actions, and those of others in the society. From this broad mental orientation develops: a) a set of beliefs which is a conviction about how the world actually is (a framework of preferences); b) attitudes which are pre-dispositions to perform, perceive, think and feel (thoughts); and c) specific opinions which are concrete expressions on particular issues (actions). Therefore, a value system leads to a broad mental orientation in which a person is subjectively involved and subsequently behaves on his/her own beliefs, attitudes and opinions.

Why such value systems are important is evident in the nature of human actions (Margalit, Halbertal, (1994, 497-498) cited in Johnson, James 2000). Human behaviour is highly

judgmental. Given the subjective nature of a wide range of relations in a society, values provide direction. Moreover, ideals that represent the most abstracted conduct or end states of existence are rooted in values. They can be related to someone's behaviour or achievements (such as entrepreneurial achievements and work outcomes). A value system guides the manner of conduct; its norms control behavioural activities as formal or informal rules. Norms determine acceptable and unacceptable behavioural patterns in a society. Values influence human judgement as well as their abstract scenarios. These, in turn, are critical in decision-making, and decision-making is central to entrepreneurial activity (Gamage et.al.2003a; 2003d; 2003 e)

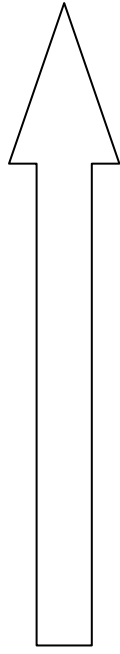
The findings of researchers on the impact of the entrepreneurship development system in Sri Lanka show that it has not been as successful as expected (Gamage 1989; Gamage et.al. 2003a; 2003b, 2003c) Gamage & Mendis 1999). There have been cases where entrepreneurs on the way up the business ladder have strongly rejected the use of business management consultancy as inappropriate, as it is often based on western models and situations not fit in to the Sri Lankan cultural settings.

## 7. Conclusion

This analysis of Sri Lankan culture is as a case of south Asian culture, suggests that the behaviour of the individual can be assumed to be explained by the higher-level institutional and societal phenomenon. This contradicts assumptions, about a rational individual, expounded by classical economics in theories of the market. Entrepreneurship cannot be seen as relating to the behaviour of single individuals, since reality is seen not in terms of individuals whose behaviour has causal efficacy but rather in terms of societies, institutions, classes, economics, kinship, and so on. The important socio-cultural institutions of Sri Lankan society such as family, caste, education, class and religion have distinct structures and relationships to individual behaviour. Some differences in behavioural patterns have been found from those which are critical to understanding entrepreneurial activity in the western norms. These include several concepts: dependence, lack of self-confidence and lack of freedom, accepting the status quo, attitude towards work, respect for authority, loyalty, and collective human rights.

From this, two important puzzles arise in relation to entrepreneurship in Sri Lanka. Firstly, how does entrepreneurial performance occur within this pattern of culture and social behaviour in Sri Lanka? Secondly, how does it deviate from the western paradigm, largely used in Sri Lanka to promote entrepreneurial activity? The answers to these questions are vital in developing an appropriate methodology for understanding the deep-rooted social and cultural reality of entrepreneurial activity in Sri Lanka.

**Table 1. The contemporary castes and sub-castes in approximate order of rank with their most common English designations**



Main Caste	Occupation
Govi-vamsa -	Cultivators of the soil
Karawa -	Fishermen
Salagama -	Cinnamon peelers
Durawa -	Toddy tappers (making a kind of alcohol)
Nawandanna -	Artisan, including smiths of all types
Hannali -	Tailors
Rada -	Washers for the high castes
Badahala -	Potters
Panikki -	Barbers
Berava -	Drum beaters
Kinnara -	Mat weavers
Rodi -	Outcasts, beggars

Source: (Ryan, 1953 cited in Nanayakkara (1999a))



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