

Does Globalization Impact Entrepreneurship? A Comparative Study of Dynamic Development Based on Changing Economic, Cultural and Business Environments

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ABSTRACT

Purpose: This paper examines the effect of the globalization phenomenon and its impact on the dynamic development of entrepreneurship based on changing economic, cultural, and business environments both within and between nations.

Design/methodology/approach: The authors use theoretical perspectives and analyze literature reviews to identify the effect of the relationship that exists between globalization and entrepreneurship, which plays a variety of important roles in the business world.

Findings: The findings of the study show that while there is a significant statistical difference between U.S. and international entrepreneurs regarding the importance of cross-cultural considerations, there are no statistical differences regarding the importance of global entrepreneurial innovation, business environment, and the effect of globalization on the economy.

Research limitations/implications: The paper presents a critical analysis of the impact of globalization on entrepreneurs in the U.S. and internationally.

Practical implications: The authors investigate the characteristics necessary for entrepreneurs to be successful, such as skills, knowledge, experience, and the abilities needed to apply technology and innovation, and they navigate complex cultural differences that may exist between business members and stakeholders from diverse cultural backgrounds.

Paper type: Research paper

Keyword: Globalization, Driving Forces, Entrepreneurship, Global Business Environment

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I. INTRODUCTION

The historical evolution of ideas about entrepreneurship is wide-ranging, with research starting decades ago and tracing its roots to the different motivations and theoretical concerns of entrepreneurship (Abouzeedan et al., 2011; Carlsson et al., 2013; Dorin & Alexandru, 2014; G. Jones & Daniel Wadhvani, 2006). Moreover, the historical study of entrepreneurship has been particularly concerned with understanding the process of structural change and development within economies (Chandra, 2018). For example, business historians have focused on understanding the underlying character and causes of the historical transformation of businesses, industries, and economies. Accordingly, entrepreneurship is a factor in microeconomics, and its study reaches back to work in the late 17th and early 18th centuries of Richard Cantillon and Adam Smith, who were foundational to classical economics (Dorin & Alexandru, 2014). One influence of the ideas presented by Adam Smith in his book *Wealth of Nations* relates to the importance of socio-economic systems that support and

promote free market entrepreneurialism. It has been observed that the capitalist system that Smith envisioned is being realized through entrepreneurship (Newbert, 2003).

In their research, Armen Alchian and Harold Demsetz found that in capitalistic societies, resources are owned and allocated by such nongovernmental organizations as firms, households, and stockholders. In addition, resource owners increase productivity through cooperative specialization which leads to the demand for economic organizations that facilitate cooperation (Alchian & Demsetz, 1975). In the early 1930s, the Great Depression resulted in many business closings and foreclosures, and as such was a period during which it was much harder for entrepreneurial businesses to survive, and industrial concentration was being encouraged by the government (Fairlie et al., 2013). However, by 1935, President Franklin Roosevelt's administration demonstrated entrepreneurial leadership at the national level, increasing "demand by funneling energy and funds directly to the people" (Angelo Mastrangelo, 2015).

The United States has always been closely tied to entrepreneurial business. Until the mid-1880s, almost all U.S. businesses were relatively small (Hirschman & Mogford, 2009). Regrettably, between the 1970s and the 1980s, the benefits of many historical advances had not been equally spread (Dahlman, 2007) and the nation was in economic turmoil as many large firms that had grown to dominate the U.S. economy were having difficulty, and entire industries such as steel and automobile manufacturing were in decline. Since the 1980s, entrepreneurship has emerged as a topic of growing interest among management scholars. Scholarly interest has been spurred by a set of recent developments in the United States. Accordingly, the vitality of start-up businesses in high technology industries, the expansion of venture capital financing, and the successes of regional clusters have been a focus of scholarly interest (Etzkowitz, 2012).

Moreover, while most entrepreneurial ventures start out as small businesses, not all small businesses are entrepreneurial in the strict sense of the term. Also, multiple terms can be used to refer to the same types of business including entrepreneurial business, small business, and family business. There are two types or categories of start-up businesses:

1. The first category involves capital-backed firms where the business is formed as a high-growth business with a harvest plan wherein the firms are organized to grow as quickly as possible (Ruhnka et al., 1992). Such firms have strong organizational structures and a large number of employees. Sometimes a business that was founded as an entrepreneurial business becomes a capital-backed business. For example, Facebook and LinkedIn were created as entrepreneurial businesses; but later acquired millions of dollars of investment capital.
2. The second category is the self-funded start-up wherein the business plan is oriented around building positive cash flow or familial resources during the early stages (O. Jones & Li, 2017). The business is oriented toward the personal goals of the founder. For classification purposes, the U.S. government considers any business with fewer than 500 employees to be a small business, while the European Union considers a small business to be one that employs fewer than 50 (Soriano & Dobon, 2009).

A. Literature Review

Entrepreneurship has been defined as the process of designing, launching, and running a new business offering a product, process, or service for sale (A. R. Wenekers et al., 2002). Entrepreneurship and small businesses are the basics of the economy and are often responsible for breakthrough innovations that influence "chance to create a product, service or organization and successfully bring it to the market" (Angelo Mastrangelo, 2015; İyigün, 2015). Furthermore, theorists Frank Knight defines entrepreneurship as a function and action to introduce and adapt innovation and earn monopoly profits.

Traditionally, an entrepreneur has been defined as a person who organizes and manages any enterprise, especially a business that creates and innovates something valuable (Bolton & Thompson, 2000) usually with considerable initiative and risk-taking (Dada et al., 2015). In entrepreneurship, the entrepreneur is a leader and key figure in the prime cause of economic development through constantly looking for new opportunities and innovation in business processes (Eroglu & Picak, 2011; Schumpeter, 1965; Thurik & Wenekers, 2006) and is personally responsible for initiating changes in the pattern of production (Maritz, 2004; Vesper, 1974). Moreover, entrepreneurs are highly capable individuals who are willing to put their careers and financial security on the line by spending time as well as capital on uncertain ventures (Langlois & Cosgel, 1993; Sarasvathy et al., 2013) and who are able to bring new products to market under changing conditions (P. Drucker, 1985).

It has been shown through investigation that a relationship exists between the entrepreneur's orientation and the business performance (Chen et al., 2011). The most important factors for achieving business success and the company's survival relate to the entrepreneur's personal characteristics as they relate to their decisions, thinking, and actions. According to Baum et al., (2012), there are three steps:

1. Entrepreneur (owner) has an enormous influence on the start-up business.
2. As the new venture grows, influence shifts to the management team and key employees.

3. Organizational and personal characteristics dominate the established business.

From a psychological point of view, there are important entrepreneurial personality traits (J Robert Baum et al., 2007) such as the entrepreneurs' personal characteristics, decisions, and actions that are the most important factors in determining business success vs. failure. For the entrepreneur owner, their performance, knowledge, skills, ability, and motivation are typically higher than those of their employees. For example, Lazear, (2005) from Stanford University found that variety in education and work experience was the most important trait that distinguished entrepreneurs from non-entrepreneurs. Another study by Backes-Gellner & Moog, (2013) found that a diverse social network was also important in distinguishing students who would go on to become entrepreneurs from those who did not (Backes-Gellner & Moog, 2013). Entrepreneurs can personally affect the business culture, environment, and the impact of the success or failure of a new business venture.

New entrepreneurial businesses are critically important around the world. Today, there are widespread efforts in almost all nations to encourage the development of enterprises. Webster, (2005) and Drucker, (1985) defined the key basis of entrepreneurship as being a function of innovation, resources, and entrepreneurial behavior characteristics. In their research, Baum et al., (2012) found that entrepreneurship is a domain of the study of psychology that is "fundamentally personal" (p. 1). Entrepreneurship brings the creation of new businesses and drives economic prosperity particularly because of entrepreneurs' innovative nature (Fuellhart & Glasmeier, 2003) and the relationship between entrepreneurship and economic development (S. Wennekers et al., 2010).

Accordingly, entrepreneurship and globalization are presented as processes of social and economic driving forces, and they cannot be discussed in isolation (Valliere & Peterson, 2009) Globalization changes the important social and economic growth potential (D. Audretsch & Thurik, 2001) in countries which provides opportunities for new entrepreneurial growth. It is important for countries to encourage and promote entrepreneurship in order to develop economies which become key to global market production (Kyove et al., 2021) and are efficient enough to compete in the global business culture and environment.

Nevertheless, changes that have affected the market and businesses, such as the tide of globalization, must be analyzed and documented in the near future in order to constitute a guide for researchers, scholars, consultants, entrepreneurs, businessmen, managers, government agencies, policy makers, and practitioners pertaining to a multi-disciplinary forum in the field of business (Soriano & Dobon, 2009). Often the central corporation allows local, regional, or national businesses to make production decisions regarding the needs of their customers. Furthermore, globalization compels businesses to adapt to different strategies based on new ideological trends that balance the rights and interests of both the individual and the companies (Goryakin, Lobstein, James & Suhrcke, 2015).

Moreover, globalization is a phenomenon that brings reorganization and changes at all levels of international, national, and local environments (Farazmand, 1999). It also exploits new opportunities that are created by globalization through entrepreneurial aspects (Mathews & Zander, 2007). These changes enable businesses to compete worldwide, and they signify a dramatic change for business leaders that affects the market and businesses, such as the sweeping tide of globalization (Soriano & Dobon, 2009). In addition, the global environment has been changing for centuries. In recent years, globalization as a process has moved the world toward global interdependence and exchange (Mazuri A, 2002). However, every day we see more and more evidence of experts in tech, economics, and business leaving their home countries to manage companies around the world (Passaris, 2006).

Many governments around the world believe that entrepreneurship is a key to economic development (Hébert & Link, 2009; Thomas & Mueller, 2000) and they implement policies and strategies to support it. Specifically, entrepreneurship brings the reorganization of production, international trade, and the market. That reorganization affects the economic and social relationship by both micro and macroeconomic phenomena. However, because of the opportunities and threats presented by globalization, governments stimulate a higher level of entrepreneurial activity in their domestic markets in order to counteract the impact of global competition in their markets as they encourage their own local entrepreneurs to exploit opportunities in other markets.

Furthermore, governments around the world are creating national cultures that support and sustain entrepreneurship (Ekhaugen et al., 1980) as they make changes in public policies, encourage self-employment activities among citizens, develop an enterprise culture, and play a central role in encouraging entrepreneurialism in their nation's economy (Thurik & Wennekers, 2006). Understanding the effect of globalization on entrepreneurship can help governments gain insight about the opportunities and risks for entrepreneurs. Otherwise, social scientists have described globalization in many ways. For example, they describe globalization as a significant transformation of the organizing principles of social life or flows of objectives and disjuncture in economy (Appadurai, 2001; Held & McGrew, 2002). Furthermore, governments provide an environment that encourages domestic entrepreneurs to compete in the present competitive arena.

Such encouragement of domestic entrepreneurs will help generate wealth in the economy. For example, in recent years there has been a movement within the U.S. to restrict the outsourcing of IT jobs to developing countries (Datt, 2004). In addition, the IT industry in India both increased the number of customers in different countries and looked for avenues to develop a sustainable competitive advantage rather than rely solely on price competition (Sridhar, 2005)

In conclusion, governments often place an emphasis on changing economic policy in accordance with the state of the entrepreneurial economy (D. B. Audretsch & Thurik, 2001a) because the growth and success that the nation is experiencing today, is primarily due to the entrepreneurial businesses that found an economic footing and grew very rapidly in the recent past. Entrepreneurial activity is generally assumed to be an important aspect of business and industry (Van Stel et al., 2005) and the number of businesses that start-up every year are responsible for much of the innovation. Accordingly, what entrepreneurs do in their activities matters (Carter et al., 1996) and the entrepreneurial businesses today continue to play a dominant role in the ability of the nation to adapt quickly and to make economic progress. Because history is always being made and because opinions, attitudes and institutions change, we theorize that there is evolution in the nature of capitalism (F. Knight & Emmett, 1999). Finally, the authors theorize that individuals who start-up new businesses should recognize that the entrepreneurial domain has historically been the engine of the economic success of the U.S. and highlight how historical context shaped the structure of entrepreneurial success throughout U.S. history. Globalization and entrepreneurship cannot be discussed in isolation from each other (Vinig & de Kluijter, 2007). Both subjects have prompted broad academic discussions and received recognition as being driving forces of economic growth (Ribeiro-Soriano, 2017). A new business can offer benefits for individuals and social development within the U.S. and internationally. In conclusion, new and successful entrepreneurial business ventures are starting-up in communities around the world, and their focus should be on how to effectively compete in the global marketplace for the benefit of their business.

B. Main characteristics such as culture, skills, knowledge, experience, technology, and innovation are essential for successful entrepreneurs

Cross-cultural entrepreneurship is defined by the cultural differences that exist between countries wherein two or more companies are engaged in business transactions. Attempting to generalize the outcomes of entrepreneurship in small organizations from different sectors, countries, or industries should be activities that are a part of daily life on an international scale (Soriano & Dobon, 2009). Furthermore, globalization opens new adventures in both cultural and social aspects of the lives of those exposed to different social and cultural experiences. Moreover, in America, individualism is taken as a spontaneously emerging feature of modern society (Jankovic, 2016). As people are introduced to different lifestyles, those lifestyles induce new wants (Sklair, 2002). For instance, the culture in China is different from that in the U.S. and the cultural differences lead managers of high-technology entrepreneurial firms to employ tactics not well known in the West in order to successfully navigate China's often hostile institutional business environment (Ahlstrom & Bruton, 2002; Li & Matlay, 2006). For instance, individualism is a culturally based ideology or belief system that places the needs of the individual above those of the group or society. Individualistic cultures believe that the entire society is stronger when the rights and freedoms of individuals are protected and respected. A study that investigated the effect of conditions in the business environment and the relationship between entrepreneurship and international performance found that it does play a significant role (Dimitratos et al., 2004).

Globalization brings cultures together with new and different social values, and provides new opportunities for growing ventures (Wright et al., 2007). Economics experts have been examining globalization for decades and find that in capitalist societies, globalization increases the ability of entrepreneurs to raise capital and sell products in a much larger market. In addition, globalization fosters the free flow of ideas, the exchange of culture and values, increased attention to human rights, and environmental protection on a global scale. Globalization has also been a driving force in technological advancement that has revolutionized production, logistics, marketing, and communications that have brought people closer together than ever. Many local businesses, especially those involved in production, have been threatened by the new logistics technologies, economies of scale, and utilization of low cost foreign labor that globalization has fostered. Entrepreneurs can respond by acquiring new technologies and restructuring and realigning their product acquisition channels to take advantage of the full spectrum of opportunities globalization affords them. The role of technologies in the field of entrepreneurship is becoming ever more important in the production and delivery of goods and services (Jovanovic, 2001). Globalization and technological innovation have driven the need for significant advances in both production efficiency and product quality.

Globalization and technological innovation have created opportunities for numerous new business start-ups (S. Wennekers et al., 2010) where growth and development through outsourcing and product innovation have taken center stage (G. Knight, 2000). The identification and utilization of innovation opportunities have become specific tools of entrepreneurs (P. Drucker, 1985). In many instances, opportunities to innovate are the

result of a systematic and purposeful effort to foster new ideas, create knowledge, and promote synergy. Knowledge, insight and a creative thought process have been proven to be vital entrepreneurial characteristics, shown to be important across a number of different areas, such as the development of new ideas, the fostering of innovation, and the response to market threats and opportunities. Profound insights have been gained as to how the specific entrepreneurial characteristics of innovation and knowledge are interrelated (Braunerhjelm, 2007). In conclusion, the process of innovation and organizational success are linked and are heavily dependent upon the entrepreneur possessing the critical characteristics of innovation and knowledge.

Table 1. Characteristics for entrepreneur's success

<i>Necessary characteristics for successful entrepreneur's startup</i>	
<i>Skills</i>	<i>Culture</i>
<i>Knowledge</i>	<i>Innovation</i>
<i>Experience</i>	<i>Technology</i>

It is not easy to become a successful entrepreneur, and usually takes years of hard work, thinking, and experimenting to reach a clear, consistent, and valid theory of the business (P. F. Drucker, 1994; Hall, 2002). In fact, to see and understand how business works in real life, entrepreneurs must be critical, creative, and effective decision-makers who possess the personal characteristics that result in successful start-up businesses (T, 2012). The generation of business ideas is not something that occurs automatically. It is a process of identifying the accessible and obtainable skills, resources, and opportunities in the marketplace that a potential founder needs to succeed. Table 1 identifies some of the entrepreneur's characteristics that are essential for success in the global marketplace.

Personality is connected to entrepreneurship (Baum et al., 2012) in that individuals come to the decision to begin a new business from many different perspectives and backgrounds. Quality ideas are functions of the creativity and thoughtfulness of the people conceptualizing and creating the business. Usually, business owners start their businesses with a very small number of employees. That results in a significant responsibility that requires a lot of skills, ability, knowledge, experience, culture, innovation, and technology on the part of the owner to assure day-to-day success. (Sankaran Venkataraman, 1997) argues that an entrepreneur should possess the necessary skills before opening the business and also know what personal characteristics and experience are applicable to each type of business venture. With the right skills, knowledge, and economic resources, an owner can be confident that the start-up business will be a success. The entrepreneur operates a business venture and has leadership, management skills and team building abilities that are essential for operating successfully.

Entrepreneurship today means staying abreast of worldwide trends and of the entrepreneur's fixed effects (relating to uniform mass-produced items versus unique, individually produced items). This suggests that experience imparts valuable business skills (Lafontaine & Shaw, 2016). Likewise, while particular knowledge or expertise may be of little value to some entrepreneurs, and to others, they may become very important and/or valuable.

The research paper *Entrepreneurship Skills: Literature and Policy Review* (2015) suggested that the following five elements are the key for "successful delivery of entrepreneurship skills and initiatives: (1) experimentation by appropriate theoretical knowledge; (2) involvement of both the individual and the enterprise; (3) group learning; (4) delivery as part of wider business support programs; (5) encouraging some degree of commitment from participants" (p. 27). According to Drucker people should "waste as little as possible on improving areas of low competence" (p. 168), and instead should concentrate on a high competence and high skill. Psychological focus should be on the strategic decision-making process, such that the strategist contributes to the creation and success of new businesses (Baum et al., 2012). Robert Baum, Michael Frese, and Robert Baron go on to suggest that "personality characteristics should be more highly related to individuals-level outcomes than to firm-level outcomes" (p. 57). The psychology-oriented viewpoint has impacted thinking about entrepreneurship, resulting in the emergence of social network theory. According to social network theory, networks combine human skills, merging knowledge, insight, and opportunities that give rise to new ideas that result in the discovery of new knowledge and the creation of new abilities. Thereby, character and personality traits were generally assessed at the individual level, whereas success was gauged at the business level (Fleeson & Wilt, 2010).

At this time in the process of building their businesses, the entrepreneurs should make most of the important decisions that contribute to the success of the business, to innovation, and to adaptation of the global business environment and culture. It is the personal characteristics of the founder - as demonstrated through their skills, knowledge, behavior, attitudes, and decisions - that lead to business success. It is also, however, clear that skills, knowledge, and structured information are defined as driving forces and are key to future economic growth (Acs & Preston, 1997). In addition, as Maslow's theory explains, people are driven by particular needs established in a hierarchy. Likewise, entrepreneurial businesses must act to satisfy their most important needs first, and then try to satisfy the next most important needs working downward through the business's hierarchy of needs (Kaur, 2013; Mathes, 1981). Based on previous research, five hypotheses are proposed for investigation:

H1 Does globalization affect entrepreneurship?

H2 Are the skills, experience, and knowledge critical for the entrepreneurial success?

H3 Does globalization drive the future of entrepreneurial innovation?

H4 Are entrepreneurs prepared for the global business environment?

H5 Do cross-cultural differences affect the entrepreneur's business?

II. METHODS

To investigate the proposed hypotheses, the authors used a sample of entrepreneurs from the U.S. and international countries. The participants were asked to complete the multiple-choice questions by Internet or other social media.

A. Data Collection

To conduct the study the researchers designed a survey of nine questions (Table 2) to gather information from entrepreneurs from the U.S. and internationally. The survey included five demographic questions and four questions regarding globalization. Those areas of inquiry were supported by the findings of the literature which indicated that globalization and entrepreneurship cannot be isolated.

Table 2. Survey Questionnaire

<i>No</i>	<i>Questions</i>	<i>Scale</i>
1	<i>U.S. / International</i>	<i>dichotomous</i>
2	<i>Is globalization driving the future of entrepreneurial innovation?</i>	<i>Likert</i>
3	<i>Are entrepreneurs prepared for the global business environment?</i>	<i>Likert</i>
4	<i>Does globalization affect the economy in the entrepreneur's country or region?</i>	<i>Likert</i>
5	<i>Do cross-cultural differences affect the entrepreneur's business?</i>	<i>Likert</i>
6	<i>Age</i>	<i>ratio</i>
7	<i>Years of venture</i>	<i>ratio</i>
8	<i>Did you have experience and knowledge for startup business?</i>	<i>dichotomous</i>
	<i>Yes / No</i>	
9	<i>Do you have skills to keep your business?</i>	<i>dichotomous</i>
	<i>Yes / No</i>	

The research team used a non-probability convenience sample survey. All survey questions allowed for quantitative analysis (5-point Likert scales; ratio scales, and dichotomous scales) to be used for actionable recommendations. The paper survey was conducted in 2018 over the Internet. The sample size consisted of 83 entrepreneurs, all of whom were business founders and/or owners of at least one venture. Potential respondents initially were identified through proximate professional contacts and subsequently were screened to ensure compliance with our theoretical sampling criteria. This research analyzed entrepreneurs who were identified as being business owners.

The methodology of this study involved a review of the existing literature on the subject. Next, we made some propositions regarding how entrepreneurship is affected by, and must adapt to, globalization. The authors reviewed data from contemporary and historic literature exploring how the benefits of entrepreneurs' skills, experience and knowledge improved business outcomes (Fillis, 2006).

The authors also used various theoretical perspectives to explain how the phenomenon of globalization has impacted the dynamic development of entrepreneurship through the introduction of changing business, economic and cultural environments both within nations and between nations. Both descriptive and inferential statistics were used to analyze the data that were collected. The authors calculated the means, medians, standard deviations, and coefficients of variation for four major questions regarding globalization to examine the central tendency and the shapes of distribution. The confidence intervals were computed from these statistics and show the true value of unknown population parameters using a 95% confidence level. The t-tests were used to examine the differences between entrepreneurs in the United States verses other countries regarding globalization based on 46 United States participants and 37 international participants. In addition, the authors used a Chi-square test of independence to check the differences between U.S. and international entrepreneurs regarding experience and skills for starting their businesses. For the statistical analysis, the authors used statistical software: SPSS 20.

III. RESULTS AND DISCUSSION

A. Data Analysis and Results

Approximately one fifth of the respondents (21.7%) had no experience or knowledge when they started their first business, while the rest of them did. Of all 83 participants, 65 (78.3%) entrepreneurs responded that they had adequate knowledge and experience to start their businesses. Based on the p-value = 0.583, there is no statistical difference between U.S. and international entrepreneurs regarding whether or not they had experience and knowledge for starting their business. Of 46 U.S. entrepreneurs, 35 (76.1%) responded that they had adequate knowledge and experience, while 11 (23.9%) indicated they did not have adequate experience and knowledge. Of the 37 international participants, 30 (81.1%) responded that they had experience and knowledge while 7 (18.9%) lacked experience and knowledge (Table 3). These results indicate that most of the U.S. and international entrepreneurs had the experience, knowledge and skills related to ideas and information that are critical for business operations and innovation. They were also able to conduct the social and cultural activities that they needed to start their businesses.

Table 3. Experience and knowledge for startup business

		<i>Did you have experience and knowledge for startup business?</i>		<i>Total</i>
		<i>No – 0;</i>	<i>Yes - 1</i>	
		<i>0</i>	<i>1</i>	
<i>U.S. domestic-1</i>	<i>Count</i>	<i>7</i>	<i>30</i>	<i>37</i>
<i>0</i>	<i>% within U.S.</i>	<i>18.9%</i>	<i>81.1%</i>	<i>100.0%</i>
<i>International-0</i>	<i>domestic 1– International</i>			
	<i>- 0</i>			
	<i>Count</i>	<i>11</i>	<i>35</i>	<i>46</i>
<i>1</i>	<i>% within U.S.</i>	<i>23.9%</i>	<i>76.1%</i>	<i>100.0%</i>

<i>domestic 1- International - 0</i>				
	<i>Count</i>	18	65	83
<i>Total</i>	<i>% within U.S.</i>	21.7%	78.3%	100.0%
<i>domestic 1 – International - 0</i>				

Regarding the skills to starting a business, there was not enough information to check the differences between U.S. and international companies because two cells have counts of less than 5. Of 83 participants, 74 (89.2%) had the needed skills to start their business, while 9 (10.3%) did not (Table 4).

Table 4. Skills for startup business

		<i>Did you have skills to startup business? Yes -1 No- 0</i>		<i>Total</i>
		<i>0</i>	<i>1</i>	
<i>U.S. domestic-1 0</i>	<i>Count</i>	5	32	37
<i>International-0</i>	<i>% within U.S.</i>	13.5%	86.5%	100.0%
<i>domestic 1 – International - 0</i>				
<i>1</i>	<i>Count</i>	4	42	46
	<i>% within U.S.</i>	8.7%	91.3%	100.0%
<i>Domestic 1 - International - 0</i>				
<i>Total</i>	<i>Count</i>	9	74	83
	<i>% within U.S.</i>	10.3%	89.2%	100.0%
<i>domestic 1- International - 0</i>				

The mean age for U.S. entrepreneurs is 49.93 years and for international entrepreneurs is 46.95 years. For U.S. entrepreneurs the years of venture are 11.80 while for international entrepreneurs it is 9.65 years. The average age for the entire sample is 48.60 while the average years of venture are 10.84 years.

In addition, researchers also tested the hypothesis to determine whether there are differences between U.S. and international entrepreneurs regarding the following areas:

1. Is globalization driving the future of entrepreneurial innovation?
2. Must your business be prepared for the global business environment?
3. Does globalization affect the economy and your business in your country or region?
4. Do cross-cultural differences affect your business?

The results of the testing are revealed in Table 5. The authors used descriptive statistics of the mean values of the above questions based on a 5-point Likert scale. The mean values of all questions are around 4. For the international companies they are above 4, but for the U.S. companies they are around 4 or a little bit below 4. The median for all questions is 4. These differences are based on a skewness of the distributions and different variations. There is more relative dispersion for U.S. companies when compared with the international companies. The last row of the table shows the 95% confidence interval for the population means.

These results support hypotheses H2, H3, H4 and H5. It means that the entrepreneurship prepared for the global business environment, and it is very much influenced by globalization which supports H1. Particular

skills, experience, and knowledge are critical for the success of any business in the global economy, and cross-cultural differences increase the entrepreneur’s business success (Tables 3 and 4). In that way, globalization is driving the future of entrepreneurial business and innovation.

Table 5. Descriptive statistics, 95% CI and p-values

Questions	<i>Is globalization driving the future of entrepreneurial innovation?</i>		<i>Must your business be prepared for the global business environment?</i>		<i>Does globalization affect the economy and your business in your country or region?</i>		<i>Do cross-cultural differences affect your business?</i>	
	<i>Intern.-0</i>	<i>U.S. -1</i>	<i>Intern.-0</i>	<i>U.S. -1</i>	<i>Intern.-0</i>	<i>U.S. -1</i>	<i>Intern.-0</i>	<i>U.S. -1</i>
<i>Mean</i>	4.08	3.96	4.27	4.09	4.19	4.15	4.11	3.80
<i>Median</i>	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
<i>Standard Deviation</i>	0.795	0.988	0.652	0.915	0.569	0.918	0.614	0.957
<i>Coefficient of variation %</i>	19%	25%	15%	22%	14%	22%	15%	25%
<i>Sample size</i>	37	46	37	46	37	46	37	46
<i>95.0%CI</i>	[3.82, 4.35]	[3.66, 4.25]	[4.05, 4.49]	[3.82, 4.36]	[4.00, 4.38]	[3.88, 4.42]	[3.90, 4.31]	[3.52, 4.09]
<i>p-value</i>								
<i>(1-tailed)</i>	0.268'		0.154'		0.411''		0.044''*	

I-Equal variances assumed, based on Levene's Test; II-Equal variances not assumed based on Levene's Test. * Difference is significant at the 0.05 level.

To check the differences between U.S. companies and international companies, the authors used the hypothesis test – t-test (Table 5). Based on an applied t-test the authors made the following conclusions:

1. There were no statistical differences between U.S. and international entrepreneurs regarding the need for innovation, preparing for the changing global business environment, and the belief that globalization is influencing their regional economy.
2. There is a statistically significant difference between U.S. and international entrepreneurs in how cross-cultural issues are affecting business operations. Based on the results, the authors are 95% confident that international businesses are affected more by cross-cultural differences compare with U.S. businesses (p-value = 0.044 at $\alpha=0.05\%$).

The authors concluded that globalization increases the impact of cross-cultural differences. The sample mean value for the U.S. entrepreneurs is 3.80, whereas the sample mean value of international entrepreneurs is 4.11. Globalization of international businesses is stronger than U.S. businesses, which report a higher preference for strong individualism (LeFebvre, 2011). Cross-cultural competence is a collective experience and it impacts decision-making related to everyday circumstances.

B. Discussion

Hypotheses1 and 4 predicted the phenomenon of globalization and its impact on the dynamic development of entrepreneurship and the effect between entrepreneurship and globalization based on changing economic and cultural differences and business environments both within nations and between nations. In addition to the results detailed above, there were a number of other findings from the literature review which offered interesting insights from past decades as the relationships between globalization and entrepreneurship were emerging. The

analysis, which was founded on observations and some qualified reasoning and based on information from literature, found that entrepreneurship as a theoretical construct and practical phenomenon remains poorly defined (Ma & Tan, 2006).

Hypotheses 2 and 3 accordingly predicted that a focus on the implications of globalization for entrepreneurial development both in the U.S. and internationally is imperative. Entrepreneurship has an important role in economies as an engine of economic growth. However, the role of globalization in promoting national economic growth and development is not as clear. While globalization creates new structures and relationships (Savrul et al., 2014), it compels businesses to adapt new and different strategies based on new ideological trends that try to balance the rights and interests of both the individual and the community as a whole. Increasingly, the entrepreneur must have the ability to meet the challenges and take advantage of the opportunities associated with human diversity, such as differing cultures, skill levels, knowledge, experience, technology, and innovation. Such abilities are essential qualities entrepreneurs must have in order to be truly successful.

Hypotheses 5: the U.S. is one of the most individualistic societies in the world. However, as markets become more globally interconnected, a blurring of cultural boundaries has occurred (Matthews & Thakkar, 2012), resulting in increased interaction between people from collectivistic cultures and those from societies such as the U.S. that value self-determination, independence, and individualism. Research conducted by Harry Triandis, Christopher McCusker, and Harry Hui presents a theoretical framework concerning cultural patterns and values that guide social behaviors that indicate that people in collectivist cultures emphasize values that promote communal goals, whereas people in individualist cultures emphasize values that promote individual goals (1990).

This paper reviews an array of theoretical arguments and empirical findings that suggest that today's entrepreneurs are seeking business success and personal satisfaction through lifelong learning and the continuous upgrading of their skills. Entrepreneurs understand that they must develop knowledge and appreciation of cultural diversity, in addition to understanding the social and economic differences that influence how people from different cultural backgrounds perceive and interact with their environment as they seek to build community. The effective management of cultural diversity requires that entrepreneurs always remain sensitive to the different cultural values, attitudes, and approaches to problem solving and decision-making (Passaris, 2006) that a culturally diverse workforce brings to both their places of employment, as well as those businesses with whom they conduct business.

While those involved in global business operations have the potential for gaining valuable insight and expertise regarding international business culture, because culture can be defined in a number of different ways, cross cultural issues can and do result in potential stumbling blocks. That is because, when examined in an international business context, it becomes clear that something a professional from one country might view as being common and accepted could be considered offensive and or totally unacceptable when viewed from the perspective of a professional from another country.

In addition, the fields of economic, social, and political sciences were profoundly transformed in the 21st century (Passaris, 2006). Furthermore, when viewed from a global perspective of history, there have been tremendous global, structural, economic, and cultural changes. Globalization has changed the relevance of national borders, while free trade and the Internet has made geography and time almost irrelevant. Individualistic cultures encourage more dynamic involvement of individuals, groups and organizations and promote the value of each person's individual perception, attitudes and personality, which are all related to human psychology.

IV. CONCLUSION

Entrepreneurs in every country are striving to survive the challenges brought about by globalization and the changing economic environment it creates. There is a supply of potential entrepreneurs who will be able to solve the many economic, technical, and social problems that persist in society today. Nowadays, the importance of global entrepreneurship is widely recognized as a driving force of both economic and social changes. However, the findings are that individuals can still create tremendous benefits for society, precisely as Adam Smith outlined more than two centuries ago. There are governmental efforts in place to foster and encourage entrepreneurship at all levels of the economy. The role of the characteristics of entrepreneurs, such as culture, skills, knowledge, experience, technology, and innovation, remain vital for successful entrepreneurs in the global economy, and they have been essential in establishing the structure of global production. Despite decades of economic prosperity in the U.S., more recent economic challenges make it clear that future economic success depends upon succeeding in the global economy. Cross-cultural differences have been identified as the

most significant problem to successful international business. These problems can be transformed into opportunities for a future cross-cultural change.

A. Theoretical and Practical Implications

Entrepreneurship and globalization were investigated as driving forces in the business environment. Entrepreneurship is identified as a driving force that promotes economic growth in a country through the creation of new business ventures, while globalization is identified as a driving force that promotes interdependence within the world market. In this study the authors investigated the following: 1) is globalization a driving force for future entrepreneurial innovation? 2) must startup businesses be prepared for the global business environment? 3) does globalization affect the economy and startup businesses in their country or region? And 4) do cross-cultural differences affect business?

The study, which is based on empirical findings, contributes to a better understanding of the impact of globalization on domestic and international entrepreneurship. This article presents a theoretical concept that examines aspects of entrepreneurship that improve the practical role of the entrepreneur's personal characteristics such as their cultural background, skills, knowledge, experience, and ability to apply technology and innovation. This study also brings new insights to the subject by showing that there are cross-cultural differences that affect domestic businesses which are related to differences in how people think in the U.S. versus how they think internationally.

B. Future Research

The paper reviews progress to date and offers suggestions for further research. The authors conclude by identifying areas that need future research such as cross-cultural motivation, collective mechanisms of group development, how groups change over time, and an investigation of the social psychology of entrepreneurs.

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