



The influence of culture on entrepreneurial motivations

Master's Degree in Internacional Business

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Dissertation under the supervision of Professor Ana Cadima Lisboa, Professor at the School of
Technology and Management of the Polytechnic of Leiria.

Leiria, September of 2023

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Dedication

I dedicate my dissertation work to my family and friends. My sister Andreia Gomes and my adored parents Fernando and Cristina Gomes, who were my biggest supporters and gave me the most positive words, deserve special recognition. For me, they served as a daily reminder to persevere and a constant source of inspiration and encouragement.

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Resumo

A motivação é a base de todos os comportamentos, mas o que é que motiva os indivíduos a agir e a criar as suas próprias empresas? O Inquérito à População Adulta, que é uma componente do Global Entrepreneurship Monitor, foi concebido para recolher dados e avaliar a extensão e as características dos empreendimentos empresariais a uma escala global. É amplamente reconhecido que os comportamentos dos indivíduos são influenciados pelo impacto da cultura de várias formas. A perspetiva de Hofstede serve de exemplo ilustrativo da forma como a cultura de uma sociedade molda os valores e as ações dos seus membros. Ao interrelacionar informações sobre a motivação empresarial recolhidas no Global Entrepreneurship Monitor com as dimensões culturais de Hofstede, realizo uma investigação empírica sobre o impacto da cultura nas motivações dos empresários para iniciarem o seu negócio. O método utilizado para testar as hipóteses foi a modelação de equações estruturais por mínimos quadrados parciais (PLS-SEM). Os resultados da maioria das hipóteses não demonstraram uma relação significativa. A falta de significância entre as variáveis pode provavelmente ser atribuída à complexidade das variáveis envolvidas e à dimensão limitada da amostra.

Palavras-chave: "Empreendedorismo", "Cultura", "Motivações Empreendedoras", "Multinacional"

Abstract

Motivation is the basis for all behavior, but what motivates individuals to act and start their own businesses? The Adult Population Survey, which is a component of the Global Entrepreneurship Monitor, is designed to gather data and assess the extent and characteristics of entrepreneurial endeavors on a global scale. It is widely recognized that the behaviors of individuals are influenced by the impact of culture in various manners. Hofstede's perspective serves as an illustrative example of how a society's culture shapes the values and actions of its members. By interrelate information about entrepreneurial motivation gathered from the Global Entrepreneurship Monitor with Hofstede's Cultural Dimensions, I conduct an empirical investigation of the impact of culture on the motivations of entrepreneurs to pursue entrepreneurial activities. The method used to test the hypotheses was the partial least squares structural equation modeling (PLS-SEM). The results of the majority of the hypotheses did not demonstrate a meaningful relationship. The lack of significance between variables can likely be attributed to the complexity of the variables involved and the limited size of the sample.

Keywords: “Entrepreneurship”, “Culture”, “Entrepreneurial Motivations”, “Multinational”

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List of abbreviations and acronyms

GEM – Global Entrepreneurship Monitor

NES – National Expert Survey

APA – Adult Population Survey

PDI – Power Distance Index

INV – Individualism Index

MAS – Masculine Index

UAI – Uncertainty Avoidance Index

TEA – Early-stage Entrepreneurial Activity

PLS – The partial least squares

SRMR – Standardized Root Mean Residual

NFI – Norm Fit Index

1. Introduction

“Entrepreneurship rests on a theory of economy and society” (Drucker & Maciariello, 2014) According to Stoica, Roman and Rusu (2020) entrepreneurship and entrepreneurs are seen as essential economic growth drivers since they contribute not only to the creation of new jobs and employment possibilities, but also to the introduction of new innovations, as well as to the stimulation of competition and competitiveness. Entrepreneurship has a key role in the economy as it serves as the foundation for driving economic growth.

Today, entrepreneurship is considered not only as a means of driving economic progress, but also as a contributor to change society (Ferreira and Ratten, 2017). When evaluating entrepreneurial activity, there are several aspects to consider, including the entrepreneur age, gender, education, or cultural background (Entrepreneurship Monitor, 2022).

Authors who have explored this field argue that entrepreneurs differ among countries in terms of their motivations, convictions, values and behaviors (e.g. Hayton and Cacciotti (2013), Estudio, Liñán, and Nabi (2013), Kirkwood and Walton (2010)). While some of the previous research investigated entrepreneurs and their entrepreneurial intention, others alerted that intention may be used as a proxy of behavior, but is not equivalent to it (Kong, Zhao & Tsai, 2020). (Bogatyreva, Edelman, Manolova, Osiyevskyy and Shirokova (2019) went further to investigate when did intentions lead to action and found that national culture had a role in it. Particularly, Bogatyreva et al. (2019) stated that some cultures seem to be more propense than others to impulse and implement a business idea.

The study of entrepreneurship and culture is not new. While the existing literature assists our understanding of the relationship between the two areas, gaps can still be found when one tries to interrelate the fields of entrepreneurship and culture. For instance, most of the research that has been done thus far has not focused on the leading motivators that prompt entrepreneurs to choose to pursue an entrepreneurial endeavor. Some researchers suggest potential motivators in this regard, such as the entrepreneurs’ independence, obtaining money or revenue, having an own job, or pursuing a family business (e.g. Kirkwood (2009),

Nsahlai and Zogli (2020). Some entrepreneurs can identify a business opportunity and have the initiative to benefit from such opportunity, while others can be forced to develop an entrepreneurial action due, for instance (Adeyeye et al., 2019; Hacamo & Kleiner, 2022), some can start a business due to selfish reasons, while others do it to help their community (Lien et al., 2022; Ruskin, Seymour & Webster, 2016).

With these motives in mind, the research aim of this study is to investigate the relationship between culture and entrepreneurial motivation. Particularly, this study examines whether the cultural characteristics of a nation have an influence on the motivations that lead people from that nation to become entrepreneurs. Building on the theory of push and pull I examine the influence of cultural norms on the formation of business goals. I also take into account the theories of planned behavior and self-determination in this regard. This study will specifically concentrate on three primary motivations: make a difference in the world, build great wealth, and earn a living because jobs are scarce. Some countries will have stronger social motivations than economic ones because of their more socially conscious setting and culture. Thus, the research gap that this study attempts to fill pertains to comprehending how culture influences a society's major motivations for entrepreneurs to launch business ventures.

Following a quantitative approach, I will use secondary data from two different sources and test the proposed model with structural equation modeling. To assess the cultural characteristics of a nation I will use the data of the Hofstede Insight website, while to assess the entrepreneurial motives data will be obtained from the Global Entrepreneurship Monitor (GEM). To test the model I will use partial least squares structural equation modeling (PLS-SEM), a multivariate data analysis method used in the business and social science literature (Memon et al., 2021) that is appropriate for modeling with relatively small sample sizes (Brock Smith and Barclay, 1993)

The results show that, contrary to the expectations, power distance has a positive relationship to the motive “to make a difference in the world” while uncertainty avoidance has a negative influence in the motive “to earn a living because jobs are scarce”. The remaining relationships were not significant. Puzzled by these results, I decided to perform a post hoc analysis and go deeper into the data. The examination of the groups of countries was helpful in understanding some relationships.

The dissertation document is organized in the following manner. After this first introductory chapter, chapter two will present a comprehensive literature analysis that offers valuable insights into the field of entrepreneurship. Specifically, it will go into topics such as entrepreneurial motivations, theories, and cultural considerations. The forthcoming chapter will center its attention on the formulation and development of the hypotheses. The methodology is explicated in chapter four, whereby the data is subjected to analysis. The subsequent chapters, namely chapter five and six, are dedicated to the presentation and analysis of the results, and the subsequent discussion, respectively. The final chapter of this study encompasses the conclusion.

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2. Literature Review

2.1. Entrepreneurship

2.1.1. Concept of entrepreneurship

The concept of entrepreneurship, “stands for “the act of being an entrepreneur” and has been derived from the French word “entreprendre” meaning “pursuing the opportunities; undertaking-embarking; meeting the needs and demands via initiating an innovation and work” (Dogan, 2015, p. 1289).

Gedeon (2010) asserts that the earliest documented reference to entrepreneurship may be traced back to the field of economics, specifically in relation to the nature and origins of profit. The idea of entrepreneurship first appeared in the 1700s, according to Veeraraghavan (2009). Obino Mokaya, Namusong and Sikaliek (2012) recalls the earliest definition of entrepreneurship was described as “the process of bearing the risk of buying at certain prices and selling at uncertain prices” (p. 130).

Throughout the years, renowned economists have attempted to define entrepreneurship. In the beginning of the 21st century, the definition of entrepreneurship has incorporated the notion of innovation, with subsequent definitions characterizing entrepreneurship as encompassing the establishment of new firms and attributing the role of founder to the entrepreneur (Obino Mokaya et al., 2012).

Nowadays, entrepreneurship reach a broader spectrum. According to Gedeon (2010), entrepreneurship employed several descriptive terms to further delineate the field, creating subdomains that correspond to different theoretical frameworks and pertain to specific aspects of entrepreneurial endeavors. Thus, the absence of consensus over a definitive definition of entrepreneurship leads to skepticism about the possibility of consolidating it into a singular and succinct explanation, as argued by Obino Mokaya et al. (2012). According to Diandra and Azmy (2020), there are various definitions of entrepreneurship, with some researchers viewing it as a process of successful organization and others viewing it as the development of mindset and skills.

2.1.2. Entrepreneur

Understanding entrepreneurship requires understanding the definition of entrepreneur. Parallel to entrepreneurship, the term rose in the 1700's. Throughout the years the literature failed to introduce a consensus definition of entrepreneur. Hébert and Link (2006) summarized 12 different characteristics that build up the entrepreneur and meet the concepts of several researchers. According to Hébert and Link (2006) (1) "The entrepreneur is the person who assumes the risk associated with uncertainty", (2) "The entrepreneur is the person who supplies financial capital", (3) "The entrepreneur is an innovator", (4) "The entrepreneur is a decision maker", (5) "The entrepreneur is an industrial leader", (6) "The entrepreneur is a manager or superintendent", (7) "The entrepreneur is an organizer and coordinator of economic resources", (8) "The entrepreneur is the owner of an enterprise", (9) "The entrepreneur is an employer of factors of production", (10) "The entrepreneur is a contractor", (11) "The entrepreneur is an arbitrageur" and (12) "The entrepreneur is an allocator of resources among alternative uses" (p.4-5)

Kuratko, Fisher and Audretsh (2021) understood the importance of better comprehend the concept of an entrepreneurial mindset created by the variety of definitions. Entrepreneurial mindset can be the key to an entrepreneur success. The entrepreneurial mindset encompasses three discernible dimensions, namely the cognitive, behavioral, and emotional aspects (Kuratko et al., 2021). The cognitive dimension refers to mental processes, or how entrepreneurs use existing knowledge to build and expand their businesses. The behavioral dimension entails that entrepreneurs engage in proactive behaviors to ascertain their motivations and recognize potential possibilities. The emotional dimension pertains to the affective experiences and the manner in which entrepreneurs navigate their emotions, encompassing sensations like anticipation or worry. The primary focus of this study will be on the behavioral dimension of an entrepreneur.

2.2. Entrepreneurial Motivations

Iffan (2018) affirm that entrepreneurial motivation and intention are crucial determinants that significantly influence entrepreneurial success. Motivation, according to Grigore (2012), is "based on the individual's needs, values, desires, goals and intentions, as well as on the compensation and rewards that influence these internal mechanisms" (p. 29).

Carsrud and Brännback (2011) proceed to isolate the concept of intention and motivation and state that “intentions do not lead to immediate action” while “motivations may be the spark that transforms a latent intention into real action and therefore, the missing link between intentions and action” (p. 12).

Success, according to Shane, Locke, and Collins (2003), is determined by people's willingness to become entrepreneurs. To develop a sustainable entrepreneurship, the entrepreneur needs to recognize opportunities and be able to acknowledge fully the specific perception of an opportunity and not only focus on the broader knowledge of an opportunity as implied by Renko, Shrader, and Simon (2012). According to Shane et al. (2003), the decisions made in entrepreneurship are influenced by human motivation, and the variations in these motivations among individuals play a crucial role in determining who actively pursues entrepreneurial opportunities, who acquires the necessary resources, and how individuals engage in the overall entrepreneurial process. Motivation is empirical to start a business. The theory of planned behavior states that “the stronger the intention to perform a behavior, the more likely the behavior will be performed by an individual.” (Lortie and Castogiovanni, 2015, p. 937).

Entrepreneurship can be divided into various types. Reynolds, Bygrave, Autio, Cox, and Hay (2003) and Barot (2015) propose two reasons that drive individuals to engage in entrepreneurial activities: (a) they identify a business opportunity, opportunistic entrepreneurs or (b) they consider entrepreneurship as a last resort, necessity entrepreneurs.

In accordance with Barot (2015), opportunistic entrepreneurs can be defined as individuals who actively select a business opportunity as their chosen career path. On the other hand, necessity entrepreneurs are people who find themselves compelled to become entrepreneurs due to a lack of alternative means to sustain their livelihood. The individual's decision to pursue entrepreneurship as a career is driven by necessity rather than personal choice.

The motivations discussed in this dissertation are associated with the push-pull theory, which posits that those who engage in entrepreneurship due to favorable circumstances are classified as pull entrepreneurs, while those who do so out of need are categorized as push entrepreneurs. Van der Zwan, Thurik, Verheul, and Hessels (2016) point out that “push motivations may arise from (the risk of) unemployment, family pressure, and individuals’ general dissatisfaction with their current situation”, while the “pull motivations

include the need for achievement, the desire to be independent, and opportunities for social development” (p.274).

Based on the self-determined theory, “motivation can be either intrinsic or extrinsic, or both” (Carsrud and Brännback, 2011, p. 15). According to Reiss (2012) “intrinsic motivation is most commonly defined as doing something for its own sake” while “extrinsic motivation, in contrast, refers to the pursuit of an instrumental goal” (p. 154). The motivation of an entrepreneur can be categorized into intrinsic and extrinsic factors. Intrinsic motivation is linked to the pursuit of success and the fulfillment of goals, while extrinsic motivation is driven by the desire for wealth and social standing.

Entrepreneurs have different motivations to develop a business. Kirkwood (2009) establishes four key drivers of entrepreneurial motivation. The desire for independence is the predominant driving force for those who choose to embark on entrepreneurial endeavors. While it is true that not all individuals are primarily driven by monetary factors, it is worth noting that financial incentives rank as the second most significant motivator. The third incentive, according to Kirkwood, has to do with employment and is caused by both unemployment and a lack of jobs or career options. The last motivation to start a business comes from family matters, like carrying on the family business.

2.3.Main theories of entrepreneurship

Numerous scholars have made significant contributions by proposing several theoretical frameworks to elucidate the relationship between entrepreneurship and culture. These include the push-pull theory, developed by Everett Lee, the theory of planned behavior, formulated by Icek Ajzen, and the self-determination theory, pioneered by Edward Deci and Richard Ryan. This study is founded upon the pull and push theory. Nevertheless, the remaining two theories can function as a supplementary framework to enhance comprehension of the mechanisms underlying human motivation.

2.3.1. Push-Pull Theory

The push-pull theory distinguishes entrepreneurs into “push” and “pull” categories. Amit and Muller (1995) emphasize the importance of motivational variables in classifying entrepreneurs into different types based on why they choose to become business owners. Van der Zwan et al., (2016) establish a difference between good variables that 'pull' and negative variables that 'push' people into entrepreneurship.

"Pull" entrepreneurs, according to Amit and Muller (1995), can be described as individuals who are motivated to leave their current employment due to the allure of the challenges and potential benefits, both monetary and non-monetary, that are connected with establishing a new and prosperous venture. “Pull factors are those that draw people to start businesses – such as seeing an opportunity” (Kirkwood, 2009, p. 346). “Push” entrepreneurs can be defined as entrepreneurs that are push out of their current employment. “Push factors are characterized by personal or external factors (including a marriage break-up, or being passed over for promotion), and often have negative connotations” (Kirkwood, 2009, p. 346).

2.3.2. Theory of Planned Behavior

The theory of planned behavior is one of the most widely used theories in entrepreneurship. The theory of planned behavior provides assistance to scholars in laying the groundwork for the proposition that beginning and operating a business are both behaviors that are done on purpose. According to Rustiana, Mohd and Mohamad (2022) individuals who possess an entrepreneurial mentality demonstrate their disposition and behaviors in the pursuit of economic opportunities, while also exhibiting autonomy and influence in realizing their goals for entrepreneurial expansion and development. Lortie and Castogiovanni (2015) and Krueger, Reiley, and Carsrud (2000) support the theory of planned behavior by concurring that entrepreneurial activities are intentionally planned.

The individual intention to undertake a certain behavior is a critical aspect in the definition of the theory of planned behavior (Ajzen, 1991). Ajzen (1991) explained that motivational factors that influence a behavior are thought to be captured by intentions and proceed to define that intentions “are indications of how hard people are willing to try, of how much effort they are planning to exert, in order to perform the behavior” (p. 181). “The

stronger the intention to perform a behavior, the more likely the behavior will be performed by an individual.” (Lortie and Castogiovanni, 2015, p. 937). According to Nishimura, Tristán and Esan (2011) the theory is founded on the assumption that most people behave rationally, that they analyze available information and instinctively or overtly weigh the consequences of their actions. The theory posits that individuals who possess the requisite opportunities and resources, along with the will to engage in a certain behavior, are likely to achieve success in their endeavors (Nishimura et al., 2011).

2.3.3. Self-determination theory

Self-determination theory, according to Ryan and Deci (2000), is based on people's natural growth inclinations and psychological requirements, which provide the foundation for their self-motivation and personality integration, as well as the environments that support these constructive processes. Ryan and Deci (2000) proceed to explain that self-determination theory allows one to draw comparisons between people whose drive is real – that is, literally, self-authored or endorsed – and people whose motivation is only to follow orders from outside sources.

Jackson, Mawson and Bodnar (2022) mention three fundamental human motivational needs pertain self-determination theory: autonomy, competence, and relatedness. Autonomy refers to humans' ability to manage their own behavior and the course of their life; competence refers to a person's awareness of the environment and how it affects them; and relatedness refers to the belief that people want social engagement.

Based on this theory, anything that can affect these three basic human needs will have an effect on entrepreneurs' motivations. According to Reiss (2012) human motives can be distinguished between intrinsic and extrinsic motivation. Intrinsic motivation concerns to reasons based on entrepreneurs “own satisfactions and joys”, while extrinsic motivation “concerns behaviors done for reasons other than their inherent satisfactions” (Ryan and Deci, 2020, p. 2).

2.4. Culture

The term “culture” emerged from the field of anthropology. In consonance with Abdullah, Imram and Azis (2017) anthropologists employ the concept of "culture" to delineate the unique characteristics of a particular society in relation to other groups, as well as to elucidate the transmission of behavioral patterns within a community across successive generations.

Culture, like entrepreneurship, is a multifaceted subject that is difficult to summarize in a single definition. The most often quoted definition is Hofstede’s that defines culture as “the collective programming of the mind that distinguishes the members of one group or category of people from another” (Hofstede, 2001). Klyver and Foley (2012) define culture as “the accepted social norms that a self-defined group mutually employ as a guide to their social actions”. Hayton, George and Zahra (2002) identified culture “as a set of shared values, beliefs, and expected behaviors”.

Groseschl and Doherty (2000) shown that despite variations in the conceptualizations of culture, a careful analysis reveals notable similarities in the approaches and terminologies employed to characterize and delineate this construct. Culture, in a broader context, refers to a collection of distinctive behaviors shown by a particular group, which are transmitted across successive generations and exert an influence on the conduct of individuals within a society.

2.4.1. The importance of culture on entrepreneurship

Entrepreneurship is present in various disciplines, the most emphasized is the economics. However, entrepreneurship has also been studied in psychology, sociology, management, anthropology, and other domains. Psychologist McClelland observed that economists could not agree upon an explanation for entrepreneurship, so in an effort to explain the phenomenon, he shifted the focus to the characteristics of individuals who engage in entrepreneurial role behavior, as stated by Gedeon (2010).

Over the years, there have been conceptual discussions on the effect of culture on entrepreneurship. According to Doğan (2016) in many civilizations, culture plays an important part in shaping individuals' business values, attitudes, and actions. “Cultural

values indicate the degree to which a society considers entrepreneurial behaviors, such as risk taking and independent thinking, to be desirable” (Hayton et al., 2002, p. 33). Considering this, prior research has indicated that different cultural values correspond to different levels of entrepreneurial activity in different nations (Klyver and Foley, 2012).

“Entrepreneurship is seen positively both socially and culturally, as evidenced through the thousands of new businesses that are started each year” (Minarcine and Shaw, 2016, p. 47). In agreement Doğan (2016) adds that cultural factors have a substantial impact on attitudes toward entrepreneurship because these factors comprise the reasons that originate and encourage entrepreneurship.

2.4.2. Hofstede’s Cultural Dimensions

Hofstede’s Cultural Dimensions Theory first published in the end of the 1970. The research that culminated in the development of this theory was carried out within the IBM subsidiaries located in 64 different countries. The scope of the inquiry was expanded to encompass students from 23 countries, elites from 19 countries, commercial line pilots from 23 countries, consumers from 15 countries, and public utility managers from 14 countries (Branco, Guðmundsdóttir, Glior and Munteanu, 2015).

Over the course of time, the contributions made by Hofstede have proven to be valuable since they offer a comprehensive framework for categorizing significant cultural dimensions that elucidate individuals' behavioral inclinations within the context of corporate enterprises (Hayton et al., 2002). However, some scholars argued that the research is too old to be efficiently utilized in an era of quickly changing environments, convergence, and globalization, as Muhammad Abdullah Shaiq, Muhammad Sufyan Khalid, Akram, Ali and Islamabad (2011) imply. Yet, nowadays is still one of the most used models. The cultural dimensions identified by Hofstede offer insightful information about the differences across cultures and can assist individuals and organizations in adapting and interacting more successfully in a variety of cultural contexts.

Based on Hofstede's notion of cultural dimensions, Doğan (2016) highlights the relationship between entrepreneurial conduct and cultural values. “Hofstede distinguishes between five cultural dimensions including power distance, individualism, masculinity, uncertainty avoidance and long-term orientation” (Khelif, 2016, p. 5). Later, Bulgarian

scholar Michael Minkov added a six dimension to this model labeled indulgence, as explained by Hofstede (2011, p. 8).

Hofstede (1984, p. 83-84) describe the six cultural dimensions as the follow:

- Power distance (PDI): “Power Distance is the extent to which the members of a society accept that power in institutions and organizations is distributed unequally”.
- Individualism (IDV): “Individualism stands for a preference for a loosely knit social framework in society wherein individuals are supposed to take care of themselves and their immediate families only. Its opposite, Collectivism, stands for a preference for a tightly knit social framework in which individuals can expect their relatives, clan, or other in-group to look after them in exchange for unquestioning loyalty”.
- Masculinity (MAS): “Masculinity stands for a preference in society for achievement, heroism, assertiveness, and material success. Its opposite, Femininity, stands for a preference for relationships, modesty, caring for the weak, and the quality of life. This fundamental issue addressed by this dimension is the way in which a society allocates social (as opposed to biological) roles to the sexes”.
- Uncertainty avoidance (UAI): “Uncertainty Avoidance is the degree to which the members of a society feel uncomfortable with uncertainty and ambiguity”.
- Long-term orientation versus short-term orientation (LTO): This dimension explores the extent to which a society values long-term virtues such as perseverance, thrift, and tradition versus short-term goals and instant gratification. Cultures with a long-term orientation emphasize future-oriented behavior, while short-term-oriented cultures focus on immediate results and respect for tradition.
- Indulgence (IND): This dimension deals with the extent to which a society allows indulgence in gratifying desires and enjoying life versus exercising restraint and strict social norms. Cultures with high indulgence embrace leisure and enjoyment, while cultures with high restraint value strict social norms and suppress gratification.

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3. Conceptual model and hypothesis development

Entrepreneurs' motivations are undoubtedly influenced by culture. However, determining how socio-cultural elements impact entrepreneurs' motivations to participate in entrepreneurial activities poses a formidable obstacle. Several factors can influence human motivation in the entrepreneurial process. One of the biggest determinants is culture.

The push and pull theory will serve as the foundation to formulating and developing the hypotheses. In addition, it may be advantageous to take into account the theories of planned behavior and self-determination in order to comprehend how entrepreneurs are encouraged to start a business. The present study aims to examine the impact of culture on the incentives underlying individuals' decisions to initiate a new entrepreneurial endeavor. Steers and Sánchez-Runde (2017) acknowledge the difficulty in defining and measuring culture. Nevertheless, Hofstede's work can be useful in that regard. Hofstede's research has demonstrated that different groups may be differentiated based on their unique behaviors, so enabling the identification and comparison of these groups. Consequently, Hofstede's model has become a widely employed tool for the examination of cultural disparities among countries. Hence, as stated by Soares, Farhangmehr and Shoham (2007) the framework developed by Hofstede is useful for developing hypotheses for comparative cross-cultural investigations.

Out of the six Hofstede Cultural Dimensions, four will be used to support the hypotheses in this study, which are power distance, individualism, masculinity, and uncertainty avoidance. These are the dimensions for the original study and the most commonly used in the business literature (e.x. Beugelsdijk, Kostova & Roth, 2017).

As previously stated, numerous factors influence people's decision to become entrepreneurs. Nowadays, people are driven to become entrepreneurs not only by economic reasons, but also by social and environmental motivations. As described in GEM (2022) report there are numerous motivations for becoming an entrepreneur, including pursuing autonomy, personal riches, ensuring a profession, or creating at least some income when there are few options. Other entrepreneurs are less concerned with riches and begin a

business because they feel compelled to change the world, to make it a better, more inclusive, or more meaningful place.

The GEM (2022) research elucidates four underlying motivations that drive entrepreneurs to initiate company ventures. The motives are the following: “to make a difference in the world”, “to build great wealth or very high income”, “to continue a family tradition” and “to earn a living because jobs are scarce”. This study will be based on three of the four entrepreneurial motivations investigated by GEM (2022). I opted to not include the analysis of family tradition as primary incentive due to the intention to focus on social versus economic motivations.

I will commence by discussing the hypothesis of power distance and its relationship with entrepreneurial motives.

According to Puumalainen, Sjögrén, Syrjä and Barraket (2015), it is expected that there will be a negative correlation between power distance and the predominance of social entrepreneurship. People may feel more empowered to take the initiative and deal with social concerns in societies where power is more fairly distributed, and authority is questioned or challenged. Puumalainen et al. (2015) in agreement with Tracey, Phillips, and Jarvis (2011) argues that social entrepreneurs advocate for organizations that combine different institutional logics, engage in counterfactual thinking, and legitimize the new organizational form, implying that cultures with low power distance are more open to social entrepreneurship than cultures with high power distance.

Considering the above mentioned, I propose the following:

H1a): There is a negative relationship between a culture's power distance and entrepreneurs' motivation to make a difference in the world.

Radziszewska (2014) recognized that a high-power distance dimension might exert a favorable impact on entrepreneurial activity, as it represents the sole means for individuals to achieve financial independence. The launching of a new business can give entrepreneurs the opportunity to acquired authority, independence, and a high-power position and, therefore, higher financial earnings.

Considering the above mentioned, I propose the following:

H2a) There is a positive relationship between a culture's power distance and entrepreneurs' motivation to build great wealth or very high income.

Countries with a high-power distance index tend to have significant power and wealth disparities, which may lead to limited access to traditional employment opportunities for certain segments of the population. For that same reason, Adeyeye, Aliu, Oni and Onimisi (2019) argue that a significant number of individuals pursue entrepreneurial endeavors as a viable option to counter the challenges associated with low-paying or unemployment situations. Consequently, engaging in self-employment provides them with the means to fulfill essential familial obligations.

Considering the above mentioned, I propose the following:

H3a) There is a positive relationship between a culture's power distance and entrepreneurs' motivation to earn a living because jobs are scarce.

I will continue on to explain the connection between the individual dimension and the entrepreneurial motivations.

As social mission and social value are more closely associated with collectivism than with individual gains, Puumalainen et al. (2015) confirm that individualist cultures can be less receptive to social entrepreneurship than collectivist cultures. The observation that collectivist cultures exhibit a greater inclination towards social entrepreneurship does not undermine the significance of social entrepreneurship within individual societies. This is because both individualistic and collectivist cultural traits can have an impact on an entrepreneur's motivation for social entrepreneurship. The motivation behind social entrepreneurs from collectivistic nations is to advance the welfare of the group as a whole, whereas those from individualistic nations might wish to personally improve society.

Chwialkowska, Bhatti and Glowik (2020) acknowledge that people that display cooperative values have a closer connection to society and the environment. Which makes collectivistic societies inclined to exhibit pro-environmental values and positive approaches towards sustainability.

Considering the above mentioned, I propose the following:

H1b) There is a negative relationship between a culture's level of individualism and entrepreneurs' motivation to make a difference in the world.

According to Hofstede (1984) presuming that everyone is motivated by self-interest is culturally irrational. Individuals in a collectivist culture are motivated by group interests not individuals' ones. As a result, entrepreneurs in individualistic cultures are more likely to be motivated by economic factors than entrepreneurs in collectivistic countries. In individualistic cultures, personal ambition and achievement are highly valued. Entrepreneurs in these countries may be encouraged to start businesses to achieve financial independence, build personal wealth, and establish a reputation.

Considering the above mentioned, I propose the following:

H2b) There is a positive relationship between a culture's level of individualism and entrepreneurs' motivation to build great health or very high income.

Community and group harmony are valued in collectivist cultures. The majority of necessity-based entrepreneurs are from developing countries (Hechavarria and Reynolds, 2009). Individualism scores tend to be lower in developing nations, suggesting that entrepreneurs may be motivated by a wish to contribute to the collective well-being of their families or communities.

Necessity entrepreneurs may exhibit a higher prevalence among collectivist cultures, yet it is important to note that their presence is not exclusive to collectivist countries. In individualistic societies where self-reliance and personal achievements are highly valued, necessity entrepreneurs may be more inclined to start businesses to assert their independence and create opportunities for themselves.

Considering the above mentioned, I propose the following:

H3b) There is a negative relationship between a culture's level of individualism and entrepreneurs' motivation to earn a living because jobs are scarce.

The relationship between the masculine index and entrepreneurial motivations will be discussed next.

Regarding social entrepreneurship, a masculine society is more oriented to achieve recognition and success through addressing significant social issues, while a feminine society may be driven by a sense of compassion and caring for others, focusing on social impact rather than personal gain.

In contrast to masculine societies, social entrepreneurship is predicted to be more common in feminine societies, according to Chwialkowska et al. (2020), Kedmenec and Strašek (2017) and Puumalainen et al. (2015).

Considering the above mentioned, I propose the following:

H1c) There is a negative relationship between a culture's level of masculinity and entrepreneurs' motivation to make a difference in the world.

Radziszewska (2014) claims that the need for achievement is a key force to entrepreneurial success. The concept of masculinity within a civilization pertains to the qualities of assertiveness, competitiveness, and accomplishments (Dubina and Ramos, 2016). Entrepreneurs from countries with a more male cultural orientation tend to be driven by aspirations of accumulating significant wealth, engaging in market competition, and establishing dominance within their respective industry.

Gannouni and Ramboarison-Lalao (2020) conducted a comprehensive review of existing studies and found evidence suggesting that women tend to exhibit lower levels of confidence when making financial decisions, display a reduced inclination towards risk-taking behavior, and demonstrate higher levels of emotional reactivity and impulsivity. Men, on the other hand, are the antithesis of these traits. This statement supports Hofstede (1984) claim that masculine societies view reward according to company performance and consequently its leaders' achievements.

Considering the above mentioned, I propose the following:

H2c) There is a positive relationship between a culture's level of masculinity and entrepreneurs' motivation to build great health or very high income.

Countries with higher levels of masculinity tend to prioritize achievement, material success, and assertiveness. Strong accomplishment motivation allows entrepreneurs to overcome obstacles, make use of resources for support, compete, and develop their skills, all of which increase the likelihood of success compared to entrepreneurs with lower levels of accomplishment (Collins, Hanges, and Locke, 2004).

Considering the above mentioned, I propose the following:

H3c) There is a positive relationship between a culture's level of masculinity and entrepreneurs' motivation to earn a living because jobs are scarce.

Lastly, I'll talk about the relationship between the uncertainty avoidance index and the entrepreneurial motivations.

Countries that score high in the uncertainty avoidance scale don't feel comfortable with ambiguous situations, so trying to minimize the perceived risks and uncertainties are a priority. According to Chwialkowska et al. (2020) unfamiliar surroundings may increase a predisposition for worry about one's future well-being and hence increase one's environmental worries.

Puumalainen et al. (2015) disagrees and defends that every entrepreneurial action involves risk, thus cultures with weak uncertainty avoidance are more likely to have high rates of entrepreneurship (including social entrepreneurship). Societies with high uncertainty avoidance are intolerant of new behaviors, and social entrepreneurship is an innovative concept that requires navigating into the unknown (Kedmenec and Strašek, 2017). In cultures that are more tolerant of uncertainty and risk-taking, individuals may feel more encouraged to experiment with innovative solutions to complex societal challenges.

Considering the above mentioned, I propose the following:

H1d) There is a negative relationship between a culture's level of uncertainty avoidance and entrepreneurs' motivation to make a difference in the world.

Countries characterized by lower levels of uncertainty avoidance tend to exhibit a greater propensity for embracing risk-taking behaviors and fostering entrepreneurial activities. Entrepreneurs in these countries might be more willing to pursue business opportunities that have the potential for significant financial rewards, even if they come with higher levels of uncertainty. The study conducted by Li, Griffin, Yue and Zhao (2013) indicates that exists a negative correlation between risk-taking behavior and higher levels of uncertainty avoidance.

Considering the above mentioned, I propose the following:

H2d) There is a negative relationship between a culture's level of uncertainty avoidance and entrepreneurs' motivation to build great health or very high income.

In countries with high uncertainty avoidance, individuals may be more hesitant to take risks and prefer stability and predictability in their lives. However, if job opportunities are scarce and employment prospects uncertain, some individuals may turn to entrepreneurship to gain more control over their future, despite the risks involved.

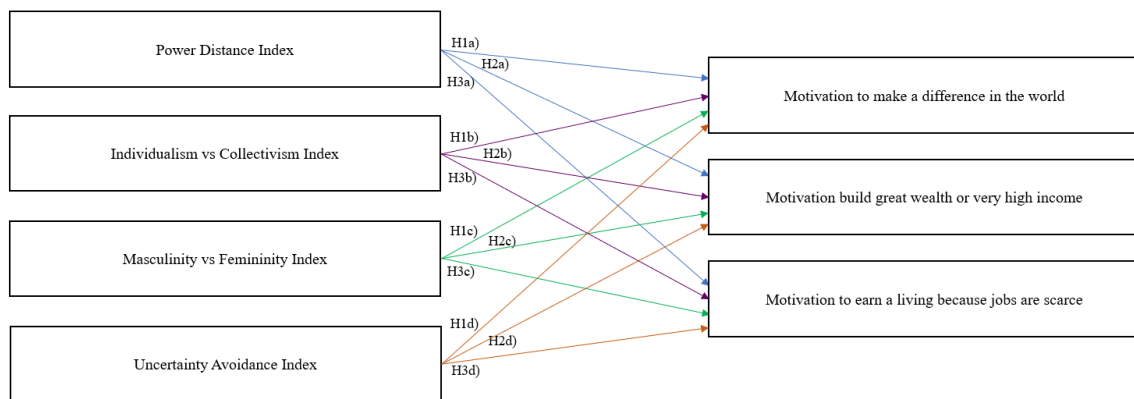
Wennekers, Thurik, Van Stel, and Noorderhaven (2007) predict that positive effects of unemployment will prevail in countries with low levels of uncertainty avoidance and negative effects in countries with high levels of uncertainty avoidance. The reason for this phenomenon is that a significant increase in structural unemployment can indicate unfavorable prospects for company ventures, discouraging individuals from engaging in entrepreneurial activities.

Considering the above mentioned, I propose the following:

H3d) There is a positive relationship between a culture's level of uncertainty avoidance and entrepreneurs' motivation to earn a living because jobs are scarce.

I illustrate the proposed conceptual model in Figure 1:

Figure 1: Conceptual model



Source: Author

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4. Methodology

4.1. Research setting

This study will compare the three types of entrepreneurial motives previously described with the cultural environments of several countries. This study compares the cultural traits of societies in different countries as a way of determining whether culture significantly affects entrepreneurs' motivations to launch a business.

The research setting chosen combines several criteria on countries inclusion. First, I wanted a broad sample of countries with different backgrounds. Second, I considered only countries from which there was available data regarding the types of motivation examined. Third, I considered only countries with provided data on all of the four Hofstede's dimensions analyzed. The application of these criteria resulted in 46 countries (see full list in appendix 1).

The 46 countries included in this study encompass three continents, namely Europe, America, and Asia. Each of these continents exhibits a wide range of cultural diversity. Instead of focusing on countries with similar backgrounds, which would have probably led to more statistically significant associations, I chose countries with different cultural backgrounds, beliefs, norms, and traditions so that I could draw conclusions from a larger set of data. Furthermore, it makes it possible to acknowledge how complexly culture influences entrepreneurship. The incorporation of more nations could have enhanced the scale and depth of the study. However, as mentioned earlier, the choice was made to omit certain countries from the study due to a lack of evidence regarding two specific cultural dimensions.

4.2. Research design and data collection

A secondary databased research design was implemented. Applying data that has already been gathered has a variety of advantages and disadvantages. As Pederson, Vingilis, Koval and Mann (2020) point out, secondary data can be used to advance our understanding,

suggest changes to public policy, and serve as a starting point for further investigation. However, there's a chance that the study's primary data won't contain all the relevant information for subsequent investigations.

The Hofstede Insights website (<https://www.hofstede-insights.com/>) was consulted for the purpose of gathering information for the cultural dimensions. While Hofstede model and data has received criticisms over the years, the fact is that it still is the most established and widely used in the international business literature (Breuer et al., 2018). As stated previously, we only used the dimensions of the original study. In fact, several countries still miss the data pertaining to these specific dimensions.

The Global Entrepreneurship Monitor, one of the world's largest and most comprehensive datasets on entrepreneurship, was used to retrieve secondary data on entrepreneurs' motivations. Particularly, the data was obtained from the GEM annual report for 2022/2023. GEM annual reports, contain valuable data and analysis, providing a comprehensive picture of the entrepreneurial landscape around the world.

To gain a better understanding of the history of GEM and the data collection process the GEM official website (<https://www.gemconsortium.org/>) was consulted. The GEM is an annual research project that aims to quantify and analyze levels of entrepreneurial activity across countries. It was founded in 1999 as a collaboration between Babson College in the United States and the London Business School in the United Kingdom. It has since grown to be the largest and most extensive study of its type, including more than 100 countries. GEM research investigates various aspects of entrepreneurship, such as the rate of entrepreneurship, the characteristics of entrepreneurs, their motivations, the types of businesses they start, and the challenges they face.

To acquire detailed information about entrepreneurial activities and attitudes, GEM conducts two complementing core surveys. These surveys are the Adult Population Survey (APS) and the National Expert Survey (NES). The APS is the most suitable survey to apply to this study. It aims to assess the level of entrepreneurial activity and attitudes within a country's adult population. APS is an important tool for assessing a country's entrepreneurial landscape, identifying impediments and possibilities for entrepreneurship, and developing

evidence-based policies to encourage an environment that is favorable for business development and growth.

The APS is composed by representative sample of a minimum of 2000 adults in each country. It is designed to ensure that it accurately reflects the demographic and geographic diversity of the countries. The participants in the study range in age from 18 to 64 years old, as this age group is the most likely to engage in entrepreneurial activity. GEM divided the level of entrepreneurial activity in three distinct groups of individuals: nascent entrepreneurs (individuals who are in the process of starting a new business but have not yet completed all the necessary steps to establish the business), new entrepreneurs (individuals who have recently started a business and have been operating it for less than 3 and a half years) and established entrepreneurs (individuals who own and manage businesses that have been operational for more than 3 and a half years).

The data collection methods vary depending on the country, but commonly, face-to-face interviews or telephone surveys are used to gather information from respondents and in each participating country the same questions were asked. The questions explored the attitudes, motivations, and perceptions of individuals towards entrepreneurship. The survey's goal is to assess the percentage of people who want to start a new business within the next three years.

As mentioned before, the countries with available data of all the Hofstede dimensions considered were compared with the list of countries retrieved from the GEM report with information regarding the motivations analyzed. As a result of this comparison, a sample of 46 countries was obtained.

4.3.Measures

4.3.1. Hofstede's Cultural Dimensions

The measurement of national culture is conducted on a scale ranging from 0 to 100, wherein 0 signifies the utmost extent of a certain cultural dimension, while 100 signifies the utmost extent of the opposing dimension. The primary variables in this study are the Power Distance Index, Individualism Index, Masculine Index, and Uncertainty Avoidance Index.

Power Distance Index:

- “0” reflect a low PDI – In societies with low power distance, there is a strong emphasis on equality and minimal hierarchy.
- “100” reflect a high PDI – In societies with high power distance, there is a significant power gap between those in authority and the general population.

Individualism Index:

- “0” reflect a high IDV – In individualistic societies, individuals value personal freedom, independence, and self-reliance.
- “100” reflect a low IDV – In collectivist societies, people prioritize the needs and goals of the group or community over their individual desires.

Masculinity Index:

- “0” reflect a high MAS – In masculine cultures, there is an emphasis on assertiveness, competition, and material success.
- “100” reflect a low MAS – In feminine cultures, there is a greater emphasis on cooperation, modesty, and quality of life.

Uncertainty Avoidance Index:

- “0” reflect a low UAI – In societies with low uncertainty avoidance, people are more tolerant of ambiguity, change, and risk.
- “100” reflect a high UAI – In societies with high uncertainty avoidance, people prefer strict rules, structure, and predictability.

4.3.2. Entrepreneurial motivations

The indicator utilized to assess entrepreneurs' desire to initiate a firm is the percentage of total early-stage entrepreneurial activity, as stated on the official website of the Global Entrepreneurship Monitor (GEM). This indicator assesses the level of entrepreneurial activity within a specific country by measure the proportion of the adult population that is involved in early-stage entrepreneurial activities. Early-stage entrepreneurial activity, often referred to as TEA, represents the percentage of the adult population that is either in the process of starting a new business or has recently started a new business, usually within the last 3 and half years. The percentage of TEA corresponding to each country is shown in appendix 1.

The entrepreneurial intentions and behaviors of people during a specific period are measure by the TEA rate. A higher TEA rate often suggests a more robust entrepreneurial environment, where a large proportion of the population is actively involved in entrepreneurial pursuits. Conversely, a lower TEA rate means that a smaller percentage of the population is engaged in early-stage entrepreneurial activity, which may point to potential challenges or barriers to entrepreneurship A cross-country comparisons to analyze the TEA rates of different countries helps identify variations in entrepreneurial activity levels, which can be influenced by cultural, economic, institutional, and policy factors.

Motivations play a crucial role in shaping the levels of TEA in a country. Different motivation factors can shape the types of businesses individuals start and the nature of their entrepreneurial ventures. The motivations that drive individuals to become entrepreneurs can influence their determination, commitment, and resilience in navigating the challenges of entrepreneurship.

Table 1: Variables and measurements

Type of variable	Variable	Measurement
Independent Variable	Power Distance Index	Hofstede Power Distance score
	Individualism Index	Hofstede Individualism score
	Masculinity Index	Hofstede Masculinity score
	Uncertainty Avoidance Index	Hofstede Uncertainty Avoidance score
Dependent Variable	Motivation to make a difference in the world	% of total early-stage entrepreneurial activity (per country)
	Motivation to build great wealth or very high income	% of total early-stage entrepreneurial activity (per country)
	Motivation to earn a living because jobs are scarce	% of total early-stage entrepreneurial activity (per country)

Source: Author

4.4. Data analysis

The data was analyzed, and the hypotheses tested using SmartPLS4 software. SmartPLS, a structural equation modeling (SEM) software, is a strong tool for examining correlations between variables. Hence, in order to evaluate the model's performance, the partial least squares structural equation modeling (PLS-SEM) technique was employed.

PLS is advantageous in that it does not necessitate the assumption of normality in the data. Additionally, it can be applied to datasets with a small sample size, even when the model being used is relatively large, as the model employed in this study as well as in the analysis conducted by Griffith and Zhao (2015). Thus, due to the mentioned reasons, I decided to use PLS-SEM rather than covariance-based structural equation modeling.

The proposed model is considered to be an optimal choice due to its compatibility with research relying on secondary data, limited sample sizes resulting from small populations, and challenges associated with non-normal distributions, as highlighted by Hair, Risher, Sarstedt, and Ringle (2019).

A 5% level of significance was selected throughout the construction of the model. A one-tailed test was employed in order to examine the occurrence of the effect in a given direction, either positive or negative. I used bootstrapping with replacement ($n = 5.000$) to assess the significance of the parameter estimates.

The independent variables or exogenous latent variables in this study is the national culture of 46 countries, while the dependent variables or endogenous latent variables are the entrepreneurial motives. This methodology will enable the examination of the influence of culture on entrepreneurial motivation.

The variables used are single item and their values per country are provided in appendix 1.

The correlation coefficients demonstrate the direction and strength of the relationship between the latent variables (Purwanto, Asbari, and Santoso, 2021). The coefficients vary between -1 and 1, as acknowledge by Hair, Hult, Ringle, Sarstedt, Danks, and Ray (2021).

The relationship between latent variables and the hypothesized paths were explored using the path coefficient, t-statistic, and p-value that are displayed in table 2. According to Mohamed, Hasbiah and Ilyana (2018) the algebraic signs, magnitudes, and statistical significance of the corresponding path coefficients are used to categorize the hypothesized correlations as weak or strong. The size of the path coefficient reflects how closely related two latent variables are, or how strong their relationship is, as mentioned by Farah Kordmahaleh & Farah Kordmahaleh (2021).

The correlation coefficient analysis reveals among the latent variables a positive relationship between power distance index and all three entrepreneurial motivations, and a negative relationship between the individual index and all three entrepreneurial motivations. There exists a favorable correlation between the masculinity index and the entrepreneurial motivation to make a difference in the world and earn a living because jobs are scarce. However, a negative correlation is observed between the masculinity index and the entrepreneurial motivation to build great health or very high income. The uncertainty avoidance index has a positive relationship with the entrepreneurial motivation to make a difference in the world and to build great health or very high income, but a negative

relationship with the entrepreneurial motivation to earn a living because jobs are scarce. The only positive significant correlation among all the latent variables is seen between uncertainty avoidance index and the entrepreneurial motivation to make a difference in the world.

The lack of correlation indicates the absence of directional reliance, which means that the relationship between variables can differ as a result of varying perspectives, may not be constant across time or space, or be influenced by different factors, such as causality (Von Eye and Wiedermann, 2014).

Table 2 shows the correlation values between the variables.

Table 2: Correlations between Variables

	Individualism vs Collectivism	Masculinity vs Femininity	Power Distance	To build great wealth or very high income	To earn a living because jobs are scarce	To make a difference in the world	Uncertainty Avoidance
Individualism vs Collectivism	1,000						
Masculinity vs Femininity	0,005	1,000					
Power Distance	-0,694	0,131	1,000				
To build great wealth or very high income	-0,242	-0,192	0,220	1,000			
To earn a living because jobs are scarce	-0,292	0,174	0,364	0,000	1,000		
To make a difference in the world	-0,189	0,244	0,357	0,000	0,000	1,000	
Uncertainty Avoidance	-0,406	0,018	0,275	0,085	-0,105	0,051	1,000

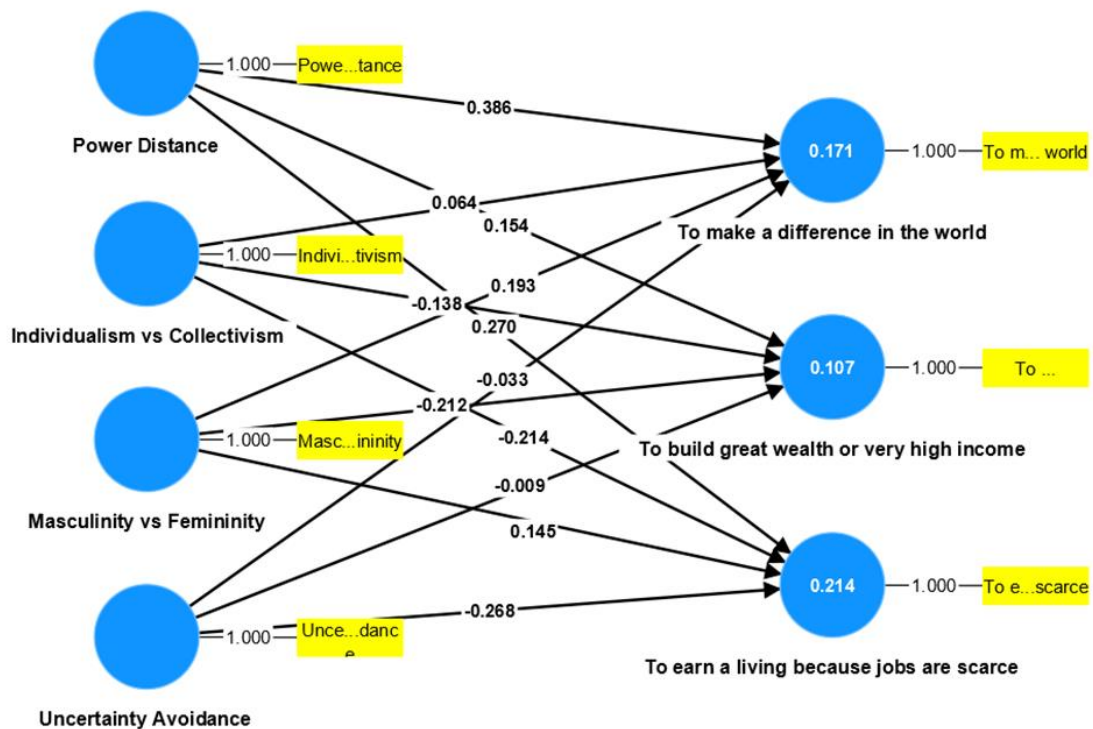
Source: Author

5. Results

In order to examine the impact of culture on entrepreneurial motivation, the proposed model was subjected to analysis using the Partial Least Squares (PLS) regression technique within the SmartPLS 4 software. Hair et al. (2017) proposed examining the model using a bootstrapping procedure with 5,000 resamples and a level of significance of 5%.

Figure 2 shows the tested model.

Figure 2: Model Testing



Source: PLS

5.1. Model Fit

The model fit provide information about the adequacy of the model and determine whether it provides a good representation of the relationships among variables (Schuberth,

Rademaker, and Henseler, 2023). The SRMR, d_ULS, d_G_ chi-square, and NFI measures will be used to determine whether the hypothesized model aligns with the observed data.

The Standardized Root Mean Square Residual (SRMR) can be used to interpret, according to Hu and Bentler (1998), the average magnitude of the differences between actual and expected correlations as an absolute measure of the model fit criteria and its value should be below 0.08. Schuberth et al., (2023) concurs with the findings of Hu and Bentler (1998) by supporting that the larger the values of the SRMR, the larger the misfit of the model. Therefore, the closer the value is to 0 the better fit.

The d_ULS (i.e., the squared Euclidean distance) and d_G (i.e., the geodesic distance) measure the discrepancy between the empirical covariance matrix and the covariance matrix implied by the composite factor model. According to Henseler, Hubona, and Ray (2016), d_ULS and d_G have to be lower than the 95% bootstrapped quantile (HI 95% of dULS and HI 95% of dG). The bootstrapped HI 95% of d_ULS is 0,054 and bootstrapped HI 95% of d_G is 0,025.

Chi-square, as mentioned by Hu and Bentler (1998) assess how well the model fits the data by comparing observed and expected covariance matrices. The smaller the values of the chi-square the better fit. However, it's important to note that the absolute magnitude of the chi-square value itself is not very informative for assessing model fit because it is highly dependent on sample size.

The Norm Fit Index (NFI) is an incremental fit measure that computes the Chi-square value of the proposed model and compares it to a null model (Bentler and Bonett, 1980). Bentler and Bonett (1980) also mention that a value of 0,90 is good however can be improved. NFI values range from 0 to 1, with higher values indicating better fit.

The SRMR value was 0.033 (< 0.08) and the NFI was 0.968 (> 0.90) and the d_ULS < bootstrapped HI 95% of d_ULS and d_G < bootstrapped HI 95% of d_G indicating the data fits the model well.

Based on the results of these measures I can conclude that the data exhibited a satisfactory match with the model (table 3).

Table 3: Model Fit

	Saturated model	Estimated model
SRMR	0,000	0,033
d_ ULS	0,000	0,030
d_ G	0,000	0,009
Chi-square	0,000	2,118
NFI	1,000	0,968

Source: Author

5.2. Coefficient R²

Coefficient R² measures of how much variance in dependent variables can be attributed to independent variables, as explained by Mohamed, Hasbiah, and Ilyana (2018). The value of this coefficient varies from 0 to 1. Chin (1988) interpret the values of this coefficient as the follow: close to 0.67 are desirable, close to 0.33 are normal and close to 0.19 are weak. While the designation of “weak” for R² could be interpreted as non acceptable, this is not the case, particularly in the scientific area of social sciences (Moksony & Heged, 1990). The motivation “to build great wealth or very high income” has an R² coefficient of 0,11; the motivation “to earn a living because jobs are scarce” has an R² coefficient of 0,21 and the motivation “to make a difference in the world” has an R² coefficient of 0,17.

Table 4: R² Values of the Endogenous Construct

To build great wealth or very high income	0,11
To earn a living because jobs are scarce	0,21
To make a difference in the world	0,17

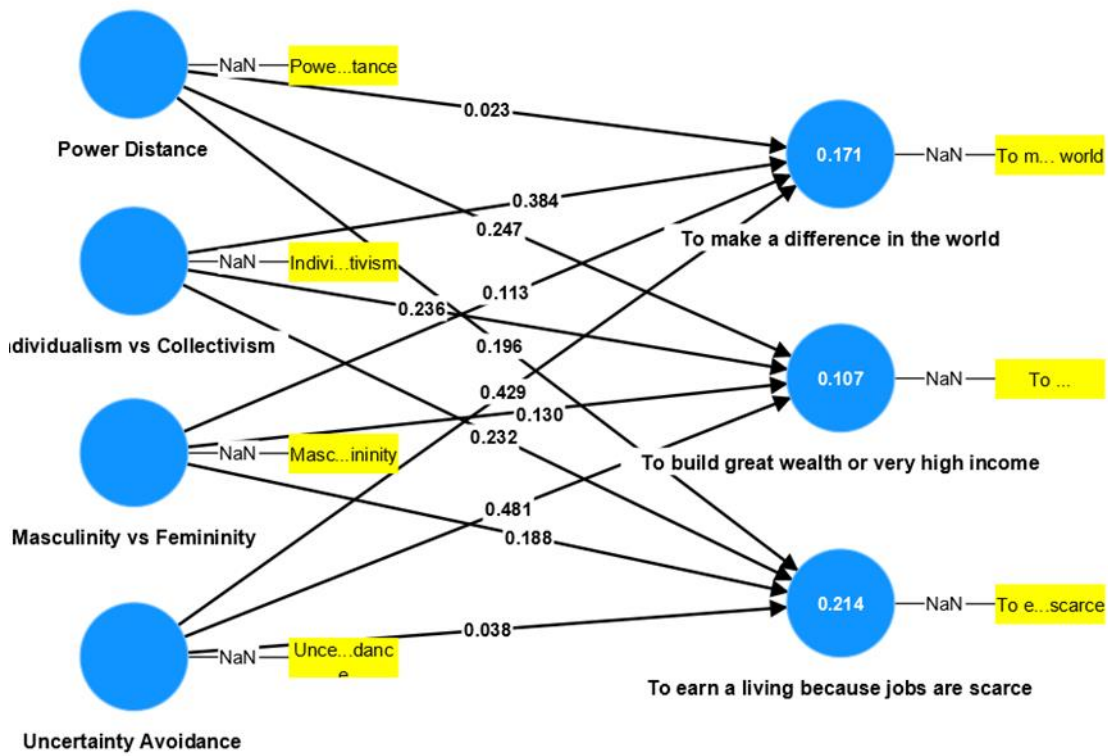
Source: Author

5.3. Hypotheses testing

Applying the bootstrapping method, it is possible to assess which relationships are significant and check which hypotheses are confirmed.

Figure 3 shows the image of the model with presentation of the p-values for each tested relationship.

Figure 3: P values of tested relationships



Source: PLS

Table 5 presents, per hypothesis, the results of the tested links.

Table 5: Results

	Hypothesis	Path coefficients	T-statistics	P-values
Power Distance -> To make a difference in the world	H1a)	0,39	2,00	0,02
Power Distance -> To build great wealth or very high income	H2a)	0,15	0,69	0,25
Power Distance -> To earn a living because jobs are scarce	H3a)	0,27	0,86	0,20
Individualism -> To make a difference in the world	H1b)	0,06	0,30	0,38
Individualism -> To build great wealth or very high income	H2b)	-0,14	0,72	0,24
Individualism -> To earn a living because jobs are scarce	H3b)	-0,21	0,73	0,23
Masculinity -> To make a difference in the world	H1c)	0,19	1,21	0,11
Masculinity -> To build great wealth or very high income	H2c)	-0,21	1,13	0,13
Masculinity -> To earn a living because jobs are scarce	H3c)	0,14	0,89	0,19
Uncertainty Avoidance -> To make a difference in the world	H1d)	-0,03	0,18	0,43
Uncertainty Avoidance -> To build great wealth or very high income	H2d)	-0,01	0,05	0,48
Uncertainty Avoidance -> To earn a living because jobs are scarce	H3d)	-0,27	1,77	0,04

Source: Author

Firstly, I examine the results pertaining to the power distance dimension.

The findings show that power distance has a positive significant relationship with entrepreneurs' motivation to make a difference in the world ($\beta=0.39$, $p<0.05$). Considering that hypothesis H1a) argued a negative relationship between the power distance of a given culture and the level of entrepreneurs' motivation to make a difference in the world, it was not supported by the results.

Hypothesis H2a) proposed a positive relationship between the power distance of a culture and the motivation of entrepreneurs to build great health or very high income. The results indicated a non-significant relationship ($\beta=0.15$, $p>0.05$), hypothesis H2a) was not supported.

Hypothesis H3a) suggested a positive relationship between the power distance of a culture and the motivation to earn a living because jobs are scarce. The results of the study indicate ($\beta=0.27$, $p>0.05$). Therefore, hypothesis H3a) was not supported.

Now I check the results on the dimension of individualism.

Hypothesis H1b) argued a negative relationship between the degree of individualism and the motivation of entrepreneurs to make a difference in the world. This hypothesis was not supported, given the lack of significance of the relationship ($\beta=0.06$, $p>0.05$).

Hypothesis H2b) proposed a positive relationship between a culture's degree of individualism and the drive of entrepreneurs to build great health or very high income. The findings revealed a non-significant relationship ($\beta=-0.14$, $p>0.05$), hence not supporting the hypothesis.

Hypothesis H3b) suggested a negative relationship between the degree of individualism of a culture and the motivation of entrepreneurs to earn a living because jobs are scarce. The results of the study indicate that the relationship is not significant ($\beta=-0.21$, $p>0.05$) not supporting the hypothesis.

The analysis of the findings pertaining to the masculine dimension are presented next.

The result for hypothesis H1c) argued a negative relationship between the degree of masculinity of a given culture and the level of motivation exhibited by entrepreneurs to make a difference in the world. Are not significant ($\beta=0.19$, $p>0.05$). Therefore, hypothesis H1c) was not corroborated.

Hypothesis H2c) argued a positive relationship between a culture's level of masculinity and entrepreneurs' motivation to build great health or very high income. The findings fail to find significance ($\beta=-0.21$, $p\text{-value}>0.05$) not providing confirmation to the hypothesis.

Hypothesis H3c) suggested a positive relationship between the degree of masculinity of a culture and the incentive of entrepreneurs to earn a living because jobs are scarce. The findings are not significant ($\beta=0.15$, $p>0.05$). Hence, hypothesis H3c) was not confirmed.

Lastly, I present the analysis of the results pertaining to the dimension of uncertainty.

Hypothesis H1d) posted a negative relationship between a culture's degree of uncertainty avoidance and the motivation of entrepreneurs to make a difference in the world. The results show that there is no significance in this link ($\beta=-0.03$, $p>0.05$). Hence, not providing support for hypothesis H1d).

Hypothesis H2d) proposed a negative relationship between a culture's degree of uncertainty avoidance and the motivation to build great health or very high income. The

findings are not significant ($\beta=-0.01$, $p>0.05$). Consequently, hypothesis H2d) was not supported.

Finally, hypothesis H3d) argued a positive relationship between a culture's degree of uncertainty avoidance and the incentive of entrepreneurs to earn a living because jobs are scarce. The study's findings show a significant relationship, although opposite to the proposed one ($\beta=-0.27$, $p<0.05$). Therefore, while the relationship is significant, given that hypothesis H3d) proposed a positive relationship, it was not supported.

5.4. Post Hoc

The findings from the analysis of the 46 countries were intriguing, which lead me to try to understand them a bit further. In an effort to gain a deeper comprehension of the impact of culture on entrepreneurial motivations, I analyzed groups of countries. Specifically, I examined the group of countries with the higher level of a cultural characteristic, and the group of countries with the lower level of such characteristic. Table 6 shows the results of this analysis.

Table 6: Analysis

	Hypothesis	Higher 16 countries		Lower 16 countries	
		Coefficient	P-value	Coefficient	P-value
Power Distance -> To make a difference in the world	H1a)	0,03	0,45	0,35	0,10
Power Distance -> To build great wealth or very high income	H2a)	-0,16	0,30	-0,07	0,42
Power Distance -> To earn a living because jobs are scarce	H3a)	0,23	0,17	0,33	0,06
Individualism -> To make a difference in the world	H1b)	0,41	0,02	-0,06	0,41
Individualism -> To build great wealth or very high income	H2b)	0,38	0,07	-0,36	0,05
Individualism -> To earn a living because jobs are scarce	H3b)	-0,08	0,34	-0,20	0,22
Masculinity -> To make a difference in the world	H1c)	-0,22	0,18	0,06	0,39
Masculinity -> To build great wealth or very high income	H2c)	-0,69	0,00	0,42	0,01
Masculinity -> To earn a living because jobs are scarce	H3c)	-0,26	0,15	0,65	0,00
Uncertainty Avoidance -> To make a difference in the world	H1d)	-0,11	0,33	-0,05	0,44
Uncertainty Avoidance -> To build great wealth or very high incom	H2d)	0,01	0,49	-0,07	0,38
Uncertainty Avoidance -> To earn a living because jobs are scarce	H3d)	0,22	0,16	0,21	0,18

Source: Author

The analysis of the power distance index reveals a positive and significant correlation with the motivations to make a difference in the world and to earn a living because jobs are scarce in countries that present lower levels of power distance ($\beta=0.35$, $p<0.10$ and $\beta=0.33$, $p<0.10$, respectively). While I have been following the common procedure of 5% significance p-value, some authors of the business literature include the 10% threshold as

acceptable. For instance, by the standards of Carr and Sequeira (2007) a p-value of less than 0.01 indicates a highly significant relation between the variables, whereas a p-value of less than 0.10 indicates a relatively weak, but still significant relationship. Countries that score higher in this dimension exhibit a lack of significant relationships with the three motivations. Regarding the directional effects of the hypotheses countries with higher power distances and those with lower power distances do not noticeably differ from one another.

In what regards individualism the results are rather interesting. Countries that possess a higher index of individualism exhibit a statistically significant and positive relationship with the entrepreneurial motivation to make a difference in the world ($\beta=0.41$, $p<0.05$) and to build great wealth or very high income ($\beta=0.38$, $p<0.10$). Conversely, the results show that there is a statistically significant, although negative, relationship between countries with low levels of individualism and the motivation to build great wealth or very high income ($\beta=-0.36$, $p<0.05$). Those countries characterized by lower levels of individualism exhibit a negative relation with all entrepreneurial motivations, whereas countries characterized by higher levels of individualism solely demonstrate a negative effect in the incentive to earn a living because jobs are scarce.

The masculinity index exhibits an extreme disparity on the directional effects of the hypotheses when comparing countries characterized by higher levels of masculinity with those characterized by lower levels of masculinity. The data suggests that the three motivations are negatively associated with countries with higher levels of masculinity, while in countries with lower levels of masculinity the motivations display a positive relationship. Upon careful examination of the findings, it is apparent that a significant and negative correlation exists between countries scoring higher on the masculinity index and their motivation to build great wealth or very high income ($\beta=-0.69$, $p<0.00$). Conversely, countries with lower levels of masculinity exhibit a positive and statistically significant relationship in this same motivation ($\beta=0.42$, $p<0.01$). The group of countries with lower levels of masculinity also show a positive and significant relationship between the cultural characteristic and the motivation to earn a living because jobs are scarce ($\beta=0.65$, $p<0.00$).

Lastly, the examination of the uncertainty avoidance index indicates that countries that display elevated levels of uncertainty avoidance demonstrated a negative relationship solely on the motivation to make a difference in the world. While in countries that exhibit low levels of uncertainty avoidance, empirical evidence indicates only a positive correlation with the motivations to earn a living because jobs are scarce.

In summary, the analysis conducted on the groups of higher and lower levels of the cultural characteristic, reveals differences in the directional effects of the hypotheses H1b) and H2b) pertaining to the individualism index, the hypotheses H1c), H2c), and H3c) concerning the masculinity index, and the hypothesis H2d) regarding the uncertainty avoidance index. Furthermore, differences were seen in relation to the statistically significant relationships. It is evident that the hypotheses H1a) and H1c) in countries that score lower in the power distance index demonstrate a positive and statistically significant relationship. The hypotheses H1b) and H2b) indicate a statistically significant positive association in countries characterized by higher levels of individualism. Additionally, hypothesis H2b) also demonstrates a significant relationship, although negative in countries with lower levels of individualism. Hypotheses H2c) also reveal a significant and statistically significant negative relationship between the masculinity index and countries characterized by higher degrees of masculinity. On the other hand, hypotheses H2c) and H3c) demonstrate a statistically significant positive correlation. The uncertainty avoidance dimension does not exhibit any statistically significant relationships with the presented hypotheses.

This allows us to extend our understanding of the results. For instance, it is expected that cultures that demonstrate lower levels of power distance exhibit a positive impact on the decision to start a business with the goal of making a difference in the world, since people may feel more empowered to take charge and address social issues in societies where authority is questioned or challenged, and power is dispersed more evenly. It is plausible that entrepreneurs of countries with lower levels of individualism – that is, higher levels of collectivism – show a negative propensity to initiate an entrepreneurial activity due to selfish motivations such as build greater wealth or higher income. Their concern is the group and the progress and well-being of the collectivity.

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6. Discussion

The role of entrepreneurial motivation is of great importance within the field of entrepreneurship. Motivation serves as the primary inspiration behind an entrepreneur's actions and decisions, exerting a significant influence on their achievements and contributions regarding the world of business.

This final study reveals some noteworthy relationships. However, certain directional effects are unexpected, as well as some significant relationships.

Based on existing scholarly literature, it may be concluded that entrepreneurs originating from nations characterized by a greater power distance tend to exhibit a higher inclination towards pursuing substantial wealth accumulation or very high incomes. Nevertheless, the available data fails to support the findings indicating a negative directional impact and an insignificant relationship. The potential explanation for these findings could be attributed to economic equality, as suggested by Steel, Tara, Uggerslev, and Bosco (2018). This is true so long as it includes protections for all people to have equitable access to programs that increase the value of human capital. Therefore, a decrease in power distance is expected to result in an increase in income. There was also observed, that countries characterized by a lower power distance dimension demonstrate a positive and statistically significant correlation with the motivation to earn a living because jobs are scarce. The relationship between lower power distance countries and entrepreneurial motivation can be explained by considering the financial needs that may drive individuals to initiate business ventures. In lower power distance countries, the presence of limited social safety nets, government welfare programs, and access to lucrative employment opportunities can force entrepreneurial endeavors (Adeyeye et al., 2019).

The current research indicates a statistically significant and positive correlation between higher levels of individualism in countries and the motivation to make a difference in the world. However, in countries with lower levels of individualism, the data indicates a negative relationship. This can be understood by considering the findings of Puumalainen et al. (2015), who explain that social entrepreneurs from collectivistic nations are motivated by the desire to enhance the well-being of the entire group, while those from individualistic nations may be driven by a personal desire to improve society. This distinction may account

for the observed positive and significant relationship. Societies characterized by lower levels of individualism exhibit a statistically non-significant and negative association with the motivation to earn a living because jobs are scarce. The observed effect may be attributed to the prevalence of collectivist values in countries characterized by lower levels of individualism. In such societies, a sense of solidarity and mutual support is commonly observed within the community (Trang, 2022).

Societies that exhibit lower levels of masculinity demonstrate a significant and positive correlation with the motivation to earn a living because jobs are scarce. A potential reason for this observance could be the differential ease with which men are able to secure higher-paying employment opportunities compared to women, as well as the tendency of entrepreneurs to exhibit dismissive attitudes towards women (Everbach and Flournoy, 2007).

The non-significant relationships and some unexpected directional effects (e.g. between the masculine dimension and the motivation to build great wealth or very high income) encountered in the study might be due to the inherent complexity of cultural dimensions, whereby the study may overlook other pertinent cultural aspects. Culture is a complex phenomenon characterized by its multidimensionality, wherein different components interact and exert mutual influence on each other. Therefore, aspects and dimensions of culture are interrelated. The alteration of a single element within a culture can result in a series of consequential impacts that have ripple effects throughout the entirety of the cultural framework. The natural interconnection of cultural aspects poses a significant challenge when attempting to isolate and analyze them individually. It also can be argued that the magnitude of the data sample is inadequate for the purpose of conducting such an analysis.

7. Conclusion

The importance of entrepreneurship cannot be overstated since it is the engine that powers economic expansion, it is the incubator of invention, it is the job creator, and it has a good effect not only on individuals but also on society as a whole. The cultural context in which people and enterprises work can have a significant impact on their entrepreneurial mindset, behaviors, and outcomes, as noted by Doğan (2016). Since culture has a significant impact on entrepreneurs' motives for starting businesses, it is crucial to comprehend this further.

This study employed the Hofstede Cultural Dimensions as variables, along with three entrepreneurial motives gathered from the GEM dataset. It simultaneously employed the Global Entrepreneurship Monitor's Adult Population Survey and Hofstede's dimensions to examine the impact of culture on entrepreneurs' motivations to partake in entrepreneurial activities. The hypotheses formulated based on the relationship between culture and entrepreneurship was analyzed using the SmartPLS program, and the partial least squares structural equation modeling (PLS-SEM) method was used to evaluate the hypotheses. Upon this analysis, I was able to examine the significant and non-significant relationships and conclude about the confirmation of the proposed hypotheses. The findings were puzzling and this lead me to perform a post hoc analysis in order to understand them deeper.

In this regard, a comparison was made between the groups of countries with the higher and lower scores of each cultural dimension serving as the basis for the comparison. The analysis allowed to determine whether disparities exist between the country groups exhibiting greater and lower values in the cultural dimensions. Differences on the directions and statistically significant relationships were found in the different cultural dimensions and a I was able to further understand the results.

This study provides implications for both the literature and managers. It contributes to the literature of both entrepreneurship and culture, extending the literature that examined the relationship between these two areas. It also alerts researchers that other perspectives and approaches can be used to test this relationship, both at a country level, firm level or individual level. For managers it provides an interesting acknowledgement, that their culture can influence their actions. And that the embeddedness in other cultures can complement

this influence. This is especially interesting in a globalized world, in which some businessmen have multiple national experiences, from their upbringing, to their studies or places of work.

This investigation acknowledges a few limitations, as any other research. The first limitation pertains to the nature of the data used. While there are many positive aspects to utilizing previously collected data, one potential drawback is that it may lack essential details for this specific study. The second limitations has to do with Hofstede's Cultural Dimensions. A number of scholars, like Muhammad Abdullah Shaiq et al. (2011), argue that the study conducted by Hofstede is too outdated to be applied in the modern day. The third limitation encountered in this study was the inadequate scale of the available data, which proved to be insufficient for conducting a study of this sort. Despite the significant disparity in cultural dimension values among the countries in the sample, it is important to acknowledge that these countries may not comprehensively represent all worldwide areas, which could potentially impact the accuracy of population assessments (Bogatyreva et al., 2019). The final limitation was to do with the complexity of the factors involved in this investigation. Culture is a multifaceted phenomenon that is distinguished by its multidimensionality, in which various components interact and mutually influence one another.

This study revealed some conflicting findings. Future research endeavors could center on investigating the underlying causes of unexpected outcomes, so enabling a more profound comprehension of the topic under examination and encouraging the development of knowledge within the field of entrepreneurship.

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Appendices

Appendix 1: Countries and variables

	To make a difference in the world	To build great wealth or very high income	To earn a living because jobs are scarce	Power Distance	Individualism vs Collectivism	Masculinity vs Femininity	Uncertainty Avoidance
Austria			46,0	11	55	79	70
Brazil			82,0	69	38	49	76
Canada		65.8		39	80	52	48
Chile			69.6	63	23	28	86
China		60.9		80	20	66	30
Colombia			86.6	67	13	64	80
Croatia			70.2	73	33	40	80
Egypt			84.8	80	37	55	55
France			42.6	68	71	43	86
Germany		47.8		35	67	66	65
Greece			63.6	60	35	57	100
Guatemala			89.1	95	6	37	98
Hungary	66.9			46	80	88	82
India	80.9			77	48	56	40
Indonesia		81.6		78	14	46	48
Iran		85.1		58	41	43	59
Israel		77.7		13	54	47	81
Japan		41.1		54	46	95	92
Latvia			63.9	44	70	9	63
Lithuania			66.6	42	60	19	65
Luxembourg	55.8			40	60	50	70
Mexico			86.9	81	30	69	82
Morocco			82.5	70	46	53	68
Netherlands	46.8			38	80	14	53
Norway	48,0			31	69	8	50
Panama			85,0	95	11	44	86
Poland			73.1	68	60	64	93
Puerto Rico	70.6			68	27	56	38
Qatar		82,0		93	25	55	80
Republic of Korea		79.2		60	18	39	85
Romania	81.7			90	30	42	90
Saudi Arabia		87.3		72	48	43	64
Serbia			81,0	86	25	43	92
Slovak Republic			78.8	100	52	100	51
Slovenia			57.4	71	27	19	88
South Africa			89.5	49	65	63	49
Spain			70.6	57	51	42	86
Sweden		52.1		31	71	5	29
Switzerland	57.4			34	68	70	58
Taiwan	53.6			58	17	45	69
Tunisia			89.7	70	40	40	75
United Arab Emirates		69.5		74	36	52	66
United Kingdom		61.1		35	89	66	35
United States		70.8		40	91	62	46
Uruguay			65.4	61	36	38	98
Venezuela			89.9	81	12	73	76

Source: Author