

The quest for the entrepreneurial culture: psychological Big Data in entrepreneurship research

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Entrepreneurship is an important topic of our time due to its effect on economic development and social change. However, economic research struggled to explain entrepreneurial activities of regions with standard economic models, assuming perfect rationality of individuals and populations. Economic research has thus developed a strong interest in understanding the more 'hidden' informal institutions such as cultural factors. Here, a new generation of psychological research based on Big Data delivers a series of interesting results. Drawing from a personality-based approach to assess and to study the effects and origins of an entrepreneurial culture, this new research illustrates the great potential of psychological Big Data for economic, sociological, geographical, and psychological approaches to entrepreneurship. However, future research should employ new, complex analytic methods that utilise the full potential of Big Data.

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Current Opinion in Behavioral Sciences 2017, **18**:69–74

This review comes from a themed issue on **Big data in the behavioural sciences**

Edited by **Michal Kosinski** and **Tara Behrend**

For a complete overview see the [Issue](#) and the [Editorial](#)

Available online 18th August 2017

<http://dx.doi.org/10.1016/j.cobeha.2017.07.014>

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Introduction

Across the past three decades, entrepreneurship has emerged as an important interdisciplinary scholarly field within the behavioural sciences. It typically focuses on value creation based on agentic processes under conditions of risk and uncertainty. Entrepreneurship can also be defined as the discovery, evaluation and exploitation of opportunities to create future goods and services, and prototypical entrepreneurial behaviour is starting and growing an own independent, innovative business, for example for profit-oriented or social reasons [1]. Famous examples are the founding of Apple Inc. and Microsoft as profit-oriented businesses driving technological change,

and the Grameen Bank as a social business driving social change (founded by Nobel Prize laureate Muhammad Yunus). Such examples are, of course, only the tip of the iceberg as there are millions of new entrepreneurial start-ups created around the world every year (but failure rates can be often substantial), which underscores the global relevance of studying entrepreneurial behaviour [2].

Successful start-ups are important drivers of job creation, wealth, innovation, technological and social change and social mobility [3]. In our knowledge-based, post-industrial societies, the entrepreneurial agency of individuals starting and growing new firms that are based on new ideas and knowledge has become a key factor in the innovation-driven economic process. Interestingly, entrepreneurial behaviour can also be shown within an existing organisation (e.g. by employees) as part of the organisation's renewal and innovation process — this is often called intrapreneurship or corporate entrepreneurship [3]. Because entrepreneurship can be seen as a 21st century skill that is relevant to success in the future world of work, policy makers are increasingly interested in expanding existing and developing new effective education measures to promote and educate entrepreneurial mindsets [4,5]. Hence, economists like David B Audretsch deem entrepreneurial thinking and acting at all levels of the society (e.g. administration, education, labour market policies, tax policies, economic policies) as keys to stimulate and maintain entrepreneurial activity and innovation in the general population, and thus give a competitive advantage to the society as a whole [6]. Put differently, it requires an entrepreneurial culture in an organisation, a region or a society to proactively deal with the challenges and demands of the 21st century — and to utilise the new, unprecedented opportunities for entrepreneurial endeavours as driver of change [4].

The study of entrepreneurship: from capital to culture

Entrepreneurship researchers typically approach the study of entrepreneurial behaviour and motivation from a management and economics perspective [1,7,8]. Such research, for example, examines the relevant human and social capital entrepreneurs' need to succeed [7,9], or the economic policies in a region or country aiming to stimulate entrepreneurial thinking and acting in the general population or in specific groups [6]. Such research could, however, often find only small effects in the explanation of entrepreneurial behaviour and success (e.g. [10]). While it might be, in general, difficult to completely

explain and predict entrepreneurial behaviour and success (e.g. due to broad range of potential influences and their interactions), some researchers argue that culture, for example, the local culture in an organisation (e.g. university, firm, or governmental institution), a region or a country could be an important driver of entrepreneurship. The basic argument here is that entrepreneurial activity could be the expression of, or motivated by, a local culture conducive to entrepreneurship [11,12]. In other words, starting and growing a new business is always a social process and there might be a collectivist momentum and synergy in a population sharing an entrepreneurial culture. This is somewhat paradoxical, since entrepreneurship is often seen as an individualist, Western behaviour (e.g. reflecting the Western economic system rewarding individualistic or even egoistic behaviour with rewards for the individual but also the society as a whole [13]). However, more general research in the behavioural sciences also tells us that individuals are strongly influenced by social processes occurring in their proximal environments (e.g. role model learning, shared mental models, socially-derived self-efficacy beliefs and attitudes) [14]. Some entrepreneurship researchers stress that entrepreneurship should be understood as a regional event [15], because local mechanisms occurring in a so-called entrepreneurial eco-system together motivate and shape entrepreneurial activity [16]. An often named famous example is Silicon Valley in the United States, but the general idea is that, in principle, there can be an entrepreneurial culture in every organisation, region or country. However, in reality, economic research demonstrated remarkable persistence in regional differences in entrepreneurial activity across longer periods of time, for example across many decades [17]. Here, recent empirical evidence suggests that this might have to do with persistence in regional differences in informal institutions such as a local entrepreneurial culture (e.g. [12]). This has sparked a growing interest in assessing entrepreneurial culture at the regional level, in order to understand its effects, origins and considerable persistence over time. Moreover, economists have also been debating whether cultural factors could play a more substantial role than previously assumed in standard economic models of human behaviour following a purely rationalistic approach. However, economic research struggled to identify relevant cultural factors, and related measurement techniques, that would capture relevant aspect of the local culture [11]. Hence, there was a gap between the important role culture plays in economic theorising in modern entrepreneurship research, and in actual empirical results on entrepreneurial culture.

Here, a new stream of psychological entrepreneurship research dealing with the assessment of entrepreneurial culture delivered new insights in recent years. Traditionally, psychological entrepreneurship research focused on the (development of the) entrepreneurial mindset, and

relevant interactions between disposition of the individual [3,18], the individual's agency [14,19], and contexts ranging from proximal developmental contexts such as an early socialisation in an entrepreneurial family environment [15] to more distal contexts such as stimulating formal institutions and educational measures [16]. Newer psychological research, based on seminal psychological studies by David McClelland [20] and others, directs attention towards the local culture as a relevant informal institution that affects the development of entrepreneurial mindsets which helps to explain (persisting) regional differences in actual entrepreneurial activity. The unprecedented availability of large, internet-based personality datasets from various countries has played a key role in this new research. Probably for the first time in the history of entrepreneurship research, such psychological Big Data has made it possible to map and study a personality-based assessment of an entrepreneurial culture across regions, and relatively fine-grained spatial levels such as cities and even counties. This reflects the economic approach of defining entrepreneurship as a regional event [15], where culture is seen as an important local factor that was, however, hard to capture with psychometric data delivering consistent results [12].

New insights into entrepreneurial culture assessed with psychological Big Data

This new generation of psychological research on entrepreneurial culture is based on three pillars. First, it is based on individual-level entrepreneurship research arguing, and showing, that an intraindividual personality profile, comprised of an entrepreneurial constellation of Big Five traits within the individual (higher scores in Extraversion, Conscientiousness and Openness; and lower scores in Agreeableness and Neuroticism), is a particularly robust predictor of entrepreneurial motivation, human and social capital, and activity at the individual level in the general population and in samples of entrepreneurs [21,22]. This profile follows a person-oriented logic according to which the personality of an individual is best captured by the individual constellation of his or her traits. Second, it is based on recent insights into the geography of personality traits demonstrating that there are meaningful regional differences in personality traits, with in part substantial region-level correlations with corresponding socio-economic outcomes of regions (e.g. [23,24]). Such research is part of socio-ecological psychology research examining cultural factors that influence human behaviour and vice versa [25]. Third, it is also based on psychological culture research arguing that one way of assessing a local culture is to aggregate the psychological characteristics of the individuals (e.g. traits) living in a region (or country) to the regional (or country) level to achieve a trait-measure of culture [26]. Such research demonstrates that 'trait psychology can serve as a useful complement to cultural perspectives on human nature and personality' ([27],

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