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INTERGENERATIONAL TRANSMISSION OF ENTREPRENEURIAL INTENTIONS - THE IMPACT OF CULTURE (SUMMARY)

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INTERGENERATIONAL TRANSMISSION OF ENTREPRENEURIAL INTENTIONS – THE IMPACT OF CULTURE

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Principal Topic
Self-employed parents can trigger the entrepreneurial intentions of their offspring through several mechanisms, e.g. genetics (Nicolaou & Shane, 2009), parenting styles (Aldrich & Kim, 2007), the transfer of financial and social capital (Sorenson, 2004), and because of socialization processes where they function as entrepreneurial role models (Matthews & Moser, 1996).

We provide a more detailed picture of how family members motivate children to become entrepreneurs by focusing on the additional influence that grandparents exert on the offspring’s entrepreneurial intentions. Grandparents can play an important role in the children’s socialization (Coall & Hertwig, 2010) because they share parts of the genetic pool with both parents and children, and the parenting practices of parents often resemble those of their own parents (Simons, et al., 1991). Further, we focus on cross-cultural variance in the transmission of entrepreneurial intentions within families due to differences in family structures and values.

Method
We use data from the “Global University Entrepreneurial Spirit Students’ Survey” (GUESSS) project, which bi-annually surveys students around the world about their entrepreneurial intentions and activities. We combine this dataset with the in-group collectivism dimension from the Global Leadership and Organizational Behavior Effectiveness (GLOBE) project (House, et al., 2004). Our sample consists of 51,324 students from 266 universities in 15 countries. Because of our nested data structure and to test cross-level interactions between culture and the family’s impact, we use Hierarchical Linear Modeling to test our hypotheses (HLM, Raudenbush et al., 2004).

Results and Implications
This study shows that there is an additional intra-familiar effect beyond the parents’ effect that arises from grandparents’ entrepreneurial status. The intra-familiar transmission of entrepreneurial intentions is shown to be complex because parents’ and grandparents’ influences can partly substitute for each other. Further, the study adds to the literature on cultural influences on entrepreneurship (Hayton, et al., 2002; Taylor & Wilson, in press). The results show that differences in social structures surrounding individuals can explain heterogeneity in the transmission of entrepreneurial intentions from parents and/or grandparents to children. This helps understand the mechanisms how entrepreneurial intentions are transmitted between generations.

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