VALUES, ATTITUDES, AND START-UP INTENTIONS OF NECESSITY-BASED NASCENT ENTREPRENEURS (INTERACTIVE PAPER)

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INTERACTIVE PAPER
VALUES, ATTITUDES, AND START-UP INTENTIONS OF NECESSITY-BASED NASCENT ENTREPRENEURS

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Principal Topic

This research examines the values-entrepreneurial attitude (EA) relationship as a means of distinguishing between necessity-based nascent entrepreneurs and non-entrepreneurs. Our research extends previous EA studies in four ways. First, prior research was unable to determine whether EAs develop as a result of, or exist prior to, exposure to the entrepreneurial process. By examining nascent entrepreneurs, we gain insights into this question. Second, prior studies focused on “opportunity-based” entrepreneurs. We focus on “necessity-based” entrepreneurs - individuals who are economically disadvantaged who start businesses to survive. By focusing on necessity-based entrepreneurs, we gain additional insights into whether EAs exist prior to business start-up since EAs are associated with positive thoughts and intentions. Third, attitudes can be better understood by examining underlying values. Values are higher order social cognitions that help shape attitudes. They are more stable than attitudes. We investigate the effects of values on entrepreneurial attitudes as a means of better understanding whether values provide a stable basis for discriminating between entrepreneurs and non-entrepreneurs. Fourth, whereas previous studies used participants from a developed country, our research is conducted in a developing country. We therefore are in a position to examine the robustness of current theory as it applies to a different cultural setting.

Methods/Key Propositions

Hypotheses developed from our model include:H1: There is a positive relationship between values and entrepreneurial attitude. H2: there is a positive relationship between entrepreneurial attitude and entrepreneurial intentions. H3: there is a positive relationship between values and entrepreneurial intentions. To test these hypotheses, we surveyed 329 participants who intended starting businesses and 107 participants who did not. All were from socially and economically disadvantaged backgrounds.

Results and Implications

Structural equation modelling and independent t-Tests were used to analyse the data. The results provide broad support for the hypotheses. These suggest that EAs exist in necessity-based entrepreneurs prior to start-up and may provide a means of distinguishing necessity-based nascent entrepreneurs from non-entrepreneurs. The results supported values-EA, EA-entrepreneurial intentions, and values-entrepreneurial intentions relationships. Since values are more stable than attitudes, values may be better at discriminating between those actually intend starting businesses and those simply talk about it.

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