THE CULTURAL EMBEDDEDNESS OF ENTREPRENEURIAL ORIENTATION – A MULTILEVEL STUDY (SUMMARY)

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Principal Topic

Entrepreneurial Orientation (EO) describes a firm’s proclivity to undertake entrepreneurial ventures and has been shown to lead to better firm performance across a variety of contexts. While EO is broadly reflected in a firm’s management style, processes and practices, extant research commonly views firms that simultaneously exhibit proactiveness, innovativeness and risk-taking as having an EO. With this study, we extend existing research by providing an integrated view of the antecedent effects of national, industry and organizational culture on the level of EO of the firm. We contribute to answering the question whether business leaders can leverage organizational culture to enhance their firm’s disposition to behave entrepreneurially, or whether they are primarily subject to the influence of industry- and national culture.

Methods

Our online questionnaire captured primary data on the latent constructs of EO, market and technology turbulence and organizational culture, all of which we operationalized in alignment with prominent prior research. Our final sample is comprised of 887 responses from TMT members of SMEs in nine countries from five cultural clusters: the Anglo Saxon cluster (USA, Great Britain, Australia), the Germanic cluster (Germany, Austria), the South Asian cluster (India), the East Asian cluster (China, Singapore), and the Latin cluster (Spain). After integrating secondary data on culture (Hofstede) and macroeconomic indicators (GDP) in our dataset, we tested our hypotheses by means of stepwise multiple regressions.

Results and Implications

Our results indicate the dominance of organizational culture as antecedents of a firm’s level of EO. Adhocracy culture has a significant positive and hierarchy culture a significant negative effect on a firm’s level of EO. Market and clan culture were both insignificant. The effects of national culture are generally weak. Industry culture, triangulated by means of technology turbulence and market turbulence, are both strongly significant predictors of a firm’s level of EO. Our results suggest that business leaders can make use of organizational culture as a significant lever to improve a firm’s EO.

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