THE ROLE OF FUTURE TIME PERSPECTIVE IN EXPLAINING ENTREPRENEURIAL INVOLVEMENT OF INDIVIDUALS ACROSS COUNTRIES (INTERACTIVE PAPER)

Jacob Vermeire
Vlerick Business School, Belgium, jacob.vermeire@vlerick.com

Miguel Meuleman
Vlerick Business School, Belgium & Imperial College Business School, UK

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THE ROLE OF FUTURE TIME PERSPECTIVE IN EXPLAINING ENTREPRENEURIAL INVOLVEMENT OF INDIVIDUALS ACROSS COUNTRIES

Jacob Vermeire, Vlerick Business School, Belgium
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Principal Topic

Entrepreneurial involvement, as indicated by an entrepreneur’s growth expectations is widely used but little understood. We conceptualize growth expectations as cognitions that are culturally contingent. A culture’s future time perspective (FTP) is an important concept in advancing our understanding of growth expectations because growth is inherently embedded in the future. We draw from FTP theory to explain differences in growth expectations across countries. In cultures with a strong FTP, people tend to have more realistic cognitive representations of distant future goals. Our key assumption is that entrepreneurs with a strong FTP culture are better in estimating the feasibility of long term growth. We also expect FTP to interact with individual level and macro level variables such as entrepreneurial experience and economic development.

Method

We estimated our dependent variable, individual-level growth expectations, with multi-level models applied to 2006-2009 data from the Global Entrepreneurship Monitor in 44 countries. Our measure of FTP comes from the GLOBE study. We also include a number of other variables in our analysis, both at the individual (e.g. entrepreneurial experience) and country level (e.g. economic development). We use linear hierarchical regression models to test our hypotheses.

Results and Implications

Results support the hypothesis that FTP is significantly related to entrepreneurs’ growth expectations. The stronger entrepreneurs’ FTP culture, the closer their growth expectations correspond to an estimation of actual growth potential, but interactions are observed with the level of economic development and entrepreneurial experience. We contribute to the growth aspirations literature by explicitly defining growth expectations as a cognitive variable, thereby delineating it from other concepts such as growth motivation and growth intention. To our knowledge, this is the first in-depth empirical analysis of the impact of FTP on individual-level growth expectations in a large number of countries. Moreover, as little progress has been made on the actual role of time in entrepreneurship since the special issue on time and entrepreneurship in ET&P (1997), this study puts time again on the agenda of entrepreneurship research and calls for further investigations in the role of temporal cognition in the entrepreneurial process of discovering and exploiting opportunities.

CONTACT: Jacob Vermeire; jacob.vermeire@vlerick.com; (T) +32 92109830; Entrepreneurship, Governance and Strategy Area, Vlerick Business School, Reep 1, 9000 Ghent, Belgium.