
Editorial

Khun Eng Kuah-Pearce

Department of Sociology,
University of Hong Kong,
Jockey Club Tower, Room 915,
Centennial Campus, Pokfulam Road, Hong Kong
E-mail: kekuah@hku.hk

Shahamak Rezaei*

Department of Society and Globalisation,
Roskilde University,
Universitetsvej 1, DK-4000 Roskilde, Denmark
E-mail: shre@ruc.dk
*Corresponding author

Thomas Schøtt

Department of Entrepreneurship and Relationship Management,
University of Southern Denmark,
Engstien 1, 6000 Kolding, Denmark
E-mail: tsc@sam.sdu.dk

1 Introduction

Entrepreneurial activity is essentially the pursuit of opportunity. The primary actor is an individual person. The person may have a mindset oriented toward pursuing opportunity and thus called an entrepreneurial mindset, which may include risk-propensity, for example. The person may have a competence enabling entrepreneurial endeavours and thus called entrepreneurial competence, which may include self-efficacy, for example. Mindset and competence are analytically distinct but intertwined in reality. Alertness to opportunity, for example, involves openness of the mind and is thus a component of the entrepreneurial mindset, but also involves discerning promising opportunity from impossibility, and is thus also an entrepreneurial competency. Much research focuses on mindset and competence of individuals, and how mindset and competence are affected by individual attributes such as gender, age, education and training, and how mindset and competence in turn affect an individual person's plans for action and intention to become entrepreneur or not, and affect an individual entrepreneur's work and performance. Indeed, in most research the unit of analysis is the individual person, and the dependent and independent variables are about the individual.

An individual, however, is not pursuing opportunities in isolation or in a social vacuum. Rather, the individual acts in an environment, an environment that channels, enables and constrains the actions of the individual. Individual action is embedded in the environment. Embeddedness in the environment may be conceptualised at various levels (Dana, 1995; Zukin and DiMaggio 1990).

At the micro-level of the individual, the immediate environment is the network around the individual (Granovetter, 1985). The network around an individual is especially important by giving access to social capital (Burt, 2000). Indeed, the network seems so important that a foundational theory of entrepreneurship may be constructed around social capital (Gedajlovic et al., 2013).

At meso-level is the organisation in which the individual operates or works, an environment that is especially salient for entrepreneurial work by employees, intrapreneurship.

At the macro-level is the society in which the individual lives and in which also networks and organisations function. The society provides an embedding of individuals, networks and organisations, as successively more encompassing embeddedness. The macro-level embeddedness in society is an embeddedness in its culture, economy, polity and other social institutions in society (Zukin and DiMaggio, 1990).

Irrespective of whether it is micro, meso or macro, increasingly the individuals as entrepreneurs within a society are densely interconnected not only to their local socio-business community but to the globalised business community through the modern flows of communications, be it telecommunication or the cyberspace. In this regard, the study of entrepreneurship with its cultural embeddedness has to be considered within the globalisation sphere.

2 Entrepreneurship in the era of globalisation

Today's globalisation and fast communication means that changes in one place can have instant consequences for other parts of the world. Innovators internationally, create the majority of the wealth, new or a fair jump from the existing, while the managers and others tend to preserve it. This growth comes from entrepreneurs leading to creation of employment. These entrepreneurs bestow additional value to old assets, while creating entirely new fountains of capital. The trend is very similar around the world. The trends are transforming public policies, and the daily lives of people around the world. It seems that, despite the excitement generated by globalisation as an invitation to a world that is increasingly interconnected and borderless; the outcomes have disadvantaged some groups. The undesired outcomes can lead to some tensions – tension in co-opetitive relationships among citizens, firms, societies and/or nations across the globe. Emergence of social entrepreneurs can be seen as a reaction to these undesired outcomes. Social entrepreneurs are springing up everywhere across the globe, and they are gaining increasing recognition for their activities as agents of change. More and more citizens are using entrepreneurial skills in building sustainable enterprises, profit and non-profit to bring change in their country and to address global societal, ethical or environmental value issues. Modern societies are moving rapidly away from a stable and established structure towards a state of fluidity in which, among other things, mobility of people (commuters, migrants) tends to become a visual landmark. Sassen argues that the action radius of spatial mobility steadily increases from the local or regional scale to national

and global levels, and current internationalisation and globalisation processes lead to an increasingly diffuse pattern of social, political and economic life, with people fluctuating between the local, national and global levels and orientations. Hence, the uniformity of the industrial-capitalist societies is increasingly likely to be replaced by diversity and pluralism, with future societies, also economically, becoming increasingly fragmented, network-based and multicultural. Vertovec (2007) argues that we have entered a new era of migration described as a 'transformative diversification of diversity'. Multiple variables of difference in the ethnicity, immigration status, rights and entitlements, age and gender profiles and patterns of distribution, of new migrants mean that most Western countries are now home for the most diverse population ever experienced. The onset of super-diversity challenges traditional multicultural models of welfare provision and integration, but according to many scholars such as Kloosterman and Rath (2001), Ram and Jones (1998), Waldinger (1997), Light (1972) and Portes (1987), it also creates new opportunities of locating and supporting ethnic minority entrepreneurship in its political and economic context.

One key concern here is to understand different societal and organisational issues in order to create 'local learning labs' as a learning strategy to avoid tensions in co-opetitive environments that will have policy implications. A second issue concerns the relationships between the business environment and local cultures. Etemad and Wright (2003) argue that the forces of globalisation and economic integration are shifting economic and political power from national to supra-national levels. Furthermore, he argues that we are witnessing diminution of the traditional powers of nation-states, namely from nation-states to local and regional levels. By studying the relationship between culture and entrepreneurship at a local level or from a comparative dimension, this study will help us to understand the intersections of the various factors that shape the local and global entrepreneurial community. This will have great policy implications for business dealings, growth of local and global entrepreneurs, growth of philanthropy and immigration and emigration policies.

Globalisation is not a new term and the 'global village' concept was introduced long ago. The factors that shape and contribute to the speed and the rapidity of globalisation trends can be different from place to place. This is the core of all papers presented here, despite differences, sharing the common themes of: individuals, belonging to various sub-cultures, and striving to find stability in the era of globalisation.

3 Focus of this special issue

This special issue of *IJESB* has a focus on individuals' entrepreneurial endeavours as they are embedded in culture (Hayton and Cacciotti, 2013). The authors focus on people's entrepreneurial activity as this is channelled, enabled and constrained by their culture. The common focus on culture is previewed here, as the focal dimension of culture switches across articles. Focus spans the Chinese culture of networking, *guanxi* (Gao), the traditional culture in China and North Africa promoting networking in the private sphere in contrast to the modern or secular-rational culture in Europe promoting networking in the public sphere (Cheraghi et al.; Schøtt et al.), the culture of individualism (Hovne et al.), the cultures of trust and distrust (Bayat et al.) and the

culture of the indigenous contrasted with the culture of migrants (Baklanov et al.; Jensen et al.; Light).

Each article examines entrepreneurial activity as affected by a specific dimension of culture. The methodology used by each author reflects individual methodological preference ranging from anthropological fieldwork and ethnographic interviews to macro data-set analysis. This diverse range of methodological approaches provide dense and rich empirically-based qualitative and macro quantitative-based data that enable the papers to draw trends and project into the future.

The paper opening this issue of *IJESB*, entitled: 'Transnationals in an English-speaking world' authored by Ivan Light. Based on existing literature, Ivan Light presents a conceptual article regarding minorities' involvement in economic activities. Ivan Light provides us with an extraordinary insight into the historical development of concepts such as classical middleman minorities, immigrant entrepreneurship, international entrepreneurship, transnational entrepreneurship and the globalisation era. The literature review and insight deals with the above topics both from practical and theoretical approaches regarding minorities involvement in economic activities. Transnationalism is considered as globalisation's 'helper' and the author discusses how 'transmigrants' enjoy linguistic, cultural, bi-cultural and social capital advantages that outfit them advantageously for international commerce and entrepreneurship. Further, he introduces us to some evidence that suggests English – speaking countries need for the language skills of immigrants is more than non-English-speaking countries in order to promote their exports. Historical sources are used here for researching the importance of the English language for transnational entrepreneurship.

The next article, 'The capitalisation of *guanxi* and Chinese entrepreneurship: an ethnographic study of petty entrepreneurs in Guangzhou, China' is by Chong Gao. This study adopts a 'culture in action' and social resource capitalisation approach to examine how certain types of *guanxi* are mobilised for key aspects of a business start-up, such as business information, start-up capital and getting purchase orders. The empirical data reveals that, in general, the palpable capitalisation processes of *guanxi* are regulated by *guanxi* norms and obligations. The author argues that a cultural awareness of *guanxi* leads to the differentiation of *guanxi* and business *guanxi*. *Guanxi* used in business may be regarded as a by product of the workings of *guanxi* in a complex social world.

The next paper is a contribution from Hong Kong with the title of 'From business networks to philanthropic networks: Chinese entrepreneurs and the SEE project', authored by Khun Eng Kuah-Pearce. The author explores mainland Chinese entrepreneurs' foray into social responsibility in a changing moral landscape. The paper argues that through different sets of loose networks of weak ties in the business dealings and connections among the entrepreneurs, these entrepreneurs were able to extend their loose entrepreneurial networks into philanthropic networks and establish an environment-oriented NGO called Society of Entrepreneurs and Ecology (SEE). Further, the paper examines how entrepreneurs' business connections and networks are transformed into philanthropic networks where the intersection of the entrepreneurs' philanthropic acts leads to an entrepreneurial alliance of social responsibility and in this case study, to concern about the environmental issues. The study is interesting due to the fact that it focuses upon factors associated with philanthropic economic activities, business network, social responsibility and environmental issues.

The paper entitled 'Migrant entrepreneurship, economic activity and export performance: mapping the Danish trends', authored by Nikita Baklanov,

Shahamak Rezaei, Jan Vang and Léo-Paul Dana, could be seen as a contribution to the discussion of migration, entrepreneurship and labour market. The authors take departure in recent studies on transnational entrepreneurship. These studies suggest that migrant entrepreneurs play an increasingly significant role as sources of economic activities and especially export revenue. The authors argue that the literature is, however, biased on the US experience, and due to lack of a comparative perspective between migrants and non-migrants, they, based on unique registry data, test their claim. The comprehensive nationwide Danish Registry Micro data is provided by Statistics Denmark, and enables the author to have access to longitudinal data for native, migrants and their descendants. This paper aims to reduce the gap in literature by mapping the recent changes in the role of migrant entrepreneurs as a source of increased economic activity and export revenue in the Danish context and thereby linking the challenges stemming from the transnational entrepreneurship literature to the immigration and internationalisation of entrepreneurship literature. Entrepreneurial economic activity in this paper is proxied by the changing share of self-owned firms across ethnic categories (country of origin). Export revenue is proxied by the number of firms in the different ethnic categories with exports. The Danish context provides unique data allowing for a comparison across migrants and their descendants and non-migrants, across sectors and across time. The paper reveals that migrants play a decreasing role as sources of economic activity and export revenue and thus fails to provide support for the insights put forward by the transnational entrepreneurship literature.

The remaining articles are based on data from the Global Entrepreneurship Monitor (GEM) (Global Entrepreneurship Research Association, 2014). The GEM surveys are often combined with other data on national characteristics such as culture, e.g., traditional culture versus secular-rational culture as measured on each country covered by the World Values Survey. Combining data on individuals and on countries enables research on how individual behaviour is embedded in national culture. Annually since 2000, the GEM consortium has been conducting surveys of the world's adult population and of national framework conditions around the world, and has now covered more than a hundred countries, with representativeness that enables statistical generalisation of the world. The GEM survey of adults focuses on their entrepreneurial involvement, such as their entrepreneurial training, competencies and intention, and their migration and confidence in innovation. The survey also identifies entrepreneurs and asks about their networking for advice, the network around their business, and about innovation, exporting and expectations for growth of the business; with some constancy and some change of questions over the years. The GEM survey of conditions uses experts to assess national conditions of culture, economy and institutions, which provide the macro-level embedding of entrepreneurial activity, for example national policy for entrepreneurship and culture of entrepreneurial individualism.

The article 'Entrepreneurial intention benefitting from education, training and competence: Egypt and Iran', authored by Shayegheh Ashourizadeh, Niloofar Nasiri and Thomas Schøtt, provides insights into the entrepreneurial intention and development of entrepreneurial skills via training and education. Using GEM survey data, the following question is tested for two different countries: The question is, for adults in Egypt and Iran, are education, training and competencies positively interrelated, and is this human capital benefitting intention to start a business? Results from multivariate analyses reveal considerable benefits of human capital in Egypt and Iran. The study is valuable and

original by demonstrating considerable effects of higher education which are channelled through training and competencies and raise performance, with generalisation from samples to adults in Egypt and Iran.

Education and transnational business is the topic of the article 'Education coupled with international networking: benefits for exporting in Middle East and North Africa' by Mahsa Mahmoodi Mehrizi and Thomas Schøtt. Focusing on the Middle East and North Africa, MENA, this article accounts for the coupling of education with international business networking. Using GEM survey data, a comprehensive sample of owner-managers of starting and operating businesses in 14 countries representing MENA, interviewed with a questionnaire asking about their education, networking and exporting. Analyses support the thesis that education facilitates international networking, that education promotes exporting, that international networking benefits exporting, and that education moderates the benefit of networking for exporting, in the way that the benefit of networking for exporting is especially great for owner-managers with high education.

The next article 'Entrepreneurs' innovation benefitting from their education and training and from national policy and culture: a global study', by Adam Schøtt Hovne, Ben Schøtt Hovne and Thomas Schøtt, forming a family enterprise, examines the impact of entrepreneurs' innovation from their formal education and entrepreneurial training during and upon schooling and also from national policy supporting entrepreneurship and culture emphasising individualism. Using GEM data on a huge representative sample of entrepreneurs in many countries around the world, the ideas are tested by using a hierarchical linear mixed modelling. Entrepreneurs' innovativeness is found to benefit from education, especially from training during schooling, and also from training upon graduation, controlling for other characteristics. Innovation is also promoted by public policy support for entrepreneurship. A culture emphasising entrepreneurial individualism moderates the benefit in the way that it amplifies the benefit of education for innovation. This study provides many interesting and useful findings for researchers, scholars and policy makers.

The paper entitled 'Innovation embedded in entrepreneurs' networks in private and public spheres: a global study focusing on China and Denmark', authored by Thomas Schøtt, Maryam Cheraghi, Shahamak Rezaei and Jan Vang, focuses on innovation and entrepreneurs' network. The contribution takes departure from international literature studies that has found the following tendencies: traditional culture promotes entrepreneurs' networking in the private sphere, impeding innovation, whereas secular-rational culture facilitates networking in the public sphere, benefiting innovation. Using GEM survey data, this embeddedness is scrutinised in contrasting societies, China and Denmark. Analyses reconfirm the global tendencies and show that, in China as contrasted with Denmark, public sphere networking is sparser, but private sphere networking is denser. Innovation is negatively affected by private sphere networking, and positively affected by public sphere networking, but innovation is less promoted by public sphere networking in China than in Denmark.

The next contribution entitled 'Firms' collaboration networks benefitting innovation: embeddedness in high- and low-trust culture, Denmark and Iran' authored by Mahya Bayat, Thomas Schøtt and Mohammad Reza Zali. The authors take departure in proposition that a firm's networking provides social capital benefitting its innovation is commonly considered a universal in the sense that the effect is believed to be positive in every society and perhaps even equally strong. Based on this, the authors provide us with

the hypothesis that benefit differs among societies, depending on a culture of trust, that benefit increases with trust. The research design compares a high-trust society, Denmark, and a low-trust society, Iran, and tests this hypothesis by using GEM survey data of firms. Hierarchical linear modelling corroborates the authors' hypotheses. More broadly, the results show how firms' innovation is embedded in networking at micro-level and in culture at macro-level.

In the article entitled 'Growth-expectations among women entrepreneurs: Embedded in networks and culture in Algeria, Morocco, Tunisia and in Belgium and France', authored by Maryam Cheraghi, Zakia Setti and Thomas Schøtt, the focus is on culture and gender. The authors take departure in the difference between traditional and secular-rational culture. The authors utilise that traditional culture and secular-rational culture differ in roles for women, which influence women entrepreneurs' networking and expectations. Using GEM survey data the research design compares cultures, with data from three traditional societies, Algeria, Morocco and Tunisia, and two secular-rational societies, France and Belgium. The data uses random samples totalling 39,336 women, including 2,306 entrepreneurs. Analyses show that female entrepreneurs have growth-expectations based on their background, and increased by competence and opportunity-motivation, which also promote business networks around their firms. Formation of expectations is embedded in the networks in the way that networking increases expectations. Formation of expectations is embedded in culture in the way that, surprisingly, expectations are higher in traditional culture than in secular-rational culture.

Kent Wickstrøm Jensen presents the next article titled 'Gendering of firms' collaboration networks and innovation: a global study with a focus on China, Japan and South Korea'. The author takes departures in earlier studies that show innovation in a firm is embedded in a network around the firm, typically, and its networking benefits its innovation. This embeddedness is hypothesised to be gendered. Further, it is hypothesised that this micro-level dynamic is embedded in society, and thus differs among societies, notably among China, Japan, South Korea and other countries. The study uses GEM survey data about the world generally, and specifically about mainland China, Japan and South Korea, with a sample of 24,937 established firms in 68 countries, analysed by hierarchical linear modelling. Results here indicate that the dynamics in the world as a whole are that: first, gender affects networks around firms in the way that networking is more extensive in men's firms than in women's firms; second, gender affects innovation in the way that innovation is higher in women's firms than in men's firms; third, firms' networking benefits innovation both in men's firms and in women's firms. Further results show that the dynamics in China, Japan and Korea differ in several ways. First, networking differs among societies in the way that networking is more extensive in Japan and South Korea than in China. Second, the gender gap in networking is similarly wide in the three societies. Third, innovation differs among societies in the way that innovation is lower in Japan and South Korea than in China.

The article entitled 'People's confidence in innovation: a component of the entrepreneurial mindset, embedded in gender and culture, affecting entrepreneurial intention' is by Shayegheh Ashourizadeh, Zohreh Hassannezhad Chavoushi and Thomas Schøtt. The authors examine the impact of entrepreneurial mindset, gender and culture on people's confidence in innovation. People may have confidence in innovation, prone to try, buy and use of new services and products. Based on comprehensive GEM survey data, people's confidence in innovation is examined for a representative sample of

384,444 adults in 71 societies. The analyses use linear modelling, and find that people's confidence in innovation is a component in the entrepreneurial mindset by being especially high for entrepreneurs and by being related to other components such as self-efficacy, opportunity-alertness, risk-propensity and role-modelling. Authors' results indicate that people's confidence are unrelated to their gender, unexpectedly, but are especially high in traditional culture, as hypothesised. Further the authors find that confidence in innovation promotes entrepreneurial intention, as expected, and that the benefit is especially high for men and in traditional culture, as hypothesised.

The final paper, 'Cognitive effects on entrepreneurial intentions: a comparison of Chinese émigrés and their descendants with non-émigré Chinese', authored by Kent Wickstrøm Jensen, Shahamak Rezaei and Frederick F. Wherry, addresses the need to focus on cognitive characteristics of individuals as important predictors of entrepreneurial intentions, that is, the intentions of individuals to act entrepreneurially. The authors discuss the low level of knowledge about this relationship in a transnational context and in particular how the relationship between individuals' cognitions and entrepreneurial intent may differ for individuals emigrating to other countries and individual staying in their country of origin. The authors examine if and how émigrés differ from those individuals staying at home with regard to entrepreneurial intentions and with regard to their cognitive make-up. Further, the authors examine differences in the impact of cognitions of émigrés and homeland individuals on their entrepreneurial intentions. Based on GEM survey data, the authors test their hypotheses on adult homeland Chinese, adult first generation émigrés and adult second generation émigrés from China. As measures of cognition, the authors use self-efficacy, opportunity-alertness, and risk-propensity. Analyses show that cognition affects entrepreneurial intention in the way that self-efficacy and opportunity-perception increase entrepreneurial intentions. Authors also find that second generation Chinese émigrés are less likely to have entrepreneurial intentions than Chinese staying in China. Contrary to the authors' initial expectations, they find that both first and second generation émigrés are less likely to have entrepreneurially-oriented cognitions in terms of self-efficacy and opportunity-perception. Finally, the analyses show that the impact of cognition on entrepreneurial intention differs among émigrés and non-émigrés in the way that self-efficacy has a higher impact on entrepreneurial intent for second generation émigrés. The authors' results in this paper provide many interesting and useful findings for researchers, scholars and policy makers since this study is a first to bring the issue of how cognitions affect entrepreneurial intentions into a transnational context examining differences among émigrés and non-émigrés.

We believe this collection of papers offers interesting and timely insights into the challenges, and future directions, of a global business environment that is facing rapid and dramatic changes. We hope that this collection of papers will provide an effective channel of communication between policy makers, government agencies, academic and research institutions and persons concerned with entrepreneurship in society. We also hope this joint project serves to inform us and help to promote and coordinate international research efforts.

We would like to thank all the authors and reviewers for their efforts. The collection of articles grew out of a workshop in 2013 hosted by the Department of Sociology, University of Hong Kong (HKU). We would like to acknowledge the Department of Sociology at HKU for the generous support in connection with the workshop, the Sino-Danish Research and Education Center (SDC) for generous support of the Danish

scholars' research activities in China, and the GEM for collection and providing data used in several articles in the collection. We owe, Professor Leo-Paul Dana, Editor-in-Chief of *IJESB*, a deep debt of gratitude for his enthusiasm and huge support that enabled the publication of this focused issue.

References

- Burt, R.S. (2000) 'The network entrepreneur', in Swedberg, R. (Ed.): *Entrepreneurship*, pp.281–307, Oxford University Press, Oxford.
- Dana, L-P. (1995) 'Entrepreneurship in a remote Sub-Arctic community: Nome, Alaska', *Entrepreneurship: Theory and Practice*, Vol. 20, No. 1, pp.55–72.
- Etemad, H. and Wright, R.W. (2003) *Globalization and Entrepreneurship: Policy and Strategy Perspectives*, eBook, McGill International Entrepreneurship, ISBN 10: 184376024X.
- Gedajlovic, E., Honig, B., Moore, C., Payne, G.T. and Wright, M. (2013) 'Social capital and entrepreneurship: a schema and research agenda', *Entrepreneurship Theory and Practice*, Vol. 37, No. 3, pp.455–478.
- Global Entrepreneurship Research Association (2014) [online] <http://www.gemconsortium.org> (accessed 2 June 2014).
- Granovetter, M.S. (1985) 'Economic action and social structure: the problem of embeddedness', *American Journal of Sociology*, November, Vol. 91, No. 3, pp.481–510.
- Hayton, J.C. and Cacciotti, G. (2013) 'Is there an entrepreneurial culture? A review of empirical research', *Entrepreneurship & Regional Development*, Vol. 25, Nos. 9–10, pp.708–731.
- Kloosterman, R.C. and Rath, J. (2001) 'Immigrant entrepreneurs in advanced economies. Mixed embeddedness further explored', in R. Kloosterman and J. Rath (Eds.): *Journal of Migration and Ethnic Studies*, Special issue on 'Immigrant Entrepreneurship', April, Vol. 27, No. 2, pp.189–202.
- Light, I.H. (1972) *Ethnic Enterprise in America: Business and Welfare among Chinese, Japanese and Blacks*, University of California Press, Berkeley.
- Portes, A. (1987) 'The social origins of the Cuban enclave economy of Miami', *Sociological Perspectives*, October, Vol. 30, No. 4, pp.340–372.
- Ram, M. and Jones, T. (1998) *Ethnic Minorities in Business*, Small Business Trust, Open University, UK.
- Vertovec, S. (2007) 'Super-diversity and its implications', *Ethnic & Racial Studies*, Special Issue: 'New Directions in the Anthropology of Migration and Multiculturalism', Vol. 30, No. 6, pp.1024–1054.
- Waldinger, R. (1997) 'Case studies of research and policy on migrants and cities – Los Angeles', Paper presented at the *Second International Metropolis Conference*, September, pp.25–28, Copenhagen.
- Zukin, S. and DiMaggio, P. (1990) *Structures of Capital: The Social Organization of the Economy*, Press Syndicate of the University of Cambridge, Cambridge University Press, USA, ISBN: 0521376785, 9780521376785.