



# Beyond cultural values? Cultural leadership ideals and entrepreneurship



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## ABSTRACT

This paper offers a fresh perspective on national culture and entrepreneurship research. It explores the role of Culturally-endorsed implicit Leadership Theories (CLTs) – i.e., the cultural expectations about outstanding, ideal leadership – on individual entrepreneurship. Developing arguments based on culture-entrepreneurship fit, we predict that charismatic and self-protective CLTs positively affect entrepreneurship. They provide a context that enables entrepreneurs to be co-operative in order to initiate change but also to be self-protective and competitive so as to safeguard their venture and avoid being exploited. We further theorize that CLTs are more proximal drivers of cross-country differences in entrepreneurship as compared with distal cultural values. We find support for our propositions in a multi-level study of 42 countries. Cultural values (of uncertainty avoidance and collectivism) influence entrepreneurship mainly indirectly, via charismatic and self-protective CLTs. We do not find a similar indirect effect for cultural practices.

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## 1. Executive summary

Cross-country differences in the levels of entrepreneurship are persistent and cannot be explained by economic factors alone. Researchers and politicians alike have turned to national culture as a possible explanation. Past research has focused on cultural values, the shared ideals and long-term goals of societies, which are also the cornerstone of cross-cultural and international business research. Cultures valuing key aspects of entrepreneurship – such as the willingness to bear uncertainty, and individual competitive actions – were thought to drive entrepreneurship. But despite the intuitive appeal of this assumption, the rapidly growing literature on culture and entrepreneurship is characterized by mixed findings. Some studies find the expected relationships of entrepreneurship with cultural uncertainty avoidance and individualism values, but others find the opposite, and still others that there are no significant relationships.

We suggest that one reason for these mixed findings is the fact that cultural values are very broad and general concepts. Entrepreneurship, however, is a rather specific behavior. We therefore advocate greater focus on those aspects of culture that are more proximal, i.e., conceptually ‘closer’ to entrepreneurship.

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