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To cite this article: Irena Kedmenec & Sebastjan Strašek (2017) Are some cultures more favourable for social entrepreneurship than others?, Economic Research-Ekonomska Istraživanja, 30:1, 1461-1476, DOI: [10.1080/1331677X.2017.1355251](https://doi.org/10.1080/1331677X.2017.1355251)

To link to this article: <https://doi.org/10.1080/1331677X.2017.1355251>



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Published online: 01 Aug 2017.



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Are some cultures more favourable for social entrepreneurship than others?

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ABSTRACT

The goal of this paper is to examine whether certain national cultural dimensions facilitate or hamper social entrepreneurship. The paper offers a conceptualisation of the possible associations between Hofstede's cultural dimensions and social entrepreneurial activity as defined by the Global Entrepreneurship Monitor, along with its empirical testing across more than 40 countries around the world. Based on correlation analysis that was controlled for the countries' level of economic development, there appears to be a negative association between the national power distance level and social entrepreneurial activity. In addition, the rate of young social entrepreneurial ventures is associated with lower levels of masculinity. The cultural dimensions of individualism and uncertainty avoidance have no direct linear association with social entrepreneurial activities of any kind. In factor-driven economies, lower levels of masculinity appear to support the development of social entrepreneurship. On the other hand, in innovation-driven economies, social entrepreneurial ventures emerge more often in those cultures characterised by short-term orientation and indulgence.

ARTICLE HISTORY

Received 8 July 2015

Accepted 25 November 2016

KEYWORDS

Social entrepreneurship; culture; power distance; masculinity; short-term orientation; indulgence

JEL CLASSIFICATIONS

L31; L26; E71

1. Introduction

Social entrepreneurship is a fast-growing phenomenon and an emerging area of research within a variety of domains: business strategy, entrepreneurship, public sector management, community development, not-for-profit marketing, sociology, political science, economics and education (Short, Moss, & Lumpkin, 2009; Weerawardena & Sullivan Mort, 2006). It is characterised by an absence of clear theoretical boundaries. Because of the numerous approaches to this topic (Short et al., 2009) and its numerous manifestations (Alter, 2004), a clear definition of the phenomenon is hard to achieve. Under the narrow definition, social entrepreneurship refers to the process of applying business expertise and market-based skills in the non-profit sector, such as when non-profits develop innovative approaches to earn income (Austin, Stevenson, & Wei-Skillern, 2006; Reis, 1999; Thompson, 2002). Under the broad definition, social entrepreneurship refers to an innovative activity with a social

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objective in either the for-profit sector, such as in social-purpose commercial ventures or in corporate social entrepreneurship, or in the non-profit sector; or across sectors, such as hybrid organisations which mix for-profit and non-profit approaches (Austin et al., 2006; Dees, 1998). The most encompassing definition is the one given by Mair and Martí (2006, p. 37):

First, we view social entrepreneurship as a process of creating value by combining resources in new ways. Second, these resource combinations are intended primarily to explore and exploit opportunities to create social value by stimulating social change or meeting social needs. And third, when viewed as a process, social entrepreneurship involves the offering of services and products but can also refer to the creation of new organisations.

As a young field of research, social entrepreneurship holds many still unanswered questions. The factors that are stimulating or hampering social entrepreneurship may be observed at different levels. At an individual level, researchers may investigate the skills, knowledge and experiences that lead to social entrepreneurial intentions. At the level of social entrepreneurial venture, specific regulatory and market conditions affect the venture's success. Finally, at the national level, cultural differences may also affect the development of social entrepreneurship. As an interesting research topic, some researchers proposed to investigate which national cultural values uniquely promoted social entrepreneurship (Short et al., 2009). Thus, the main purpose of this paper is to determine which cultural dimensions provide support to those individuals who decide to start a social enterprise. In other words: *Are some cultures more favourable for social entrepreneurship than others?* The research at the individual level proved the association between individual values and behaviour. Thus, the different cultures in which those personal values emerge may affect the creation of social entrepreneurial venture (Mueller & Thomas, 2001).

2. Culture and social entrepreneurship

Below, an overview is given of the cultural dimensions and the research investigating the connection between cultural dimensions and entrepreneurship. Also, based on the relevant literature, possible associations between cultural dimensions and social entrepreneurship activities will be examined. The second section presents the variables used and the research method. The results are presented in the third section, including descriptive statistics for the analysed variables. Finally, the fourth section discusses the obtained results and provides conclusions.

2.1. Cultural dimensions

Culture is a multidimensional concept and therefore hard to define precisely (McGrath, MacMillan, Ai-Yuan Yang, & Tsai, 1992 referenced in Thornton, Ribeiro-Soriano, & Urbano, 2011). It represents an underlying system of values characteristic of a specific group (Mueller & Thomas, 2001) and is related to the ways in which societies organise social behaviour and knowledge (Kroeber & Parsons, 1958). Cultural values (Hofstede, 1980) are the collective programming of the mind which distinguishes the members of one human group from another, and their respective responses to their environments. The overwhelmingly dominant metric for culture are Hofstede's (Hofstede, 1980, 2001) measures of cultural values (Søndergaard, 1994). Hofstede's (1980) dimensions were empirically developed by

surveying about 100,000 IBM employees in 66 countries, excluding the then-Communist and the Third World countries. According to the Social Science Citation Index, a total of 2,700 refereed journal articles have cited Hofstede's work (Hofstede, 2001) when examining the association between culture and demographic, geographic, economic and political indicators of a society (Kale & Barnes, 1992).

Hofstede (1980) differentiated four cultural dimensions that are quantifiable: power distance, individualism, masculinity and uncertainty avoidance. In the 1980s, on the basis of the research of psychologist Michael Harris Bond, a fifth dimension was added (Hofstede & Bond, 1988), named long-term orientation. In the 2000s, Michael Minkov used the data from the World Values Survey (Minkov, 2007), which allowed the addition of a sixth dimension (Hofstede, Hofstede, & Minkov, 2010), named indulgence. Power distance (Hofstede, 2011; Hofstede et al., 2010) expresses a degree to which the less powerful members of a society accept and expect that power is distributed unequally. Individualism is a preference for a social framework in which individuals are expected to take care of themselves and their immediate families only, while the ties between individuals are loose (Hofstede, 2011). The uncertainty avoidance dimension represents the degree to which the members of a society feel uncomfortable with uncertainty and ambiguity (Hofstede, 2011). Countries with strong uncertainty avoidance maintain rigid codes of belief and behaviour, and are intolerant of unorthodox behaviours and ideas. The dimension of masculinity represents a society's preference for achievement, heroism, assertiveness and material rewards for success, which are all characteristics of the male gender role pattern (Hofstede, 2011). The dimension of long-term orientation can be interpreted as dealing with a society's search for virtue. Societies with the short-term orientation exhibit great respect for traditions, a relatively small propensity to save for the future and a focus on achieving quick results (Hofstede, 2011). Indulgent society is a society that allows a relatively free gratification of basic and natural human drives related to enjoying life and having fun. On the other side, a restrained society suppresses the gratification of needs and regulates it by means of strict social norms (Hofstede, 2011).

Hofstede always emphasised that his cultural dimensions reflected the stable national differences because cultures 'do evolve but they tend to move together in more or less one and the same cultural direction' (Minkov & Hofstede, 2011, p. 13). The research confirmed that, in the period from 1970 to 2006, Western cultures tended to show some incomplete convergence of cultural dimensions, but their paths practically never crossed (Inglehart, 2008). A society's value system determines practices such as socialisation, educational system, and legislation (Hofstede, 2001).

2.2. Culture and entrepreneurship

According to the eclectic theory of entrepreneurship (Verheul, Wennekers, Audretsch, & Thurik, 2002), the level of entrepreneurship in a given society depends upon the capabilities and preferences of the population as well as the opportunities that exist in the environment. This concept reflects in the supply of and the demand for entrepreneurship, which are influenced by the level of economic development, industrial structure, available technology, institutions and demographic factors, as well as culture. However, Verheul et al. (2002) emphasise that little is known about the complex role of culture in the rise of

business-ownership. There are several theories that explain the relationship between culture and entrepreneurship.

Davidsson (1995) gave the *aggregate psychological trait explanation*, which argues that the culture can shape economic and social institutions to be more favourable towards entrepreneurial activity. In that situation, the individuals that are 'integrated' may find it easier to become entrepreneurs. In addition, according to the *theory of social legitimation* or *moral approval of entrepreneurship* (Etzioni, 1987), higher rates of entrepreneurship are found in those societies where entrepreneurs receive an important social status and are encouraged by tax incentives. On the contrary, the *dissatisfaction hypothesis* argues that in the societies where the culture is unfavourable towards entrepreneurship, the individuals that are 'dissatisfied' and thus less integrated would have higher tendencies to become self-employed (Baum et al., 1993). Hofstede et al. (2004) conclude that higher levels of dissatisfaction with society are associated with higher rates of self-employment.

Based on the *aggregate psychological trait explanation* and *social legitimation theory*, researchers have generally assumed that entrepreneurship is supported by high individualism, low uncertainty avoidance, low power distance and high masculinity. In accordance with the dissatisfaction hypothesis, potential entrepreneurs are those people who are less integrated in the mainstream structures in societies with high power distance, high uncertainty avoidance, low masculinity and low individualism. The interrelationships are further complicated in modern societies by the transformation of materialistic-oriented cultures into post-materialistic cultures that value self-realisation, esteem and quality of life, and are thus likely to be less entrepreneurial (Inglehart, 1997, 2008). Uhlaner and Thurik (2007) found a negative association between post-materialism and entrepreneurship. However, the results again were not stable. However, researchers agree that culture shapes individual entrepreneurial orientation, as well as contextual constraints and resources shaping entrepreneurial start-ups (Baughn & Neupert, 2003).

2.3. Social entrepreneurship

The conceptualisation of the relations between cultural dimensions and social entrepreneurship in this paper will be based on the *aggregate psychological trait explanation*. People in societies that exhibit a high degree of power distance accept a hierarchical order, while those in the societies that have low power distance strive to equalise the distribution of power and demand justifications for the inequalities of power (Hofstede, 2011). Since social entrepreneurship takes into account the opinions of stakeholders and applies participative decision-making (Shaw & Carter, 2007), the following hypothesis is posed:

Hypothesis 1. *Countries with lower power distance (PDI-) in the general population will have higher levels of social entrepreneurship.*

In the societies with low individualism, individuals can expect their relatives or members of a particular in-group to look after them in exchange for their unquestioning loyalty (Hofstede, 2011). Those societies are known as collectivistic. Since social entrepreneurs primarily focus on the needs of others (Bargsted, Picon, Salazar, & Rojas, 2013), it is hypothesised:

Hypothesis 2. *Countries with lower individualism (IDV-) in the general population will have higher levels of social entrepreneurship.*

In the societies with weak uncertainty avoidance, practice counts more than principles (Hofstede, 2011). At the individual level, uncertainty avoidance has a strong negative association with innovation (Taras, Kirkman, & Steel, 2010). Since social entrepreneurship is an innovative concept (Lepoutre, Justo, Terjesen, & Bosma, 2011), it would not be supported in those societies that are intolerant of new behaviours. Thus, the following hypothesis will be tested:

Hypothesis 3. *Countries with lower uncertainty avoidance (UAI-) in the general population will have higher levels of social entrepreneurship.*

When it comes to the dimension of masculinity, low levels refer to a preference for cooperation, modesty, caring for the weak and the quality of life, while high levels represent a preference for heroism, assertiveness and material rewards for success (Hofstede, 2011). Because of the specific social mission of social entrepreneurs (Lepoutre et al., 2011), the following hypothesis is proposed:

Hypothesis 4. *Countries with lower masculinity (MAS-) in the general population will have higher levels of social entrepreneurship.*

The long-term orientation dimension can be interpreted as dealing with a society's search for virtue (Hofstede, 2011). Societies with a short-term orientation focus on achieving quick results. Since social entrepreneurs are both passionate about their mission and pragmatic about the realities of the market place (Weerawardena & Sullivan Mort, 2006), as well as known for their practical solutions to social problems (Schwab Foundation for Social Entrepreneurship, 2013), the following hypothesis will be tested:

Hypothesis 5. *Countries with lower long-term orientation (LTO-) in the general population will have higher levels of social entrepreneurship.*

Although the indulgence dimension is sometimes presented as an indicator of hedonistic lifestyle, research shows that there is a negative relation between indulgence and tax evasion, and a positive one between indulgence and human development index (Gaygısız, 2013; Réthi, 2012). As a cultural value, *indulgence* also refers to a perception that one's life is in his/her own control, while *restraint* refers to a perception of helplessness (Hofstede, 2011). For example, in response to some disability, individuals from an indulgence culture feel that they have control over their participation in life activities, while the individuals coming from a background of cultural restraint may be less involved in functional activities (American Speech-Language-Hearing Association, 2014). Since social entrepreneurship includes work integration social enterprises, which encourage the employment of vulnerable groups, the following hypothesis is posed:

Hypothesis 6. *Countries with higher indulgence (IND+) in the general population will have higher levels of social entrepreneurship.*

3. Methodology

So far, the only research project that has measured the incidence of social entrepreneurship on the global scale is the Global Entrepreneurship Monitor social entrepreneurship study from the year 2009 (Terjesen, Lepoutre, Justo, & Bosma, 2009). The authors of this research tackled the problem of designing a global standardised methodology for the measurement of social entrepreneurship activity (Lepoutre et al., 2011). They developed a questionnaire on social entrepreneurial activity and integrated it in the Global Entrepreneurship Monitor (GEM), the largest existing research effort for collecting data on regular entrepreneurial activity. Their efforts have enabled other researchers to draw data from one large dataset, which has contributed to the consistency in defining social entrepreneurship. When comparing different countries, this consistency has often been lacking in the field. The selection criteria for the identification of social entrepreneurial ventures were: the predominance of a social mission, the importance of innovation and the role of earned income (Lepoutre et al., 2011).

Social entrepreneurial activity was grouped in three categories according to the usual classification used in the GEM research. The groups are: nascent social entrepreneurs (a percentage of adult population between 18 and 64 years of age engaged in the phase before the actual start-up), young social entrepreneurs (a percentage of adult population between 18 and 64 years of age engaged in the phase of 42 months after the start-up) and established social entrepreneurs (the phase after 42 months of doing business). The social entrepreneurship activity indicator, known as SEA, includes both nascent and young social entrepreneurs. The average SEA rate across all 49 GEM countries is 1.9%, ranging from 0.2% in Malaysia and Saudi Arabia to 4.9% in the United Arab Emirates. Obviously, social entrepreneurship is a rare phenomenon.

Lepoutre et al. (2011) investigated the variations in SEA prevalence between countries by their stage of development. The countries in the GEM research have been grouped into three stages of economic development as defined by the World Economic Forum's Global Competitiveness Report (Bosma & Levie, 2009): factor-driven (stage 1), efficiency-driven (stage 2) and innovation-driven (stage 3).¹ The countries are classified into these three groups based on their level of GDP per capita and other economic variables. The factor-driven countries have higher shares of exports of primary goods in their total exports. The efficiency-driven countries base their development mostly on scale-intensity, while the innovation-driven countries produce unique goods and services via sophisticated methods. The average SEA rate in the factor-driven, efficiency-driven and innovation-driven countries amounts to 1.5, 2.0 and 2.1, respectively. However, the countries that belong to the same group according to their stage of development have strikingly different SEA rates between themselves. Thus, their cultural dimensions might be among the important factors for explaining the prevalence of social entrepreneurship activity.

In the paper, the bivariate relationships between the levels of social entrepreneurship (nascent, young and established) and cultural dimensions, pulled out of Hofstede's database (The Hofstede Centre, 2014), will be examined by means of correlation analysis. The GEM dataset used in the research, containing the data on social entrepreneurial activity, encompassed 55 countries, whereas Hofstede's data on all six cultural dimensions were available only for 39 countries.

The heterogeneity of the existing research results regarding the relation between culture and entrepreneurship reflects the differences in the samples of countries used in different studies. It may also indicate that certain control variables were disregarded. For example, it is possible that the actual impact of economic development on entrepreneurial activity was attributed to the cultural dimensions. Thus, in this paper, we will control the cultural impact for the level of economic development by analysing the correlations between social entrepreneurial activity and cultural dimensions at different levels of countries' economic development.

4. Results

Table 1 presents the mean, median and standard deviation and range for all the variables used in the analysis, grouped according to the country's level of development. The range of cultural dimensions shows a very large dispersion of data at every level of economic development. This indicates a possibility that the large dispersion of social entrepreneurial activity levels that exists within the groups of countries of the same economic development level might be explained by their cultural differences. The one-way ANOVA with the associated post hoc analysis showed that there was a statistically significant difference between the countries of different stages of development in the variables of PDI (.000), IDV (0.000) and LTO (.010). Regarding the PDI and IDV, the difference is significant between the Stage 1 countries and Stage 3 countries, as well as between the Stage 2 countries and Stage

Table 1. Descriptive statistics for social entrepreneurial activity indicators and cultural dimensions according to countries' development level.

	Stage 1	Stage 2	Stage 3
Nascent social entrepreneurial activity	<i>N</i> =12 <i>M</i> =1.76 (SD=3.03) Mdn=0.69 (<i>R</i> =10.79)	<i>N</i> =23 <i>M</i> =1.12 (SD=0.88) Mdn=1.05 (<i>R</i> =3.37)	<i>N</i> =20 <i>M</i> =1.19 (SD=.85) Mdn=.99 (<i>R</i> =2.87)
Social entrepreneurial activity in a young organisation	<i>N</i> =12 <i>M</i> =1.25 (SD=2.67) Mdn=.26 (<i>R</i> =9.45)	<i>N</i> =23 <i>M</i> =.56 (SD=.49) Mdn=.33 (<i>R</i> =1.95)	<i>N</i> =20 <i>M</i> =.82 (SD=.78) Mdn=.58 (<i>R</i> =3.19)
Social entrepreneurial activity in an established organisation	<i>N</i> =12 <i>M</i> =.72 (SD=1.82) Mdn=.07 (<i>R</i> =6.46)	<i>N</i> =23 <i>M</i> =.35 (SD=.65) Mdn=.09 (<i>R</i> =3.01)	<i>N</i> =20 <i>M</i> =.82 (SD=.88) Mdn=.47 (<i>R</i> =3.65)
PDI	<i>N</i> =7 <i>M</i> =77.29 (SD=17.08) Mdn=80.00 (<i>R</i> =50)	<i>N</i> =20 <i>M</i> =70.00 (SD=16.79) Mdn=68.00 (<i>R</i> =56.00)	<i>N</i> =19 <i>M</i> =46.84 (SD=20.11) Mdn=40.00 (<i>R</i> =77.00)
IDV	<i>N</i> =7 <i>M</i> =29 (SD=15.17) Mdn=35 (<i>R</i> =40)	<i>N</i> =20 <i>M</i> =34.00 (SD=19.32) Mdn=30.00 (<i>R</i> =72.00)	<i>N</i> =19 <i>M</i> =60.32 (SD=20.65) Mdn=67.00 (<i>R</i> =66.00)
UAI	<i>N</i> =7 <i>M</i> =58.29 (SD=12.11) Mdn=60.00 (<i>R</i> =36)	<i>N</i> =20 <i>M</i> =48.70 (SD=16.79) Mdn=44.50 (<i>R</i> =79.00)	<i>N</i> =19 <i>M</i> =45.89 (SD=24.44) Mdn=50.00 (<i>R</i> =87.00)
MAS	<i>N</i> =5 <i>M</i> =63.71 (SD=27.24) Mdn=68.00 (<i>R</i> =86.00)	<i>N</i> =20 <i>M</i> =72.65 (SD=20.09) Mdn=80.00 (<i>R</i> =69.00)	<i>N</i> =19 <i>M</i> =65.79 (SD=23.30) Mdn=65.00 (<i>R</i> =77.00)
LTO	<i>N</i> =4 <i>M</i> =22.00 (SD=10.29) Mdn=16.00 (<i>R</i> =22.00)	<i>N</i> =18 <i>M</i> =40.78 (SD=23.42) Mdn=37.50 (<i>R</i> =74.00)	<i>N</i> =18 <i>M</i> =54.00 (SD=19.36) Mdn=50.00 (<i>R</i> =62.00)
IND	<i>N</i> =4 <i>M</i> =50.50 (SD=35.37) Mdn=38.50 (<i>R</i> =75.00)	<i>N</i> =18 <i>M</i> =44.28 (SD=19.46) Mdn=44.50 (<i>R</i> =70.00)	<i>N</i> =17 <i>M</i> =52.71 (SD=15.10) Mdn=55.00 (<i>R</i> =53.00)

Note: *M* – mean, SD – standard deviation, Mdn – median, *R* – range.

Source: Work of author based on the data from Global Entrepreneurship Monitor (2009) and The Hofstede Centre (2014).

Table 2. Correlations between the level of power distance and social entrepreneurial activity according to countries' development level.

		Nascent social entrepreneurial activity	Social entrepre- neurial activity in a young organisation	Social entrepre- neurial activity in an established organisation
PDI (whole sample)	Pearson Correlation	-.243	-.406**	-.524**
	Sig. (2-tailed)	.103	.005	.000
	N	46	46	46
PDI (Stage 1)	Pearson Correlation	-.177	-.894**	-.911**
	Sig. (2-tailed)	.704	.007	.004
	N	7	7	7
PDI (Stage 2)	Pearson Correlation	-.509*	-.367	-.348
	Sig. (2-tailed)	.022	.111	.133
	N	20	20	20
PDI (Stage 3)	Pearson Correlation	-.055	-.222	-.461*
	Sig. (2-tailed)	.824	.361	.047
	N	19	19	19

**Correlation is significant at the level of 0.01 (2-tailed).

Source: Work of author based on the data from Global Entrepreneurship Monitor (2009) and The Hofstede Centre (2014).

Table 3. Correlations between the level of individualism and social entrepreneurial activity according to countries' development level.

		Nascent social entrepreneurial activity	Social entrepre- neurial activity in a young organisation	Social entrepre- neurial activity in an established organisation
IDV (whole sample)	Pearson Correlation	.072	.235	.358*
	Sig. (2-tailed)	.634	.116	.015
	N	46	46	46
IDV (Stage 1)	Pearson Correlation	-.349	.409	.676
	Sig. (2-tailed)	.443	.363	.095
	N	7	7	7
IDV (Stage 2)	Pearson Correlation	.068	.138	.185
	Sig. (2-tailed)	.777	.561	.434
	N	20	20	20
IDV (Stage 3)	Pearson Correlation	.156	.104	.200
	Sig. (2-tailed)	.523	.671	.411
	N	19	19	19

**Correlation is significant at the level of 0.01 (2-tailed).

Source: Work of author based on the data from Global Entrepreneurship Monitor (2009) and The Hofstede Centre (2014).

3 countries. Regarding the LTO, the difference is significant between the Stage 1 countries and Stage 3 countries.

Table 2 shows the correlations between the power distance level and social entrepreneurial activity, including nascent, young and established ventures. For all development levels and for all types of social ventures the correlation coefficients are negative. They are significant for the whole sample and especially for the factor-driven countries. However, the results at this level of analysis should be taken with caution due to the very small sample size in this group of countries. The negative relation is also significant for nascent social ventures in the factor-driven economies and for established social ventures in the innovation-driven economies. Thus, hypothesis H1, which proposes that the countries with lower power distance (PDI-) in the general population will have higher levels of social entrepreneurship, is confirmed.

Table 4. Correlations between the level of uncertainty avoidance and social entrepreneurial activity according to countries' development level.

		Nascent social entrepreneurial activity	Social entrepre- neurial activity in a young organisation	Social entrepre- neurial activity in an established organisation
UAI (whole sample)	Pearson Correlation	-.018	-.171	-.282
	Sig. (2-tailed)	.904	.255	.058
	N	46	46	46
UAI (Stage 1)	Pearson Correlation	.647	.405	.391
	Sig. (2-tailed)	.116	.368	.386
	N	7	7	7
UAI (Stage 2)	Pearson Correlation	.089	.199	-.030
	Sig. (2-tailed)	.708	.401	.899
	N	20	20	20
UAI (Stage 3)	Pearson Correlation	-.193	-.399	-.393
	Sig. (2-tailed)	.429	.091	.096
	N	19	19	19

**Correlation is significant at the level of 0.01 (2-tailed).

Source: Work of author based on the data from Global Entrepreneurship Monitor (2009) and The Hofstede Centre (2014).

Table 5. Correlations between the level of masculinity and social entrepreneurial activity according to countries' development level.

		Nascent social entrepreneurial activity	Social entrepre- neurial activity in a young organisation	Social entrepre- neurial activity in an established organisation
MAS (whole sample)	Pearson Correlation	.031	-.403**	-.229
	Sig. (2-tailed)	.837	.006	.126
	N	46	46	46
MAS (Stage 1)	Pearson Correlation	-.087	-.893**	-.897**
	Sig. (2-tailed)	.852	.007	.006
	N	7	7	7
MAS (Stage 2)	Pearson Correlation	.296	-.048	.105
	Sig. (2-tailed)	.206	.840	.660
	N	20	20	20
MAS (Stage 3)	Pearson Correlation	-.184	-.429	-.410
	Sig. (2-tailed)	.451	.067	.081
	N	19	19	19

**Correlation is significant at the level of 0.01 (2-tailed).

Source: Work of author based on the data from Global Entrepreneurship Monitor (2009) and The Hofstede Centre (2014).

Table 3 presents the correlation coefficients between the level of individualism and social entrepreneurial activity. Almost all of the coefficients are non-significant. The one that is significant is positive, and shows that the more individualistic societies have higher rates of established social ventures. Thus, hypothesis H2 cannot be accepted.

In Table 4 the correlation coefficients between the level of uncertainty avoidance and social entrepreneurial activity are presented. The coefficients are non-significant for all the levels of development and for all types of social entrepreneurial activity, indicating that this cultural dimension has no direct association, positive or negative, with social entrepreneurial activity in a given country. Thus, hypothesis H3 cannot be accepted.

The correlation coefficients between the level of masculinity and social entrepreneurial activity are presented in Table 5. The level of masculinity seems to be important for the factor-driven economies, indicating that social entrepreneurial activity is more expressed

Table 6. Correlations between the level of long-term orientation and social entrepreneurial activity according to countries' development level.

		Nascent social entrepreneurial activity	Social entrepre- neurial activity in a young organisation	Social entrepre- neurial activity in an established organisation
LTO (whole sample)	Pearson Correlation	-.269	-.164	-.106
	Sig. (2-tailed)	.089	.306	.510
	N	41	41	41
LTO (Stage 2)	Pearson Correlation	-.236	-.073	-.146
	Sig. (2-tailed)	.346	.773	.563
	N	18	18	18
LTO (Stage 3)	Pearson Correlation	-.487*	-.572*	-.474*
	Sig. (2-tailed)	.040	.013	.047
	N	18	18	18

**Correlation is significant at the level of 0.01 (2-tailed).

Source: Work of author based on the data from Global Entrepreneurship Monitor (2009) and The Hofstede Centre (2014).

Table 7. Correlations between the level of indulgence and social entrepreneurial activity according to countries' development level.

		Nascent social entrepreneurial activity	Social entrepre- neurial activity in a young organisation	Social entrepre- neurial activity in an established organisation
IND (whole sample)	Pearson Correlation	.493**	.272	.222
	Sig. (2-tailed)	.001	.093	.175
	N	39	39	39
IND (Stage 2)	Pearson Correlation	.246	.148	.090
	Sig. (2-tailed)	.326	.559	.721
	N	18	18	18
IND (Stage 3)	Pearson Correlation	.617**	.573*	.451
	Sig. (2-tailed)	.008	.016	.069
	N	17	17	17

**Correlation is significant at the level of 0.01 (2-tailed).

Source: Work of author based on the data from Global Entrepreneurship Monitor (2009) and The Hofstede Centre (2014).

in societies with higher femininity. However, at the higher level of development this masculinity dimension loses its importance, although the coefficients still remain negative. The hypothesis H4 is partially confirmed for the factor-driven economies, but it must be noted that the sample in this group of countries is rather small.

Table 6 presents the correlation coefficients between the level of long-term orientation and social entrepreneurial activity. A significant negative association is established for the innovation-driven economies. In all other cases, the correlation coefficients are non-significant. However, they are always negative. There are not enough data for the analysis of the factor-driven economies. The hypothesis H5 is partially confirmed for the innovation-driven economies.

Table 7 presents the correlation coefficients between the level of indulgence and social entrepreneurial activity. There are not enough data for the analysis of the factor-driven economies. However, the association is generally positive and significant for the innovation-driven economies. Thus, the hypothesis H6 is partially confirmed for the innovation-driven economies.

5. Discussion and conclusion

The data appear to support the negative relationship between the national level of power distance and social entrepreneurial activity, at least for the period under study and the countries examined. Also, the rate of young social entrepreneurial ventures is associated with lower levels of masculinity. The cultural dimensions of individualism and uncertainty avoidance have no direct linear associations with social entrepreneurial activities of any kind.

Since social entrepreneurship is a relatively new field of research, lacking in multi-country research on the influence of cultural dimensions, we reach out for the available findings from corporate social responsibility research and from studies on volunteering, which are conceptually similar concepts to social entrepreneurship. Our results are in accordance with the results of Waldman et al. (2006), who showed that cultures with stronger power distance values may encourage managers to show very little concern for stakeholders such as employees, environmentalists and customers. In addition, power distance is strongly negatively associated to the level of innovation (Rinne, Steel, & Fairweather, 2012). Since one of the distinguishing characteristics of social entrepreneurship is innovation (Lepoutre et al., 2011), it may be argued that power distance influences social entrepreneurship through different channels, including both tolerance of social inequality level and innovation acceptance level.

Ringov and Zollo (2007) investigated the impact of national culture on corporate social performance and found that countries' bias in favour of power distance and masculine values has a significant negative impact on corporate accountability, while the impact of individualistic values and uncertainty avoidance score is essentially zero. These findings show remarkable compatibility with our results.

Research in the sphere of volunteering showed that individualists and collectivists differ, not in their willingness to volunteer, but in their motives to do so (Finkelstein, 2010). Thus, the dimension of individualism might not influence the level of social entrepreneurial activity, but the motives for the social entrepreneurship, which were not measured in this study.

The analysis of the association between the cultural dimensions and social entrepreneurial activity according to the level of economic development of a particular country provided several interesting results. In the factor-driven economies, lower levels of masculinity appear to support the development of social entrepreneurship, while in the innovation-driven economies social entrepreneurial ventures emerge more often in the cultures characterised by short-term orientation and indulgence.

The cultural dimension of long-term orientation is rather controversial. There is still no convincing explanation about what stands behind the opposition between thrift and persistence on one side (long-term orientation), and personal stability and respect for tradition on the other side (short-term orientation). However, Minkov and Hofstede (2012) found that willingness to help others was positively correlated with other aspects of short-term orientation, such as respect for tradition and parental pride. The results of this research confirm this association. Social entrepreneurship is more expressed in countries with greater short-term orientation, at least when it comes to innovation-driven economies. Hopefully, these results will represent an additional piece in the long-term orientation puzzle.

Certain caveats need to be noted. Firstly, the GEM dataset used in this research encompassed 55 countries, while data on all six cultural dimensions were available only for 39 countries. Thus, data are missing for a number of countries, especially for the factor-driven

economies. Secondly, correlation analysis explores only linear relationships. Thirdly, the relationships between cultural dimensions and social entrepreneurial activity that hold across nations may not exist at the individual level. Fourthly, several concerns have been raised regarding Hofstede's approach to culture, including survey-based quantitative methodology, the sampling process used, and the conceptualisation of individualism and collectivism as polar opposites (Søndergaard, 1994; Tiessen, 1997; Triandis, 1982). Also, the usage of country as a proxy variable for culture, based on the relative country scores, is quite limiting because such a practice might ignore the within-country differences in cultural values among particular subcultures in that country (Hofstede & Hofstede, 2005; Thornton et al., 2011). Thus, further research investigating the association between culture and social entrepreneurship should develop new approaches that would address these issues.

Since the level of economic development cannot explain the level of social entrepreneurship activity (Lepoutre et al., 2011), this paper contributes to the examination of cultural influences on social entrepreneurship by corroborating the existence of negative relationships between social entrepreneurial activity on one side, and both the national level of power distance and the national level of masculinity on the other.

However, the paper clearly shows that culture is not sufficient to explain the national differences in social entrepreneurship rates. According to Hofstede's indicators, the cultures of Saudi Arabia and the United Arab Emirates are very similar. However, they have extremely different SEA rates; this confirms that cultural dimensions simply do not provide sufficient explanation for the development of social entrepreneurship. The two mentioned countries are actually an interesting example of similar cultures that exist in disparate infrastructural and social contexts. For example, in 2009 (the year when SEA rates were measured), the number of internet users per 100 people was almost twice as high in the United Arab Emirates (64) as in Saudi Arabia (38) (The World Bank, 2015a). Further on, in the same year, female labour force participation (the proportion of economically active population aged 15–64) amounted to 45% in the United Arab Emirates and was 2.5 times greater than in Saudi Arabia, where it amounted to 18% (The World Bank, 2015b). The reason why these two indicators are brought up is their potential to provide an explanation for the lower SEA rates in Saudi Arabia.

Firstly, technology can empower social entrepreneurship initiatives by cultivating digital citizenship, creating decentralised knowledge networks, enabling new capabilities and creating business value (Ashoka, 2014). I.C.T. enables crowdfunding, e-volunteering, apps for people with disabilities, easier dialogue with stakeholders, the development of networks of people with similar issues and challenges, and it can also be used as a key tool for promoting transparency (Fraczkiewicz-Wronka & Wronka-Pospiech, 2014).

Secondly, the position of women in a given society could be an important driving force for the development of social entrepreneurship. Unlike commercial entrepreneurship, in which the proportion of any country's adult female population that participates in entrepreneurship is much lower compared with the proportion of adult males who do so (Hindle, Klyver, & Jennings, 2009), when it comes to social entrepreneurship, there are countries where women are more likely to start a social venture than men (Malaysia, Lebanon, Russia, Israel, Iceland and Argentina) (Terjesen et al., 2009). At the global level, the SEA gender gap is not as high as the TEA (commercial entrepreneurship early-stage activity) gender gap (Terjesen et al., 2009).

Since the world is by no means homogenous, other contextual elements besides cultural dimensions surely have great influence on social entrepreneurship development. The paper shows that the combination of culture and economic development is much more informative in comparison with only taking into consideration the level of economic development. Further research should look into the combined influences of cultural, economic, political, social and institutional factors on social entrepreneurial activity. A more concrete possible avenue for further research is testing the importance of technological development and female labour participation as forces behind social entrepreneurship development.

Note

1. Countries in the 2009 GEM study include: factor-driven economies - Algeria*, Guatemala*, Jamaica*, Lebanon*, Morocco, Saudi Arabia*, Syria*, Kingdom of Tonga, Uganda, Venezuela*, West Bank and Gaza Strip, Yemen; efficiency-driven economies - Argentina, Bosnia and Herzegovina, Brazil, Chile*, China, Colombia, Croatia*, Dominican Republic, Ecuador, Hungary*, Iran, Jordan, Latvia*, Malaysia, Panama, Peru, Romania*, Russia*, Serbia, South Africa, Tunisia, Uruguay*; innovation-driven economies - Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Israel, Italy, Japan, Republic of Korea, Netherlands, Norway, Slovenia, Spain, Switzerland, United Kingdom, United Arab Emirates, United States. *Country in transition to more advanced stage.

Disclosure statement

No potential conflict of interest was reported by the authors.

Funding

This work was supported by the Slovenian Research Agency [research core funding No P5-0027]; the University of Zagreb.

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