

Cultural Factors Fostering Entrepreneurial Opportunities And Growth In India

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Abstract

Society and the cultural back ground of an individual play a very important role in the journey of an entrepreneur and his entrepreneurship. The society and the economic growth of the country grow parallel with the growth of an entrepreneur and his venture accordingly. For an entrepreneur and the behaviour of an entrepreneur, the level of educational qualification is very important and along with this there is a very significant role which is played by the friends, family, and the peer group. These socio cultural factors give them the moral and financial support which is the back bone for an individual and his new venture as well and with this support he or she takes the risk and implement new ideas in the business. For the development of any country or the region, entrepreneurship is a dynamic process which is now becoming a centre priority for socio economic development as well.

Keywords: Entrepreneurship, Entrepreneurs, Social factors, Cultural Factors, Entrepreneurial opportunities, Entrepreneurial growth.

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Introduction

An entrepreneur is an individual who is willing to take the risks and find the opportunities from the problem; in general he or she is a pool of job emplacement for others that live in the same society. The entrepreneurship is considered to an engine that leads the country towards its economic development. The process of entrepreneurship is always started with the development of entrepreneurial intentions. The support of the cultural factors can be considered as a reason for the social justice and due to this the career of an entrepreneur is now becoming very valuable. It is now recognized by the society and the culture and this has created a favourable institutional environment for the entrepreneurs (Jaén et al., 2015). It is suggested by the literature that the decision of creating a new business is highly influenced by the

formation of different cultural values in the society. The society and the organization is made up of the people that are originated with different cultural backgrounds and these cultural factors are responsible for their "attitude, values, abilities, philosophies, and performances" directly or indirectly. The individual that lives in the society is highly influenced by the societal norms and therefore it is very important for an entrepreneur to understand the societal environment where he or she wants to operate the business to survive. The socio cultural factors build up the societal structure and they play a crucial in the entrepreneurship of an individual. The behaviour of an individual, their values, belief systems, general attitude to work and their roles in organization is affected and also influenced by these cultural factors. The finding of Edelman et al. (2016) indicates that there is positive link with the family's social capital and the range of the initial activities of

an entrepreneur and there is a negative relation between the financial capital of the family and the scope of the initial activities of an entrepreneur. The effectiveness of the family's social capital is enhanced by the family coordination in the initial activities. Collectivise of an individual can be shaped in the society with the help of the cultural support and by its behaviour.

The cultural factors are the source of specialty in any business enterprise as it provides assistance and helps to deal with issues that an entrepreneur deals with on the daily basis. All the "elements," "situations," and the "effects" of the social cultural environment shapes the personality of an individual and also there is a potential influence of these factors on the "attitude, behavior, judgment, and actions" of that individual. The elements of socio cultural environment includes "beliefs, values, behaviours, habits, behaviours, and lifestyle of persons developed from cultural, religious, educational and social conditioning," the pattern of the behaviour of an individual leads him to a different cultural value and some of them influence him in such a way that he decides to create a new business. The cultural and social system affects the development of "entrepreneurial spirit" and the motivation by the "exhibiting values" that can improve or reduce the entrepreneurship drive and also the behaviour of the entrepreneurs. **Shirokova et al. (2015)** have studied two environmental features by which the

intention behaviour linked in student's entrepreneurship can be affected. These two features are "University entrepreneurial environment and perceived level of uncertainty avoidance in the society." The goal of an enterprise lies in its foundation and its entrepreneurial processes but there are evidences that show that the intention of an entrepreneur finally takes the shape of real behaviour by staring and operating a new venture. The intention of an entrepreneur is not affected by the factors of taking the risks because taking the risks is an important step in the entrepreneurship. The students are not provided will all the resources that are essential to become an entrepreneur and therefore their ability to take the risk will not lead them to become an entrepreneur (**Wei-Loo, 2016**).

It was studied by **Barik, Vanparia & Barik**

(2017) in their study that entrepreneurship of an entrepreneur is helping him to generate wealth and also form the capital in the country. Ultimately he or she is contributing to the economic and financial growth of the country. The culture and its norms, its values and helping the entrepreneurs to take the risks in direct or indirect form and it is also supports them to implement new ideas and thoughts in their business. It is also seen that there is an important part of the family that allows the individual to select the entrepreneurship as a career in his life. The moral and financial support from the family and the friends is very helpful in supporting the entrepreneur for its budding process. The friends and peer are the supporting backbone of an entrepreneur to go ahead with his or her decision to become an entrepreneur. The "skill, knowledge, training, experience, and contacts" of the friends and family are helping the entrepreneurs to grow in their business.

Unemployment is considered to be one of the most important and strong reasons behind a person to decide to become an entrepreneur and behind this process there is an important and significant role that is played by the societal culture and the family. Social networking is also a key factor behind the success of an entrepreneur and his entrepreneurship. When the person is connected with a network, he became more competitive and come across with more and more information, he is provided with number of resources that is very helpful for an entrepreneur and his business growth. The studies also revealed that "caste and religion" are also important factors that influence the Indian system and also the entrepreneurs as well. It is seen that the Indian systems are highly influenced by social and cultural factors like caste and religion like Brahmins and Vaishyas are traditionally in the field of trade and commerce and hence are seems to perfect for Indian entrepreneurship and in the same way the Jains and the Marvadis are there in the entrepreneurial activities from the ancient times. Therefore it is believed that cultural values are an important part of the economic development of an

individual and the country as well. The innovative power, the pro activeness aspects of an individual are all influenced by the cultural factors of the society.

Review of Literature

Bhoganadam & Rao (2015) studied that historically the growth of Indian entrepreneurs has a positive association with the economic development of the nation. In the same reference, most of the researchers focused on economic factors of Indian entrepreneurship, but there were very few of them who focused on socio-economic factors mainly the socio-cultural factors of entrepreneurship. It is noticed that Indian entrepreneurship might be influenced by caste, religion, culture, education, background of family, social networks, beliefs, as well as values. Generally, an entrepreneurship is cultivated as a process, which transforms a business opportunity into a wealth creating activity with the resources that are available, which involves creativity and innovation. The activities that are involved in entrepreneurship are building an organization, risk-taking activity, mobilization of resources, innovation, etc. Entrepreneurship assists economic development in different ways like generation of employment, innovation, fair regional development, risk bearer, it helps in increasing national income, it reduces concentration of economic power and improve living standard. There is a positive connection between the economic growth and the entrepreneurship in terms of theory as well as practical. Entrepreneurship in present era is an emerging technology. There are different dimensions of entrepreneurship on which lot of researches are going on, such as economical, technical, sociological etc. as they play an important part in the economic development of the country as well as generation of employment. However, with reference to the socio-cultural dimension of entrepreneurship very little researches has been conducted until now mainly in developing nations. Literature review thoroughly leads to the examination of six socio-cultural elements that are affecting entrepreneurship that are background of the family, caste and religion, education, social networks as well as social background. A conceptual model has been developed through empirically identified socio-cultural factors and theories that were relevant to entrepreneurship. Five factors were identified from previous studies that were mostly influential on entrepreneurship; those were background of family, caste & religion, social networks and education. Social as well as cultural factors of entrepreneurship were

included in these five factors of. Social networks, family background, and education come under social environmental factors and on the other hand, caste & religion comes under cultural environmental factors. Entrepreneurship was

influenced in a considerable way in every stage of entrepreneurship by these factors. In order to deal with the aspect of innovation, cultural level social status of individual was important.

Kumar (2014) identified social values, education, religion, family politics, economic status, and cultural values as socio-cultural elements of entrepreneurship. Generally, they are the real facts that these affect the lifestyle, norms, beliefs, values, attitude, as well as the personality of an individual. Majority of sociologists confirmed that an Indian entrepreneurship is affected by these socio-cultural factors.

Pauceanu et al. (2018) revealed that majority of universities focus their curriculum on encouraging and educating their students with reference to the entrepreneurial skills and try to develop the study programmes dedicated to improve the entrepreneurial skills and to build confidence in students. In addition to this, the age as well as the self-employment of their parents was also used to influence these factors. There are four elements, which were identified as a base for students to motivate them to start their own business; the four factors were entrepreneurial confidence, entrepreneurial orientation, university support for entrepreneurship, and cultural support for entrepreneurship. It is surprising that the only elements, which was considerably correlated with the goal of starting a business is the confidence of an entrepreneur.

Sabuhilaki (2016) concluded that as the competition is increasing every day in the society; most of such competitions are tending towards the investments as well as the resources. Human Resource Management is one the important investment. Fortunately, for the benefit of young population of Iran there are numerous investments related to humans, which will surely involve guidance and programming to enable as well as attracting them in the cultural, economic, political, and social structure of the nation. Entrepreneurship assists in the reduction of unemployment; it increases

efficiency of people as well as resources and ultimately increases the revenue of society. Entrepreneurship is an effective method to increase revenues and employment opportunities, but it is not the only way to do so. As per the research done, it is found that there are various factors that influence entrepreneurship, they are experience, education, age, population, social dignity, social position, community relations, consciousness and information.

Sharma & Singh (2015) explained that the functioning of any business is very much influenced by the culture of the society and the social structure of the society. Every society has its culture that includes some customs, attitude, values, beliefs, habits, language, and

some type of interaction among the society members. Any types of business need to develop full understanding of socio-economic philosophy of the society before entering into the markets with its products and services. Without social harmony and without having understanding of the effects of demographic changes in the nation, a business cannot survive in this era of globalization. A business organization must work for the benefit of the society and to maintain the balance between a country and its ecosystem by make proper usage of scarce resources for its economic development as well as understand the social as well as cultural elements for good future of their business.

Yun et al. (2020) found that in its different forms, a culture is always been a critical drivers if innovation. There is a need to understand the culture as it can control the complexity of open innovations. The outcome of interaction between the entrepreneurship and organizational entrepreneurship is the dynamics of open innovation. The culture of open innovation dynamics is necessary in the recognition of true open innovation in public organizations, as they have to fight with the cultural, legal, and institutional hindrances. Strict regulations and vast administrative procedures in public sector might stop them to from promoting different collaborations with external organization.

Adiza, Alamina & Aliyu (2020) found that the rising contribution of female entrepreneurial activities aimed for the growth as well as development of the nation and it cannot be

ignored even after numerous challenges faced by them due to cultural practices. This research was conducted to find out how socio-cultural elements are influencing the performances of female entrepreneurs. To obtain the data of female entrepreneurs, a cross-sectional survey was designed. The result of the survey shows that the socio-cultural dimension affects the performances of female entrepreneurs at different degrees. Therefore, it can be concluded that, as a person do not live in vacuum, but in fact in a social context, there is a propensity of cultural elements that can influence the behaviour of females towards their business ventures, as these are the burning desires to gain self-recognition as well as social mobility.

Mbiti et al. (2015) studied that a significant affect has been made on the social as well as economic development of various countries all over the world by the involvement of women entrepreneurial activities into new business developments. Inedible marks have been made in the history by innovative ideas of women about how in a best way a business can be owned and run. It is proved that an engagement of women in entrepreneurial activities of small and micro level enterprises has made a considerable contribution in the economic sustainability of

economy in terms of employment opportunities and reduction of unemployment as well as reducing the poverty. For the sake of income sources as well as household responsibilities, a woman takes part and searches to get involved into business activities, and chooses the income generating activities, which are less logical on the value chain and are manageable from home. Consequently, this has provided to poor earnings for woman entrepreneurial activities. Few researchers of developing countries have credited such results to the influence of socio-cultural elements.

Kabote (2018) explained that the behaviour with reference to entrepreneurial activities in context of risk taking, fear due to lack of confidence, etc. believe that the social system along with the culture influence the development of entrepreneurial spirit and encouragement by showing the evidence of values that either improve or hold back the entrepreneurship behaviour and drive. In order to overcome these cultural excesses and win the game, women must play second fiddle in their

mission. Women must improve their education that will help them required knowledge and understanding to challenge and face some of the cultural activities that are interrupting on their right. Social capital refers to the network of relationship of people who are living and working in some particular society and making that society to function properly. In order to assist young entrepreneurs, parents often use their contact and connections. Transformation and inventions are two basic things that an entrepreneur must keep in their mind, as it is a type of movement, that influences the behaviour of a person and in turn influence the capability of an entrepreneur to achieve their goals.

Oshi, Ule & Ogah (2017) concluded that the procedure of developing new ideas, which will possibly improve goods and services and will make organization to sustain in competitive world, is innovation. Solemn efforts needs to be taken by woman entrepreneurs in cultural context to accept the risks involved in doing a business. In the mentioned state, woman entrepreneurs must change their attitude with reference to material gains and wealth acquisition; they must change their attitude towards risk taking tendency because these are some of the elements, which will motivate entrepreneurial behaviour towards their performance. The outcome of the research shows that the family member and background of the family, gender, as well as age group are some of the factors that influence the entrepreneurship.

Conclusion

In the world of modern business, the welfare of the business concern is highly influenced by the social forces for the long run. The nature of goods and the services that are there in demand changes according to the habits and customs of the people of the society. In the recent past year, there is an increase in the household and other goods are seen and this is due to the increase in population. It is seen that business operations are strongly influenced by these changes that occurs in socio economic environment from time to time. There are so many social factors that influence the entrepreneurial opportunities in India such as “cultural implications, the gender and connected demographics, the social lifestyles, the domestic structures.” In India, the performance of a female entrepreneur is predicted by the socio cultural factors and is

seen that these cultural activities have no respect for a female entrepreneur and her entrepreneurship. There are so many cultural changes that are occurred in recent decades that had ultimately increased the environment friendly initiatives like “green entrepreneurship.” There are certain countries are not able to develop such environmental initiatives but at the same time there are some countries that are “transitioning and advancing” towards this new trend and making efforts to become an ecological friendly society.

The back ground of the family helps in creating an entrepreneur because it shows that “how the family members take part in supporting, giving information, providing resources like financial, social, informational, technical, networking etc.” It is seen that the members of the family are playing important role in imparting values, norms, traditions in the society. It helps to identify the “role models, enlarging social networks, encouraging ideas, etc.” For the entrepreneurs and the entrepreneurship, social networking is very important as it helps in gathering the information; it also provides access, advices, and support from all over the world. Information in relation to the generation of modern market, latest products, and new combinations are all provided by the social network. The networking capacity of an entrepreneur is enlarged as these networks provide the access to other social networking sites. The studies also found that the caste related activities of the entrepreneurs are deals with the castes and it influences the business of the entrepreneurs. It is found that there are certain castes that are very supportive and encourage the entrepreneurial activities but at the same time there are some castes that refuse to support and accept the entrepreneurial activities of an entrepreneur and along with this there are religions that also influence the entrepreneurial activities on the basis of their morals, values, beliefs etc.

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