The Influence of Collectivism on the Entrepreneurial Intentions Among Entrepreneurship Students

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The phenomenon called entrepreneurship is defined by Kuratko and Hodgetts (2004) as “a dynamic process of vision, change, and creation. It requires an application of energy and passion towards the creation and implementation of new ideas and creative solutions………” (as cited in Kuratko, 2005, p. 578). This phenomenon has been investigated and analyzed in the extant literature using economic perspective (Eliasson & Henrekson, 2003). Other entrepreneurship studies implicate psychology (Bird, 1988; Baron, 1998).

At the center of this phenomenon is the entrepreneur who is a person with strong entrepreneurial intention driving him or her to discover and exploit business opportunities including the gathering and organizing resources, geared toward the establishment of an organization whose aim is to create new products or services (Shane, 2003). This individual may be driven into entrepreneurship by several factors such as retrenchment, serendipity, opportunity, education and training, favorable attitude toward business, family business, prior knowledge, hobby, culture, innate personal attributes, government regulations, and many others (Shapero & Sokol, 1982; Matthews & Moser, 1996; Drennan, Kennedy, & Renfrow, 2005).

The Philippines, just like the other countries in Asia and the Western hemisphere, recognizes the importance of entrepreneurship in contributing to the socio-economic progress of its citizens. The societal impacts of entrepreneurship include job and wealth creation, improvement of the quality of life, as well as the creation of new products and services (Carree & Thurik, 2002; Chiu & Cabanda, 2005).

The belief that entrepreneurship contributes to the socio-economic progress of a country and policy directions spurred the demand for entrepreneurship education. The offering of the entrepreneurship program to people around the world, including Filipinos, is with a strong belief that entrepreneurship can be taught. Kuratko (2005) reported a dramatic uprend in entrepreneurship course offerings in the U.S. from a few hundred in the 1970s to more than 1,600 in 2005.

The expansion of entrepreneurship education in the U.S. was shadowed by the phenomenal increase in enrollment in the entrepreneurship program in Philippine schools. The baccalaureate entrepreneurship program was launched in 2005 as mandated in the Commission on Higher Education through memorandum circular CMO 17 series of 2005 (CHED, 2005). Five years after the program was launched, the number of enrollees more than doubled from 8,000 in 2006 to more than 17,000 in 2010 across 170 universities and colleges all over the country (A. Dilidili, personal communication, February 2012).

The proposed framework of Shane and Venkataraman (2000) for entrepreneurship research focused on the actor (entrepreneur) as well as opportunity discovery, evaluation, and exploitation. This framework follows the entrepreneurial process
involved in the formation of new organizations taking into consideration the environment and personal factors (Shane, 2003; Gartner, 1985) as well as intention (Bird, 1989; Krueger, Reilly, & Carsrud, 2000) among others.

Many studies with an emphasis on entrepreneurial behavior involved the theory of planned behavior (Ajzen, 1991). The development of the theory of planned behavior (TPB) enabled researchers in investigating the entrepreneurship phenomenon more thoroughly. Ajzen (1991) developed the TPB from the initial theory of reasoned action, which was jointly developed by Ajzen and Fishbein (1980). This attitude-behavior framework was used by Kolvereid (1996), Krueger et al. (2000), Engle et al. (2010), and many others in the study of entrepreneurship. The studies of Fayolle, Gailly, and Lassas-Clerc (2006) and Silapan and Dedamo (2012) demonstrated the usefulness of TPB in linking entrepreneurship and entrepreneurship education. In these earlier studies, education and prior experience, among others, were shown to influence entrepreneurial intention. The argument is that strong entrepreneurial intention leads to the enactment of entrepreneurial behavior. These studies underline the importance of education in enhancing intention among potential entrepreneurs like students taking the BS entrepreneurship program.

According to Hofstede (2001), culture is the “collective programming of the mind…..manifests itself not only in values, but in more superficial ways: in symbols, heroes, and rituals” (p. 1). In his studies, Hofstede (1980, 2001) proposed cultural value dimensions like individualism/collectivism, power distance, uncertainty avoidance, and masculinity/femininity prevalent in management studies.

The individualism/collectivism cultural value dimension of Hofstede (1980) had been linked to entrepreneurship in a number of studies (Hayton, George, & Zahra, 2002). The importance of collectivism has something to do with its influence on the subjective norm, which is a component of TPB used as the theoretical framework in the study. The relationship between collectivism and subjective norm informs how educators could formulate effective ways of encouraging the pursuit of entrepreneurship among students to become entrepreneurs.

The results of this study may be used by educators as a gauge of the students’ progress in the program in terms of the strength of their intention in establishing a business venture after finishing college. The study may also serve as a guide for future studies related to culture and entrepreneurship.

This study examined the entrepreneurial intentions of potential entrepreneurs and the effect of collectivism on the subjective norm-entrepreneurial intention relationship. The following were the study objectives: (a) to present the demographic profile of the respondents; (b) to describe the respondents’ attitude, subjective norm, and perceived behavioral associated in creating one’s own business enterprise; (c) to determine the degree of relationship between entrepreneurial intention and attitude, subjective norm, and perceived behavioral control; and (d) to determine the degree of moderating effect of collectivism on the relationship between subjective norm and entrepreneurial intention.

**Literature Review**

This study draws from the individual-opportunity nexus study of Shane (2003) and Gartner’s (1985) study involving the environment as one of the determinants of entrepreneurship. This study is also informed by extant literature on the intentionality of the behavior (Krueger et al., 2000; Bird, 1988; Ajzen, 1991).

The environment may involve tangible and intangible factors, as well as formal and informal institutions (North, 2005). The focus of the present study is on the intangible and informal aspect of the environment, such as norms of behavior, codes of conduct, culture, among others. The cultural aspect is represented by collectivism, which is one of the five cultural value dimensions of Hofstede’s (2001, 1980) research. Instead of using it to map out culture at the country level, a scale at the individual level was used for the present study.

Collectivism is a cultural value orientation where group members are bound and mutually obligated (that is, related to the self-construal of interdependence), and where members give priority to the in-group goals over personal goals (Van Hooft & De Jong, 2009). Collectivism is conceptualized in the study as a moderator of the relationship between subjective norm and entrepreneurial intention based on the studies of Van Hooft and De Jong (2009), Fischer et al. (2009), Urban (2004), and Hayton et al. (2002).

It is assumed that persons who are collectivists or socially-oriented pay closer attention to social pressure (subjective norm) compared to individualists or self-oriented persons (Fischer et al., 2009). Moreover, Van
Hooft and De Jong (2009) posited that collectivism moderates positively the relationship between subjective norm and intention “such that it is stronger (weaker) under conditions of high (low) collectivism” (p. 299).

TPB is one of the frameworks used in understanding human behavior. The theory can be gleaned in marketing books where its use can be found in the study of consumer behavior. The use of TPB has its beginnings in the theory of reasoned action of Ajzen and Fishbein (1980) in which behavioral intention was explained by the subjective norm and attitude toward the behavior. Its early application was in the study of smoking, cheating, use of condoms, and similar volitional behaviors. The limitations of this early model spurred the addition of perceived behavioral control by Ajzen (1991) in the TPB, allowing it to accommodate more complex and planned behaviors.

Attitude toward the behavior pertains to an individual’s evaluation of the degree of attractiveness of a particular behavior (Ajzen, 2005) like smoking, exercising, cheating, or even starting a new business venture. In this study, the attitude pertains to one’s evaluation of the attractiveness of starting a new venture/business. Subjective norm (SN) is the perceived social pressure from significant persons that influence one’s intention to enact a certain behavior (Ajzen, 2005). In the context of this study, SN refers to the approval or disapproval of significant others (i.e., social pressure) on one’s intention to start a new business.

According to Ajzen (2005), the perceived facility or difficulty of enacting a specific behavior is called perceived behavioral control (PBC). In this study, PBC pertains to the perception of one’s ability, confidence, and control over the business venture startup process. Behavioral intention, in general, refers to a person’s conscious plan and commitment to perform a particular behavior. In this study, the behavioral intention is operationalized as an entrepreneurial intention, which is a measure of the extent of how much effort and how much time is devoted to start a new business. The behavior referred to in this study pertains to starting one’s own business.

Using TPB (Ajzen, 1991) as this study’s theoretical framework, it is argued that the stronger the attitude, subjective norm, and perceived behavioral control, the stronger the behavioral intention. A strong intention, in turn, predicts the intended behavior.

The independent variables of the study are the attitude toward entrepreneurship (ATE), SN, and PBC. These variables are considered motivational factors and are also called exogenous variables. These variables are posited as predictors of entrepreneurial intention (EI), which is the study’s dependent variable or endogenous variable. Kolvereid (1996), Krueger (1993), and Fayolle et al. (2006) used a similar framework in their study of undergraduate students’ intention to start a business.

The study’s conceptual framework identifies entrepreneurship or the creation of a new enterprise as the behavior of interest. It is proposed that a strong entrepreneurial intention will result if there is a strong attitude toward starting a new business as well as a strong subjective norm and perceived behavioral control. It is also argued in the study that the strength and direction of the relationship between subjective norm and entrepreneurial intention is dependent on the values of collectivism. Thus, the more collectivist is one’s value orientation, the stronger the effect of subjective norm on entrepreneurial intention. The conceptual framework that captures the arguments of the study is shown in Figure 1.

![Figure 1. Conceptual framework.](image-url)
Methods

Research Design
This study used the descriptive-explanatory cross-sectional research design (Saunders, Lewis, & Thornhill, 2009). The cross-sectional design captures the kind and level of entrepreneurship among BS Entrepreneurship students. The descriptive portion of the study presented the profile of the respondents described the levels of the study variables. The explanatory portion determined the relationship between the posited predictors and dependent variables (Edralin, 2000) as well as the moderating effect of collectivism on the SN-EI relationship.

Population and Respondents
The respondents of the study were the incoming fourth-year students from three universities in Central Visayas (Region VII) enrolled in the entrepreneurship program. Three schools out of the seven universities in the region offering the entrepreneurship program were chosen for the study. Due to the limited number of students taking entrepreneurship, complete enumeration was conducted. The total sample was composed of 173 students; however, the final sample was reduced to 161 due to missing values in the categorical variables. The missing values in continuous variables were replaced using mean substitution as they represented only less than 10% of data values (Hair, Black, Babin, Anderson, & Tatham, 2006).

Measurement and Instrumentation
The measures used for the study were adopted from the studies of Liñan and Chen (2009), Van Hoof and De Jong (2009), and Walter and Dohse (2009). These measures were pre-validated by their creators but were validated again using respondents in the local setting. The reliability values of the measure were above the threshold of 0.70 (Nunally & Bernstein, 1994). The convergent and discriminant validity of the measures stood within acceptable ranges. The composite reliability was above 0.7 indicative of a reasonable convergent validity (Henseler, Ringle, & Sinkovics, 2009). Discriminant validity was supported by high values of the square root of the average variance explained (AVE) compared to the off-diagonal correlations among the variables (Chin, 1998).

In this study, there were four variables in the theory of planned behavior and one variable related to culture (i.e., collectivism). The addition of collectivism is an attempt to expand the TPB. A 7-point rating scale was used in the study with 1 representing one end of the scale (strongly disagree) and 7 representing the other end of the scale (strongly agree). Each variable had at least three questions or indicator variables.

Data Analysis
The study used descriptive statistics (e.g., mean, standard deviation) to describe the profile of the respondents. The analysis of relationships involving exogenous and endogenous variables warranted the use of structural equation modeling using partial least squares (SEM-PLS). Due to slight violations of the normal distribution, the SEM-PLS technique was deemed the most appropriate data analytic tool for the study (Wold, 1982; Chin, 1998).

Limitations of the Study
Although the minimum number of questions or indicator variables for every variable was met (i.e., two) as in many prior studies in the extant literature, there is a need to raise this to at least six to achieve a very high level of consistency. The sample size of 161 is fairly adequate and is even bigger than in previous studies. However, raising it to more than 200 would prove to produce more stable and consistent results. The results of the study may be generalized to the population of entrepreneurship students in Central Visayas (Region VII). The subjective norm measure is limited, as it did not incorporate the motivation to comply with social pressure. The measurement of culture lacks the individualism dimension, which was implicated in many studies in entrepreneurship. This study focused only on collectivism as this cultural value dimension is more reflective of the cultural values of Filipinos.

Results
There were 173 participants in all, but this number was reduced to 161 due to missing values of categorical variables. These respondents, whose mean age was 20.23 years old, came from three universities in Region VII, namely, Silliman University (SU) in Dumaguete City, Negros Oriental, Bohol Island State University...
(BISU) in Tagbilaran City, Bohol, and University of San Carlos (USC) in Cebu City, Cebu. Sixty percent of the respondents were from USC, and 72% of the total sample were female students.

Antecedents of Intention, Entrepreneurial Intention, and Collectivism

Across the three universities, the students had very strong attitude ($M = 6.27$, $SD = 0.81$) and entrepreneurial intention ($M = 6.26$, $SD = 0.81$). Female students had significantly larger scores for EI ($M_{\text{women}} = 6.34$, $SD_{\text{women}} = 0.80$) than male students ($M_{\text{men}} = 6.03$, $SD_{\text{men}} = 0.83$). This suggests that female students displayed more interest and favorable outlook in setting up a business sometime in the future than male students. The practical implication of the finding is the need to formulate strategies that can sustain a high level of entrepreneurial attitude and intention among female students as well as strategies to boost the attitude of the male students.

Compared to male students ($M = 5.35$, $SD = 1.33$), female students ($M = 6.14$, $SD = 0.88$) also paid more attention to what significant persons say about their plan to start a new business (i.e., subjective norm). This suggests that female students have a greater tendency to be influenced to start a new business.

The composite overall mean score for PBC was 4.98 ($SD = 0.93$). This mean PBC level is considered moderately strong but lower than the mean EI levels ($M = 6.26$, $SD = 0.81$). This implies that although there is a strong intention among students to create a new business in the future, the respondents are not that confident of their entrepreneurial abilities. In fact, personal interviews revealed a wide range of perceived confidence, which ranged from 60% to 100%. This suggests that some students, despite high intention and strong attitude, do not think that they are completely ready to start a business. This implies a need for an in-depth study to determine the link between the experiential activities and other factors in the learning environment with the achievement of pre-set entrepreneurial goals. These goals may not necessarily mean the actual setting up of a business immediately after graduation.

The extent to which the respondents prefer or give priority to group goals over personal goals (i.e., indicative of the cultural value dimension—collectivism) was strong ($M = 5.58$, $SD = 1.23$). The

![Figure 2. Path diagram of motivational factors and collectivism.](image-url)
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The present study used a different scale and measured culture at the individual level instead of measuring it at the country level as what Hofstede (2001) did. In spite of this approach, the result was still fairly consistent with the findings of Hofstede (2001), which classified Filipinos as having a collectivist value orientation. A re-mapping of the cultural value orientation of Filipinos is in order considering that the last mapping was conducted 16 years ago by Acuña and Rodriguez (1996). It is also important to administer a separate scale to determine the level of individualism of the respondents.

Relationship of Motivational Factors and Entrepreneurial Intention

Among the three antecedents of intention, only the attitude toward entrepreneurship is significantly positively related to entrepreneurial intention. A strong evidence is the large beta coefficient for the ATE-EI path (\(\beta = 0.68, p < 0.01\)). The other main predictors (PBC and SN) have positive beta coefficients but non-significant effects on EI. The three predictors in the model, including the moderator and the interaction term (SN*COL), explain 54.8% of the variance of EI as portrayed in Figure 2. This finding partly supports the theory of planned behavior TPB.

Collectivism as a Moderating Variable

The moderator variable (collectivism) shown in Figure 2 has weak direct effect on EI (\(\beta = 0.03, p = 0.60\)). Likewise, the interaction term (SN*COL) does not have a significant effect on EI (\(\beta = -0.05, p = 0.56\)), indicating that collectivism does not moderate the subjective norm and entrepreneurial intention relationship. Refer to Table 1 for the statistics.

The findings of the present study are not consistent with the findings of Van Hooft and De Jong (2009) where “people low on collectivism were more strongly motivated by their personal attitudes about job seeking and less by perceptions of social pressure than people high on collectivism” (p. 295). Perhaps the extent to which the respondents value group goals over personal goals was not high enough to influence the effect of SN on EI. In fact, the supplementary mean comparison test (t-test and Kruskal-Wallis) showed marginally significant (\(p = 0.05\)) difference in subjective norm \(M_{low \, COL} = 5.00\) versus \(M_{high \, COL} = 5.97\) between those with low \((M = 3.13, SD = 5.85)\) and high levels \((M = 5.85, SD = 0.91)\) of collectivism. A bivariate correlation analysis (using Spearman Rho) between collectivism and subjective norm revealed a weak but significant positive relationship \((r = 0.18, p < 0.05)\). This indicates that when the degree of collectivism is high, there is a stronger tendency to be influenced by the opinion of significant others (i.e., subjective norm).

Conclusions

The findings show that there were more women \((n = 116)\) takers of the entrepreneurship program than men \((n = 45)\). This finding supports the Global Entrepreneurship Monitor study of Madarang and Habito (2007) of the predominance of Filipino women in entrepreneurship. They found out that 69% of new business owners were women (Madarang & Habito, 2007).

The entrepreneurship students in Central Visayas (Region VII) have a strong favorable attitude toward starting a new business and strong intention to enact the said entrepreneurial behavior. Following the logic

<table>
<thead>
<tr>
<th>Path</th>
<th>Beta Coefficient</th>
<th>S E</th>
<th>t-statistics</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATE → E I</td>
<td>0.68</td>
<td>0.07</td>
<td>9.38</td>
<td>&lt;0.01</td>
</tr>
<tr>
<td>COL → E I</td>
<td>0.03</td>
<td>0.06</td>
<td>0.52</td>
<td>0.60</td>
</tr>
<tr>
<td>PBC → E I</td>
<td>0.05</td>
<td>0.06</td>
<td>0.85</td>
<td>0.40</td>
</tr>
<tr>
<td>S N → E I</td>
<td>0.00</td>
<td>0.07</td>
<td>0.04</td>
<td>0.97</td>
</tr>
<tr>
<td>S N * COL → E I</td>
<td>-0.05</td>
<td>0.09</td>
<td>0.59</td>
<td>0.56</td>
</tr>
</tbody>
</table>
of TPB, the predictive efficacy of intention provides a glimpse of what is expected in the future. The strong intention to start a new business could serve as an early indication of a possible increase in entrepreneurial activity or behavior (i.e., business start-ups) in the region in the near future.

The study also showed that attitude toward starting a new business has a considerable positive effect on the intention to start a new business. This indicates that the more favorable the evaluation of starting one’s own business is, the greater the extent to which one exerts effort and devotes time to enact it in the future. This finding partly supports TPB because the attitude toward entrepreneurship was the only significant predictor of entrepreneurial intention.

Collectivism did not come out as a significant moderator of the relationship between subjective norm and entrepreneurial intention. Although the level of collectivism is strong, especially among women, it did not influence the direct effect of the subjective norm (whether positive or negative) on the intention to start a new venture. This may be explained by the findings of Acuña and Rodriguez (1996), where the value orientation of Filipinos has shifted somewhat from that of a collectivist to that of an individualist. Their study found a significant increase in the individualism index of Filipinos from 31 in 1980 (Hofstede, 1980) to 49.5 in 1996 (Acuña & Rodriguez, 1996).

**Implications**

The findings show that attitude toward the creation of a new enterprise strongly predicts the intention to create a new venture. This calls for educators to pay close attention to the development of a favorable attitude toward entrepreneurship as one of the foci of the educative process. More specifically, the focus may be trained on a curriculum that emphasizes a pleasant journey toward entrepreneurship and recollection of positive learning experiences by the learners. Although there may be negative aspects of entrepreneurship, its positive aspects should dominate the consciousness of the learners.

The non-significant effect of PBC and SN signals alert the educator to look deeper into how entrepreneurship education can build confidence and how it can enhance entrepreneurial competencies. The high subjective norm and entrepreneurial intention scores of female students call for action to understand in-depth this phenomenon. A clear course of action pertaining to the sustenance of their interest in entrepreneurship is a big challenge for educators. A bigger challenge is how to improve the attitude of male students toward starting a new business venture.

TPB as formulated by Ajzen (1991) allows some degree of expansion. Ajzen (1991) stated that any variable may be added to the model as long as its contribution to the sufficiency of the theory is significant over and above the existing three predictors. Thus, understanding entrepreneurship as a complex and planned behavior can be approached by considering other contextual factors (e.g., collectivism, passion, educational factors, and others) which may have an influence on the effect of the antecedents of entrepreneurial intention (i.e., attitude, subjective norm, and perceived behavioral control) to start a new business (Ajzen, 1991).

The failure to find a significant moderating effect of culture (i.e., collectivism) on the subjective norm–entrepreneurial intention link warrants a more comprehensive cultural mapping of the current cultural value orientation of Filipinos in general and entrepreneurship students (i.e., potential entrepreneurs) in particular. This must be done using the cultural value dimension of Hofstede (2001). The questions, however, must be reformulated to conform to studies focused at the individual level of analysis. A reformulation of the subjective norm variable can also be considered by incorporating the belief about the opinion of significant others with the respondents’ motivation to comply with the social pressure. The present study considered only the belief of the respondents regarding the opinion of significant others like parents, friends, and others. Future study should also consider if the respondents have the compulsion to comply to the wishes or suggestions of significant others.

The study can help direct the efforts in entrepreneurship education in fostering a strong positive attitude toward starting a new business and enhancing entrepreneurial ability—to bolster entrepreneurial intention among potential entrepreneurs. This study also provided a glimpse of entrepreneurial activity in the future for the region by way of high entrepreneurial intentions among students, which indicate strong tendencies of the enactment of new enterprise creation.
Acknowledgment

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Declaration of ownership

This report is our original work.

Conflict of interest

None.

Ethical clearance

The study was approved by the institution.

References


