

Cross cultural comparison of entrepreneurship essay



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Five thousand miles away, Burmese entrepreneurs like Ye Meat Min, the founder of Next, a tech startup for mobile development; Teeth Meat 00 with Rangoon Teahouse in the restaurant business; pot pot Sky for Manner Imperial college in education sector; and Jim and Debbie Taylor tit Proximity Designs, a social enterprise are setting up successful ventures in Manner. Entrepreneurship is one of the crucial elements in the economy and in business. In addition, relating the concept in different cultural contexts gives powerful insight and new connections.

The essay will conduct a cross-cultural examination of entrepreneurship in Manner and UK through Snigger's Bassoon Entrepreneurship Ecosystem Project and theoretical frameworks of Hall and Hefted. Entrepreneur is an agent of change that plans, manages, and bears the risk of a startup. Entrepreneurship is a process of initiating a new business through an efficient allocation of resources to generate profitable return (Hull and Bosses, 1980).

It is often regarded as one of the effective ways to facilitate a return on land, labor, and capital to promote national economic growth transition economies in developing nations such as Manner, Soviet Union countries, South Africa, Chile, Vietnam, and China (Urban, 2007). Likewise, it could be said that entrepreneurship also thrives in developed countries with stable market economy such as UK, EX. nations, US, Australia, and Canada (Urban, 2007). 5 2.

1 . Bassoon Entrepreneurship Ecosystem System

Professor of Bassoon College, Daniel Ginsberg (2012) proposes in Bassoon Entrepreneurship Ecosystem Project (BEEP) that startup environment are

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hyper local and usually city-based. It means each entrepreneurial outcome are the result of a different interaction of the 6 domains (policy, finance, culture, support systems, human capital, markets) as indicated by Figure 1 . Hence, each country has their own genetic code for entrepreneurship.

Such variations in a blueprint of a nation's entrepreneurship ecosystem are heavily influenced by a country's history and culture (Third and Discarded, 2010).

In order to carry out a better cultural comparison of entrepreneurship in UK and Manner, each nation's 6 startup scene will be examined in the context of BEEP framework before incorporating with the cross-cultural theories in the next section. 2. 1 . A. Entrepreneurship Ecosystem in KICK As a developed nation, entrepreneurship in UK is not a novel concept since it has been the hub for startups to launch their business because of its individualistic and achievement-orientated culture.

Moreover, the trade center, London makes it a accessible for startups to network, raise capital, and find support. Furthermore, the art and culture scene in UK provides an inspiration for creative ideas and innovation. Most of the entrepreneurs are highly recognized by the world in pop culture (Culture Label Agency, 2014). In the following section, key trends will be highlighted under each domains of BEEP for UK startup community. 1.

Policy Strong regulatory framework for patent law, R&D, and government financing to support entrepreneurship 2.

Finance Angel investors, venture capitalist, bank loans, and scrounging, are the most common approach 3. Support Systems - Many co-working spaces, incubator and accelerator programs such as Teacher and The Trampers 4. Human Capital Government invest in education as well as in training and development - Skilled and experienced workforce - Professionalism in the workplace due to presence of big corporations 5. Markets 7 Business models have to be redefined in a innovative way to gain an advantage in a competitive market.

Has many sub-cultures because consumers are mainly individualists 6.

Culture -UK has a rich cultural diversity through many nationals living in the country -Art and cultural entrepreneurship flourishes in UK Source: (Culture Label Agency, 2014) 2. 1 . B. Entrepreneurship Ecosystem in Manner Manner is regarded as a new frontier market with an economy in transition from centrally planned to market based .

After decades of isolation and authoritative rule, many of the markets are underdeveloped, providing a plethora of opportunities for businesses, including startups.

Hence, the entrepreneurship gain its momentum after the political and economic reforms in 2011 (McCarty, 2012). The majority of startups in Manner are not on the frontier of global innovation. They are usually bringing in successful business models internationally and localizing it to fit in the Manner market.

Generally, the entrepreneurs come from a higher socioeconomic class with adequate safety nets to be able to absorb failure. In addition, many Of the <https://assignbuster.com/cross-cultural-comparisonof-entreprenurship-essay/>

entrepreneurs are repatriates who have studied or worked abroad or foreign expatriates (McCarty, 2012). BEEP for Manner startup community. 1 .

Policy Weak regulatory framework for patent law, R&D, and government financing to support entrepreneurship 8 Self-financing along with raising capital from family and friends are the most common approach Insufficient incubator and accelerator programs, however, there are rising number of them like Ordered, Project Hub Yang and Divided in a recent year -Easy for networking due to high concentration of businesses in the region - Lack Of fast accessible internet has been the primary problem for tech startups Public education does not offer critical thinking and creative courses - Shortage of skilled and experienced workforce -Lack of professionalism in the workplace Plenty of opportunities In every sector of the economy to grow with simple retardation of business models from abroad without much innovation - Consumers have a pessimistic speculation of the market until 2015 -Products might be too advance for the consumers due to lack of exposure and wariness -Tech and mobile industry is growing rapidly 6.

Culture - Burmese people are very shy and reserved - Still reluctant to collaborate with international community - Strong family networks in Manner - Failure is viewed negatively (McCarty', 2012) (Steinberg, 2001) 9 Macaroni and Gerber (2010) identified culture as both tangible (cuisine, fashion, art, literature) and intangible (language, customs, beliefs, values) shaped by the experiential, historical, educational, political, social, and environmental contexts . Just like entrepreneurship ecosystem, different culture have distinct blueprints. While there are many elements that composed a culture, language is one of the important factors that forms relationship across

culture (Hall, 1976). 3. 1 Significance of languages across different culture engage is a form of verbal communication.

Language combined with non verbal communication builds connections in understanding cultural diversity.

Coteries Paramus , if there is a language variation, then there could be change in the perception, cognition, attitudes, values, and behaviors of the society, hence, changing the culture as a whole (Nickering, 2008). Such variations in verbal and nonverbal communication of the society determine whether it is a low or high-context culture. According to Edward T. Hall (1976), low context culture like UK values logic, facts, and directness and decisions are based on fact rather than intuition which exhibits a form of masculinity from Hypotheses cultural dimensions.

Discussions end with actions which corresponds to pragmatic end of the dimension.

Furthermore, communicators are expected to be straightforward, concise, and efficient in telling what action is expected to reduce uncertainties (Hall, 1976). This form of culture may be useful for entrepreneurs when giving business presentation to investors. On the contrary, this is very different from communicators in high-context culture like Manner who depend less on language precision and more on body language and intuition. High-context cultures are collectivist, intuitive, and sensitive which maybe the reflection of the femininity of the society. This means that people in these cultures emphasize on context, which might include the speaker's tone of voice,

facial expression, gestures, posture and even the person's family history and status (Hall, 1976).

The dominance of implicit form of communication could hinder startups in Manner when they have to give uttered presentation about business ideas to investors. 4. Application of Cross-cultural Theories On Entrepreneurship Unlike ELK, very little research has been conducted about the culture or values orientation of Manner. Manner was not included in the research of either Greet Hefted or Frans Trampers. In this essay, for a cultural comparison of entrepreneurship in UK and Manner, a framework of Greet Hefted (2015) has been used to explain the differences in the two entrepreneurship ecosystems. 4.

1 Hypotheses Cultural Dimensions Figure 2: Hypotheses Cultural Dimensions Index

The data above was obtained from two sources, The Hefted Center website for UK scores and Journal of Organizational Culture, Communications, and Conflict (Nickering, 2008) for Manner. In the latter, a cultural assessment on Manner was conducted on a sample of 37 Burmese citizens using Hefted survey. The results indicate that Manner culture is low power distance, highly feminine, moderately individualistic, high uncertainty avoidance, and moderately short-term in its orientation. Whereas, the scores for UK suggest low power distance, highly masculine, highly individualistic, low uncertainty avoidance, and moderately short-term orientation.

4. 1 . Power Distance From the figure 2, UK is 35 and Manner's PDP is 26, indicating a low level of acceptance Of inequality among societal members.

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These findings suggest that unlike Indian caste system, both Manner and I-J culture acknowledge that the members of the society are not bound by the social class they are born in.

The notion that everyone has equal opportunities and anyone can change the status quo through better education or if one works hard enough is accepted (Cannelloni, 1755). It also promotes achievement-orientated over ascription culture which motivates more entrepreneurs of different background to instigate business ventures (Begley and Tan, 2001). 4. 1 . B Individualism vs.

Collectivism In terms of individualism, Auk's DIVIDE score of 89 and Manner with 51 . For 1. K it could be said that scoring high on individualism is advantageous for the startup ecosystem especially for market and culture domains. Obviously, highly individualistic culture is encouraged to be self-expressive which helps generate creative and innovative ideas for entrepreneurial culture (Begley and Tan, 2001). Furthermore, individuals embracing self-identities and unique loyalties create sub-cultures which leads to more niche markets and wider market opportunities for entrepreneurs to exploit (Culture Label Agency, 2014).

On the other hand, Manner's entrepreneurial ecosystem can be seen as unfavorable due to moderate individualistic culture.

However, it is quite the opposite since being in between the two spectrums shapes a different ecosystem particularly for finance and support domains. Being partially individualistic means Burmese are inclined towards entrepreneurship. Whereas, being half collective culture allows startup

finance to be raised informally through families and friends in spite of a shortage of angel investors, venture capitalists and bank loans. Moreover, for support system, families and friends act as mentors and inspirations when Manner is short of incubators and accelerator programs (Nickerling 2008).

Figure 2 demonstrates that UK is fairly masculine with a MASS of 66 and Manner as a feminine culture with only 24.

For a masculine society like I-J, characteristics such as competition and aggressive behaviors can be observed. In addition, low context behaviors such as logic and reasons dominate decision making. This is especially helpful in maintaining revisionism's and during training and development for human capital because the workforce is motivated by a drive to succeed (Hull and Bosses, 1980). On the contrary, as a feminine society, it exhibits a slow progress towards professionalism in the workplace. Furthermore, Hall's high context-culture found in Manner favors intuition and personal relations, hence, when there is a decision to choose between work and family emergency, the latter would be chosen over the first.

It is because Manner used to be isolated from the rest of the world for decades and are not attuned to working in big organizations so the habit for professionalism has not been developed yet (Steinberg, 2001). However, there is a potential for Burmese leaders to become great leaders because they have an intuition for the emotion of others and are relation-oriented.

4. 1 . D. Uncertainty Avoidance The figure 2 indicates the uncertainty avoidance for UK is 35 and Manner for 89.

It is apparent that the risk taking propensity in UK is high due to an inverse relationship with uncertainty avoidance (Hefted, 2001). Entrepreneurs are more likely to take on risks than those in its counterpart country. Perhaps due to stable policies and regulations such as tax, patent, and registration law.

Thus, it is also true to say that KICK does not experience as much uncertainties as Manner transitioning economy.

A high uncertainty avoidance for Manner portrays that while entrepreneurship is gaining momentum in recent years, most of the population is still reluctant to bear risks. Conceivably, this population might be the older generation where the aversion to risks can be attributed towards an adaptation to past experiences on capricious political and economic conditions (Steinberg, 2001). Therefore, in the culture domain of the startup ecosystem, Burmese people are seen as reserved and resistant to collaborate with international community. 4. 1 . E.

Long-term vs.

Short-term orientation With regards to long-term orientation, the L TO for [J] is 25 and Manner of 46. In ASK, the culture is short-term orientated which favors instant results, outcomes, mutual funds, leisure time, and spending (Hefted, 2001). This conditions is quite suiting to the entrepreneurship environment because the culture emphasis on leisure time and spending encourages the citizens to become self-employed for freedom from organizations and institutions. Moreover, instant results and outcomes act as synthesis for more venture capitalists and angel investors because generally,
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it is faster to see results from mutual funds and business investment than with real estate investment.

Manner has a fairly long-term orientation.

The culture of long term orientation focuses on persistence, process over outcome, real estate investment, work, and savings (Hefted, 2001).

However, since Manner IS in between the two time orientation, the culture exhibits characteristics of both spectrums. The mixture of values such as persistence, leisure time, saving, and real estate investment are the main trends influencing the domains of its Startup ecosystem.