

# The Cultural Genogram: An International Cross-Cultural Case Study on Entrepreneurship

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## Key words

Entrepreneurship, innovation, experiential learning, culture, global.

## Abstract

*Experiential entrepreneurship has become a significant pedagogy in preparing American students to compete in the dynamic and consolidating global economy. Whereas the model of experiential learning facilitates collaboration between industry experts, entrepreneurs and community stakeholders, it is imperative to look at entrepreneurship from a global perspective. Medgar Evers College has a mission for social justice and socio-economic transformation. Through the Entrepreneurship & Experiential Learning (EEL) lab, students are exposed to industry leaders, faculty and other stakeholders to the benefits of global entrepreneurship and experiential learning.*

*This paper is a case study that discusses lessons learned on innovation, culture and entrepreneurship from students and faculty's exposure to innovation and international entrepreneurs from Kenya, Chile, Costa Rico, Jamaica, Dominican Republic, China, London, Paris, Japan and Thailand. Additionally, the paper addresses the implications on entrepreneurial learning by encouraging diverse perspectives and practice for the student entrepreneurs in the 21<sup>st</sup> century. The originality of the paper is in its diversity of perspectives – it is a collaboration of faculty and staff on three different continents and three academic institutions.*

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## 1. Introduction

### Entrepreneurship and Innovation

Scholars globally have proposed that there are two major ways an entrepreneur is made; through nature or nurture. Proponents of the nature ideology believe that an entrepreneur is born with the right genetic makeup to succeed in building a business. On the other hand, the nurture school of thought proposes that anyone can become an entrepreneur if they learn the relevant skills and put effort into it. Although no clear-cut theory has been agreed upon, researchers believe that cultural genome plays a significant role in the propensity of an individual to become an entrepreneur. While the issues continue to be debated, labor, production and other macro-economic growth outcomes are affected by both innovation and the ability to leverage entrepreneurship skill sets. The ability to globally scale up entrepreneurship outcomes for income equity and other socio-economic challenges is impacted by diverse cultural norms.

Regardless of a nature or nurture root, innovations are fundamental in the pursuit of entrepreneurship. Innovation has been defined as the synergistic relationship between invention and an entrepreneurial process, which creates new economic and social value for a target stakeholder (Segerstrom, 1991).

Innovation therefore results in new ideas that are transformed through economic activity, into sustainable value-creating outcomes.

In a rapidly changing global economy, innovation and entrepreneurship are essentially inseparable. As entrepreneurs avoid “me too” types of businesses, they innovate to meet their target market needs and wants in a more creative way. Within this innovative entrepreneurship, the cultural genome still plays an important role in the pursuit of social justice and economic empowerment (Rolle, Billy, & Pittman, 2015).

It is evident that cultural genome is a major ingredient in the entrepreneurial process. Culture has been defined broadly as the set of preferences, values, and beliefs that exist in a community, country or region. The makeup of a cultural genome can come from family background, community way of life, political landscape or even religious beliefs. For instance, many traditional African communities are mainly social in nature where day to day activities such as agriculture, raising children, trade, and worship were carried out as communal activities. A common adage of traditional African communities is “It takes a village to raise a child”.

Cultural norms are complex and difficult to categorize. Culture in the US, for example, appears to be more inclined towards capitalism and individualism. Each person pursues his/her own success and does not need communal participation to succeed. In China and many Asian cultures, norms encouraged a more socialist approach, where family is valued above all else and family honor is fundamental to the posterity of an individual. Yet, a deeper look will show varying subsets in US culture, with a high degree of group economics and cooperation being practiced amongst elite circles (Callero, 2013).

For successful entrepreneurship therefore, various scholars have posited that an entrepreneur’s preferences and beliefs are influenced by information that is received from one’s micro and macro environments: our parents, friends and the national culture. It has also been argued that the more homogenous an individual’s immediate environment is, the more likely such an individual is to pursue a given career line (Gianetti and Simonov, 2004). Reality though, is more complicated due to the interactions of a global community that have allowed for virtual proximity and synergy across regions. In addition, experiential entrepreneurship has resulted in interactions of budding entrepreneurs with their contemporaries across different countries. It is against this backdrop that we discuss the cultural genome in student entrepreneurship through various countries in Africa, Asia and the USA.

## 2. Literature Review

### Entrepreneurship and Innovation

Entrepreneurship has been viewed as an engine to economic growth for the knowledge based economy. On one hand, it connotes the ability of an individual to identify and act on an opportunity, become risk taker and create a new value proposition that a customer is willing to pay for. On the other hand, a plethora of different reasons have been fronted to explain why an individual ventures into entrepreneurship. One key variable which results in differential entrepreneurial activity across countries is the cultural variable (Freytag and Thurik, 2010).

Schumpeter, a leading scholar in entrepreneurship, proposed that the entrepreneur can drive economic progress, in countries that would otherwise be subject to decay. In his discourse, Schumpeter’s highlighted the entrepreneurial spirit as an integral ingredient that helps in identifying an economically viable opportunity and that are geared to creation of value for a target customer. Schumpeter further argues that successful entrepreneurship sets off a chain reaction, which creates opportunities for other entrepreneurs to iterate upon and ultimately innovate better products or services for a target client (Schumpeter, 1911& 1934). This chain of activities leads to creative destruction that defines a country’s entrepreneurial spirit.

Whereas Schumpeter views an entrepreneur as an agent of change within the larger economy, Peter Drucker, posits that an entrepreneur is not necessarily an agent of change, but rather, a proactive and resilient individual who exploits opportunity for a profit. Drucker further states that, an entrepreneur always searches for change, responds to it, and exploits it as an opportunity ((Drucker, 1985). Scholars have also reported that an individual’s propensity to become an entrepreneur is correlated to the national culture of their respective countries (Mueller and Thomas, 2000). This cultural genome within a country is said to influence the choices of university students to becoming job creators or job seekers.

Interestingly, a student who has personal characteristics of an entrepreneur such as identifying opportunities, resilience in pursuit of business and the willingness to take risks, is not viewed as an entrepreneur if he/she failed miserably in a venture. An entrepreneur is only acknowledged as such, when he/she finally succeeds at something. All his/ her prior failures are viewed in retrospect as the work of a serial entrepreneur only after the occurrence of his first success. In many of these cases the role of family and friends cannot be underestimated in ensuring entrepreneurial success.

Various scholars have posited that entrepreneurship tends to run in families. In the USA for instance, research has shown that 50% of entrepreneurs were second-generation business owners (Lentz and Laband, 1990). It was also observed that an intergenerational correlation of entrepreneurial tendencies was evident among French entrepreneurs (Colombier and Masclat, 2008). Additionally, Van der Zwan et al., (2010) reported that children with entrepreneurial parents were more likely to pursue self-employment careers. However, an important omitted variable that may also explain inter-generational entrepreneurship, is inter-generational wealth and access to capital. In his chapter on cultural capital, Callero states, "To understand how class inequality is reproduced and legitimated under capitalism, we must distinguish between 'economic capital' and 'cultural capital'." In the US, 90% of business ownership is passed down through inheritances exclusive to only 10% of the US population (Callero, 2013, p. 97).

It is probable that entrepreneurial traits and skills are passed from parents to their children in the course of their upbringing. These studies suggest a potential correlation between nurture and the propensity to become self-employed, thereby reinforcing the cultural genome as pertains to family. (Nikolaou and Shane, 2009; Zhang et al., 2009).

It is evident therefore, whether the student entrepreneur is an innovator or an early opportunity exploiter, theorists universally associate entrepreneurship with opportunity seeking. Entrepreneurs are believed to have an exceptional ability to identify new opportunities, pursue them, and take calculated risks that are associated with such a venture. Scholars have studied individual determinants that result in entrepreneurial behavior in different countries, but little comparison across cultures has been done in this field (Parker, 2009). Our discussion will look at innovative entrepreneurship at its nascent stage among the student entrepreneurs in different continents and attempt to describe what cultural genome ~~that~~ influenced the entrepreneurial ventures.

Many of the students we serve, both in the survey, and at our home institutions are first generation college students and first-generation entrepreneurs. Therefore, our challenge is both academic and experiential in developing skill sets and characteristics that may be unfamiliar to our target population. However, our experience has shown us, that many do not have employment as an option and must develop entrepreneurial skills for survival – anything less – is not sustainable globally.

### 3. Purpose of the study

Entrepreneurship creation and innovation is being recognized as a key factor for economic development in a dynamic 21<sup>st</sup> century global economy. In the USA and other countries, the youth and non-Asian minorities have formidable challenges in getting employment as well as becoming successful entrepreneurs. Entrepreneurship capacity building in institutions that serve minorities in the USA has been a challenge with few sustaining outcomes (Rolle, Billy & Pittman, 2015). Medgar Evers College, City University of New York (MEC-CUNY), a recognized Institution for economic development & entrepreneurship, launched partnerships with both Industries and Universities on a global basis to mitigate these challenges among their students and understand the cultural perspectives that enhance business across different countries.

Although considerable advances have been made in explaining the correlation between innovation and entrepreneurship, a comprehensive understanding is still lacking concerning the interface among innovation, entrepreneurship and culture. Since an entrepreneur is only considered one when he/she succeeds, it is a challenge defining a "real" student entrepreneur. This *ex post* definition of who an entrepreneur *is*, further complicates the description of real entrepreneurs among the university students. The questions that arise are; is entrepreneurship simply the ability to identify an opportunity and act on it? Or, must the venture become successful for one to be considered an entrepreneur?

The main objective of this paper, however, is to address the cultural genome of innovative student entrepreneurship in Africa, Asia and the USA by highlighting case studies of entrepreneurial ventures among university students in Kenya, Chile, China and the USA. This paper will look at cases of student entrepreneurial ventures, whether at their embryonic stages or profitability levels, through various cultural genome variables of gender, family and socio-cultural lenses. We hope to shed light on the underpinning cultural genome across these countries that create innovative entrepreneurship among university students. The important implication of this paper is to enrich the Medgar Evers entrepreneurial pursuit for her students and mitigate the employment disparity in minority groups.

#### 4. Research Question

There has been an increasing empirical interest on the correlation between culture and entrepreneurship. Scholars have proposed that we make decisions that are deeply rooted in our social identity and attempted to explain new, networked approaches of innovation and entrepreneurship in various contexts. (Autio, Pathak and Wennberg, 2010; Freytag and Thurik, 2010). This paper investigates some variables in the cultural genome that influence student entrepreneurship in the USA, Kenya and Chile.

#### 5. Design/Methodology Employed

In 2016, MEC-CUNY successfully organized and launched two international conferences on Corporate Social Responsibilities and Social Entrepreneurship empowerment with the participants representing academia and industry from Kenya, Jamaica, Chile and the USA. In addition, MEC-CUNY developed a comprehensive and integrative approach that combines multiple co-curricular activities including entrepreneurship training; business plan pitching; and study abroad to countries such as China, Thailand, Japan, Kenya, Jamaica and Dominican Republic.

The entrepreneurship programs were designed for intimate intellectually stimulating workshops, balanced with study abroad tours by the student entrepreneurs and faculty to appreciate the cultural and entrepreneurs' diversity in these countries. Interview schedules and questionnaires were used to collect data from 26 student innovators and entrepreneurs from Kenya, Chile, China, Japan and the USA. In addition, ad hoc interviews were carried out for selected business practitioners in some of these countries, to explore the cultural challenges and opportunities for entrepreneurship for these students. The findings across various countries were summarized and collated to deduce take away lessons for faculty and the student entrepreneurs.

#### Cultural Genome- The Gender Variable

One of the key demographic concerns in the cultural genome was to understand the correlation between gender and entrepreneurship in the countries visited. Gender is viewed differently in various cultures. In the many African cultures, the woman is frowned upon if she is aggressive, very proactive and possessing the "dare devil" kind of mentality. In contrast to this, Western culture is relatively more accepting of women to being aggressive in the work place and standing in leadership positions (Rolle, Billy & Pittman, 2015). Since entrepreneurship requires an individual to be a risk taker, the study sought to investigate the gender of the student entrepreneurs in the USA, Kenya and Chile. This data is summarized in Diagram 1.

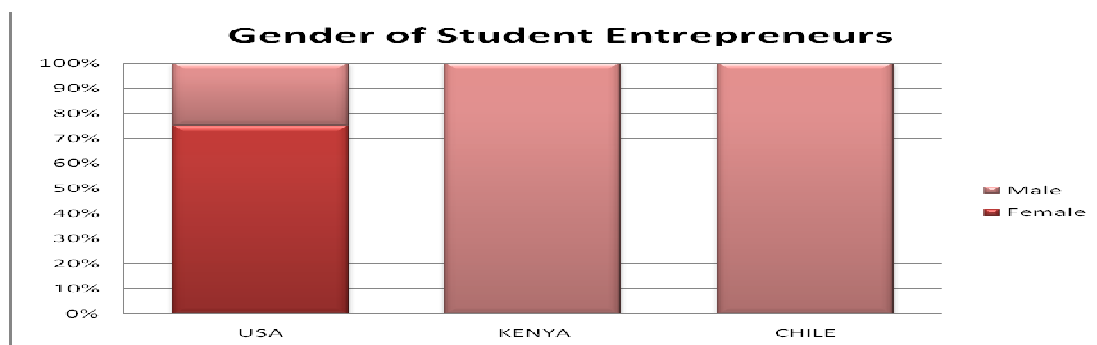


Figure 1: Gender of Student Entrepreneurs

The results showed that 75% of student entrepreneurs from the USA were female while 25% were male. In Kenya and Chile, all the student entrepreneurs were male. This finding corresponds with the cultural values pertaining to the values that are associated with gender choice in careers. It has been argued that since cultural values are typically determined in an individual's younger years, it is highly likely that such individuals will tend to follow the accepted norm in their society (Mueller and Thomas, 2000). This supposition is likely to explain why the study found fewer or no females pursuing entrepreneurship among Kenyan and Chilean University students, while the American counterparts had more women undertaking entrepreneurial activities.

In Africa, and Kenya in particular, a more assertive woman is viewed with disdain and as such very few female students choose entrepreneurship due to the nature of this career choice. As a result, there is a lower likelihood of female students at the universities to pursue job creation as a career (Rolle, Billy, Acevedo & Kisato, 2016). This finding contrasts with the USA where more female students are taking the initiative to venture into entrepreneurship while at the university.

### Cultural Genome- The Family Background

Although it has been proposed that entrepreneurship tends to run in families, it should be noted that an entrepreneur is attracted to the suboptimal equilibrium, where s/he identifies an opportunity that can be exploited for financial gain. It is probable that a student entrepreneur is more likely to create novel products or services due to their inherent set of personal characteristics of becoming a problem solver rather than complacent (Acs, Z.J., & Szerb, L., 2010). Such an individual is proactive in altering the unpleasant equilibrium by providing solutions at a profit, albeit in a risky nature. With this background in mind, the student entrepreneurs across these countries were asked whether any of their parents or family members were entrepreneurs. The findings from USA, Chile and Kenya were tabulated in Figure 2.

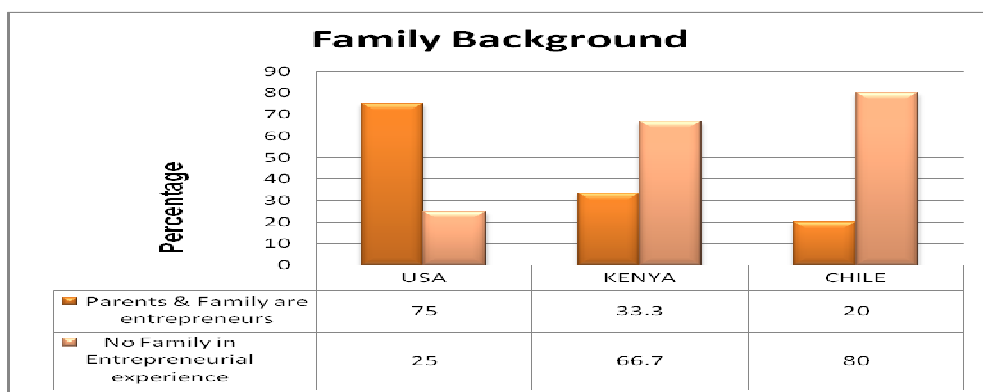


Figure 2. Entrepreneurial background of parents and family members

Results showed that the parents and family entrepreneurial background did not have a significant influence on the entrepreneurship propensity of students from Kenya and Chile. In fact, Chile student entrepreneurs had only 20% of their parents or family members being entrepreneurs while the Kenyan counterparts had a 33.3% representation of parents & family member being entrepreneurs. However, the USA student entrepreneurs had more family with prior entrepreneurial experiences.

Some researchers have proposed that career shifts may take place inter-generationally in societies undergoing economic transforming, experiencing the youth population budge and the high unemployment rates in the Kenyan demography, where it is estimated that 70% of the population in under the age of 35 years. It is therefore not surprising that by examining the family background context as a cultural genome there are disparities in the levels of entrepreneurship across these countries.

In contrast, the USA student entrepreneurs and their Chinese counterparts have good support structures from family and thus will tend to monetize their entrepreneurial ventures faster. This inherent trait in entrepreneurship from family members creates leverage for budding student entrepreneurs and thereby increases the incidences of entrepreneurial venture from students in the USA and Chinese universities as opposed to their contemporaries in the other two countries.



### Cultural Genome-Socio-Cultural Factors

Sutter (2009) reported that entrepreneurship varies in countries and regions due to latent and un-observed variations in social, economic, cultural and political climates. Social or cultural attitude towards entrepreneurship is an important barometer to the success of entrepreneurial venture. The appreciation of entrepreneurship or lack of it, in essence, shapes the career choices of many university students. Since it is pragmatic to state that the national culture shapes the minds and career pursuits of university students, it was imperative to assess the views of these students as regards to the socio-cultural attitude towards entrepreneurship in their various countries. To investigate this, the student entrepreneurs were asked their views on whether their individual socio-cultural views promoted entrepreneurship. The student entrepreneurs were asked to rank on a scale of 1 to 5 the level of significance the social/ cultural view had on their attitude towards entrepreneurship (1 was least significant and 5 was most significant).

Table 1: Social/ Cultural attitude towards Entrepreneurship

Social/ Cultural attitude towards Entrepreneurship	Level of Appreciation					Total %
	Not appreciated	Somewhat Appreciated	Appreciated	Fairly appreciated	Highly appreciated	
USA(n=8)*	25%	12.5%	12.5%	12.5%	12.5%	100
Kenya (n=9)	22.2%	44.0%	22.2%	0	11.1%	100
Chile(n=9)	10%	30%	50%	10%	0	100

\*n= 26

From the data in table 1, 25% of the respondents from USA felt that entrepreneurship was not highly appreciated in their society. As a result, these student entrepreneurs faced the highest barrier to entry as they ventured into job creation. The social cultural legitimization could be due to family or cultural influences where white collar jobs were preferred to entrepreneurship. Although a higher social status is conferred on entrepreneurs in certain societies, most families are skeptical about the success rates due to the high risk involved in any entrepreneurial venture.

In Chile, only 10% of the student entrepreneurs felt that the social or cultural attitude does not appreciate entrepreneurship. This result may be explained by the business and political environment in Chile. "Chile is arguably the best performer in the Latin American region in terms of a stable macroeconomic environment, lack of political risk and clear and transparent access to information, which gives the confidence to invest and provides a healthy environment for entrepreneurs. The country has a set of positive characteristics that makes it the most recommended place in the region to start and run a business" (Jiménez, 2012)

Societal or cultural approval of job creation claims that there are higher incidences of entrepreneurial behavior in cultures where entrepreneurs are highly esteemed (Etzioni, 1987). In this regard, there is more emphasis on entrepreneurial education and a conducive startup environment exists to encourage business start-ups. In most countries, many governments have put into place mechanism to encourage an entrepreneurial growth among students at the university level (Billy, I, Egbe, E., Rolle, J.D., et.al, 2016).

Although these theoretical explanations may not be conclusive, it is evident that, at the macro level, entrepreneurship is viewed with a lot of skepticism, and many students who choose to venture into entrepreneurship dare the odds in a culture that is predominantly non-entrepreneurial. For a student entrepreneur to succeed therefore, they need to have a disruptive nature that overlooks the social /cultural legitimization to succeed in their venture (Freytag and Thurik, 2010)

### 6. Conclusions and recommendations

It was evident that inter-generational collaborations for curriculum development leveraged by industry insights are vital to create a successful 21<sup>st</sup> century entrepreneur. Additionally, engagements diver-

sity across cultures and disciplines yield opportunities for social change as well as business success over the spectrum of global markets. With regards to the entrepreneurial spirit and proclivities, the MEC-CUNY students reported similarities in the “disruptive nature” of entrepreneurs across the different countries. These entrepreneurs seemed to defy cultural norms to create products or services that would satisfy a need or want whilst generating revenue.

Challenging cultural norms, however, is not valued or encouraged equally across the various business settings that the MEC-CUNY EEL has directly engaged with. Notably, in China there was a sharp divide between business students who valued cultural unity and traditions versus those who sought to embrace and leverage the global Americanization trend. Generation-Y students from MEC were an inspiration helping change-tradition transition naturally difficult to a heritage just beginning to birth its own generation-X entrepreneurially. Witnessing the shift in China’s cultural genome emphasized to minorities from MEC-CUNY that being divergent is an asset to the entrepreneur; the confidence often shaken by the American minority experience was strengthened.

A very different but equally valuable experiential learning exchange is the relationship between MEC-CUNY and the Chandaria Business Innovation and Incubation Center at Kenyatta University in Nairobi. While China thrives on efficiencies of large-scale and group endeavors, the student entrepreneurs in Kenya displayed a knack for generating creative solutions individually and planning small-scale execution strategies. Undeterred by financing challenges, a spirit of optimism grounded by the motivation of necessity is producing a technology-based approach to monetizing everyday life solutions. Kenya is quite diverse and their wide cultural genogram encourages innovation, while ironically China builds much of Kenya’s larger scale infrastructure. Poetically, Kenyatta’s Innovation and Incubation Center sits on the Thika road super-highway constructed by China.

## 7. Practical Implications

We believe that curriculum, as it exists without adequate experiential learning opportunities, will not prepare the students of the future for the global economy. There is a need for dynamic program reviews that forecast the demand for new skills / opportunities and in tandem we must provide a faculty capable of delivering such to the millennial students we serve. Such a change requires re-adapting a system from the bottom up to include industry, government and the academy. Since entrepreneurs and innovators are “disruptors”, faculty and student entrepreneurs can leverage technology while creating global communities to solve the most pressing global problems. An entrepreneur needs to build products with the global village in mind; cultural differentiation to suit different market niches is important, and this is only attainable when entrepreneurship learning incorporates the cultural variables.

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