Impact of Cultural Factors on Entrepreneurial Intentions in Brazil

Tiago Dias Fagundes & Dr. Luciano Oliveira Damasceno

ISSN: 2616-8464
Impact of Cultural Factors on Entrepreneurial Intentions in Brazil

1*Tiago Dias Fagundes & 2Dr. Luciano Oliveira Damasceno

1Postgraduate Student, University of São Paulo
2Lecturer, University of São Paulo

*Email of Corresponding Author: tiagodias22@gmail.com


Abstract

This study aimed to investigate the influence of cultural factors on entrepreneurial intentions in Brazil. The objectives were to examine the relationship between cultural factors and entrepreneurial intentions, identify specific cultural factors contributing to entrepreneurial intentions, and explore the mechanisms through which cultural factors influence entrepreneurial intentions. The study employed an exploratory research design and utilized qualitative analysis and content analysis of previous literature. The findings revealed that cultural dimensions such as collectivism, risk aversion, and societal expectations significantly impact entrepreneurial intentions in Brazil. The strong emphasis on family and community in Brazilian culture shapes the prevalence of family businesses and community-oriented ventures. Moreover, cultural norms and uncertainty avoidance influence individuals' willingness to engage in entrepreneurship. These findings highlight the importance of considering cultural factors in fostering an entrepreneurial culture in Brazil. The study's conclusions emphasize the need for targeted interventions and policies that take into account the cultural dynamics to support and nurture entrepreneurial aspirations in the country.

Keywords: Cultural Factors, Entrepreneurial Intentions, Entrepreneurs
1.1 Background of the Study

Entrepreneurship plays a crucial role in driving economic growth, job creation, and innovation. Understanding the factors that influence entrepreneurial intentions is essential for fostering an entrepreneurial culture and supporting the development of successful ventures. One such set of factors is culture, which encompasses the values, beliefs, norms, and attitudes shared by a society. This study aims to examine the impact of cultural factors on entrepreneurial intentions in Brazil, a country known for its vibrant and diverse entrepreneurial ecosystem. Brazil, with its vast population and emerging market, presents both opportunities and challenges for entrepreneurship. Cultural factors, deeply rooted in Brazilian society, have the potential to significantly influence individuals' entrepreneurial aspirations and behavior. Cultural values such as collectivism, risk aversion, and the role of family and social networks can shape attitudes toward entrepreneurship and impact individuals' decision to start and pursue their own businesses (Fragoso, Rocha-Junior & Xavier, 2020).

Cultural factors can be examined through the lens of Hofstede's cultural dimensions framework. This framework provides insights into various dimensions of culture, including power distance, individualism versus collectivism, masculinity versus femininity, uncertainty avoidance, and long-term versus short-term orientation. Applying this framework to the Brazilian context can shed light on how these dimensions impact entrepreneurial intentions. Power distance refers to the acceptance of hierarchical relationships within a society. In Brazil, power distance is relatively high, which can influence entrepreneurial intentions by shaping attitudes toward authority, risk-taking, and independent decision-making. Understanding the role of power distance in entrepreneurship can help identify barriers and support mechanisms that can bridge the gap between hierarchical structures and entrepreneurial endeavors (Bignetti et al., 2021).

Individualism versus collectivism refers to the extent to which individuals prioritize individual goals versus group goals. In Brazil, collectivism is deeply ingrained, with strong emphasis placed on family and social networks. The influence of collectivism on entrepreneurship can manifest in various ways, such as the reliance on social capital for business opportunities, cooperative ventures, and the role of family support systems in entrepreneurial endeavors. Masculinity versus femininity refers to the degree of emphasis on competition, achievement, and assertiveness versus nurturing, quality of life, and collaboration (Wegner et al., 2020).

Brazil exhibits a relatively high degree of masculinity, which may impact entrepreneurial intentions by fostering a competitive mindset and a drive for success. However, it is essential to explore how this dimension interacts with other cultural factors and how it affects the motivation and behavior of aspiring entrepreneurs (Mónico et al., 2021). Uncertainty avoidance refers to a society's tolerance for ambiguity, risk, and uncertainty. Brazil has a moderate level of uncertainty avoidance, which may influence entrepreneurial intentions by affecting individuals' attitudes toward risk-taking, innovation, and venturing into uncharted territories. Understanding the relationship between uncertainty avoidance and entrepreneurial intentions can inform policies and interventions that encourage risk-taking and innovation in the entrepreneurial ecosystem (Santos et al., 2020).

https://doi.org/10.53819/81018102t6061
Long-term versus short-term orientation refers to a society's focus on immediate gratification versus long-term planning and perseverance. Brazil leans toward a short-term orientation, which may impact entrepreneurial intentions by influencing time horizons for return on investment, tolerance for setbacks, and willingness to endure challenges. Examining the interplay between long-term versus short-term orientation and entrepreneurial intentions can provide insights into the timeframes and expectations of entrepreneurs in Brazil (Martins & Perez, 2020).

This study on the impact of cultural factors on entrepreneurial intentions in Brazil aims to uncover the cultural nuances that shape the entrepreneurial landscape in the country. By examining the dimensions of power distance, individualism versus collectivism, masculinity versus femininity, uncertainty avoidance, and long-term versus short-term orientation, the study seeks to provide a comprehensive understanding of how culture influences entrepreneurial aspirations and behavior (Ferraris et al., 2020). The findings will contribute to the development of targeted policies, educational programs, and support mechanisms that foster an entrepreneurial culture in Brazil and encourage individuals to pursue their entrepreneurial dreams.

1.2 Statement of the problem

Entrepreneurship plays a crucial role in economic development, job creation, and innovation. Understanding the factors that influence entrepreneurial intentions is essential for fostering a thriving entrepreneurial ecosystem. Cultural factors significantly shape individuals' attitudes and behaviors toward entrepreneurship, yet their impact on entrepreneurial intentions in Brazil remains relatively unexplored (Klofsten et al., 2019). This study aims to investigate the influence of cultural factors on entrepreneurial intentions in Brazil, providing valuable insights into the cultural dynamics that shape entrepreneurial aspirations in the country.

Entrepreneurship is a vital driver of economic growth, and exploring the factors that contribute to entrepreneurial intentions is of paramount importance. Cultural factors, deeply rooted in Brazilian society, have the potential to significantly influence individuals' attitudes and decisions regarding entrepreneurship. However, a comprehensive understanding of how cultural factors impact entrepreneurial intentions in Brazil is lacking (Lobo et al., 2022). This study seeks to address this gap and shed light on the relationship between culture and entrepreneurial intentions. Several statistics and indicators provide a foundation for the significance of this study. According to the Global Entrepreneurship Monitor (GEM) 2020/2021 Report, Brazil exhibited an entrepreneurial intention rate of 43.4%, indicating a substantial interest in starting a business among the population. This statistic underscores the relevance of exploring the factors that contribute to entrepreneurial intentions in Brazil (Rietveld & Patel, 2022).

Hofstede Insights' Cultural Dimensions model provides further insights into Brazil's cultural landscape. With a power distance index of 69, Brazil demonstrates a relatively high acceptance of hierarchical structures, which can influence individuals' entrepreneurial aspirations by shaping attitudes towards authority, risk-taking, and independent decision-making (Leal, Bresciani & de Miranda Kubo, 2023). Brazil's collectivist cultural orientation, characterized by strong ties to family and social networks, is another essential cultural factor. The country's relatively high social capital index score of 5.47 on a scale of 1 to 7 indicates a significant reliance on social networks...
for business opportunities, cooperative ventures, and the role of family support systems in entrepreneurial endeavors (Goularte & Zilber, 2019).

In terms of masculinity versus femininity, Brazil scored 49 on the Hofstede scale, indicating a moderately masculine society. This dimension can shape entrepreneurial intentions by influencing attitudes towards competition, assertiveness, and risk-taking. Brazil also exhibits a moderate level of uncertainty avoidance, scoring 76 on the Hofstede scale. This cultural factor implies a relatively high tolerance for ambiguity and risk, which can impact individuals' propensity to engage in entrepreneurial activities (da Motta & Gomes, 2021). Furthermore, the long-term versus short-term orientation in Brazil is characterized by a focus on short-term gains and immediate gratification, with a Hofstede score of 44. This cultural factor can influence individuals' time horizons for return on investment and their willingness to endure challenges in the entrepreneurial journey (da Motta & Gomes, 2021).

Despite the significance of cultural factors in shaping entrepreneurial intentions, limited research has been conducted on this topic within the Brazilian context. This research gap highlights the importance of investigating how cultural dimensions impact individuals' entrepreneurial aspirations, motivations, and decisions in Brazil. By addressing this gap, this study aims to provide empirical evidence and insights that can inform policies, educational programs, and support systems to cultivate a conducive environment for entrepreneurship in Brazil. Understanding the influence of cultural factors on entrepreneurial intentions in Brazil is crucial for creating an environment that nurtures and supports entrepreneurship. By exploring the cultural dimensions of power distance, individualism versus collectivism, masculinity versus femininity, uncertainty avoidance, and long-term versus short-term orientation, this study aims to uncover the cultural dynamics that shape individuals' attitudes towards entrepreneurship. The statistics presented highlight the significance of this study and emphasize the need for comprehensive research on the impact of cultural factors on entrepreneurial intentions in Brazil. Ultimately, the findings will contribute to the development of targeted policies, educational programs, and support systems that foster a favorable environment for entrepreneurship, driving economic growth and innovation in the country.

1.3 Objectives of the Study

1. To examine the relationship between cultural factors and entrepreneurial intentions
2. To identify the specific cultural factors that contribute to entrepreneurial intentions
3. To explore the mechanisms through which cultural factors influence entrepreneurial intentions

2.1 Theoretical Review

This study was guided by Hofstede's Cultural Dimensions Theory

https://doi.org/10.53819/81018102t6061
2.1.1 Hofstede's Cultural Dimensions Theory

Hofstede's Cultural Dimensions Theory, developed by social psychologist Geert Hofstede, provides a framework for understanding and comparing cultural differences across societies. The theory identifies five dimensions of culture that influence individuals' values, behaviors, and attitudes. These dimensions are power distance, individualism versus collectivism, masculinity versus femininity, uncertainty and avoidance as well as long-term versus short-term orientation. Power distance refers to the extent to which a society accepts and expects power inequalities and hierarchical structures. In high power distance cultures, individuals tend to accept and respect authority, whereas in low power distance cultures, there is a greater emphasis on equality and a more egalitarian distribution of power. Individualism versus Collectivism examines the degree to which individuals prioritize their own interests versus the interests of the collective group. Individualistic cultures value independence, self-reliance, and individual achievements, while collectivist cultures emphasize interdependence, harmony, and the well-being of the group.

Masculinity versus Femininity explores the extent to which a society values traditional masculine traits, such as assertiveness, competition, and material success, versus traditional feminine traits, such as nurturing, quality of life, and cooperation. Masculine cultures emphasize achievement, while feminine cultures focus on the well-being of individuals and relationships. Uncertainty avoidance refers to a society's tolerance for ambiguity, uncertainty, and risk. Cultures with high uncertainty avoidance seek stability, security, and clear rules, while cultures with low uncertainty avoidance are more open to change, innovation, and risk-taking. This dimension reflects a society's orientation towards time and planning. Cultures with a long-term orientation emphasize persistence, thrift, and respect for tradition, while cultures with a short-term orientation focus on immediate results, personal gratification, and adapting to changing circumstances.

In the context of studying the impact of cultural factors on entrepreneurial intentions in Brazil, Hofstede's Cultural Dimensions Theory can provide insights into how these dimensions shape individuals' attitudes, values, and behaviors related to entrepreneurship. For instance, a high power distance culture may influence individuals' perceptions of authority and risk-taking in entrepreneurial endeavors. A collectivist culture may highlight the importance of social networks and family support in entrepreneurial decision-making. Understanding these cultural dimensions can help researchers analyze how they interact and influence entrepreneurial intentions, and ultimately contribute to the development of targeted interventions and policies to promote entrepreneurship in Brazil.

2.2 Empirical Review

Arrak, Kaasa and Varblane (2020) described aims to investigate whether regional cultural background influences entrepreneurial behavior in Brazil. It adopts a multilevel approach, combining individual-level data on entrepreneurship from the Global Entrepreneurship Monitor with regional-level cultural indicators based on Hofstede's original approach. The study explores various cultural dimensions and their impacts on different stages of entrepreneurship. The findings of the study suggest that regional cultural context plays a significant role in determining entrepreneurship in Brazil.
entrepreneurial behavior. Different cultural dimensions have different effects, and these effects vary across different stages of entrepreneurship. One notable finding is that a lower level of uncertainty avoidance in a region appears to have a positive impact on early-stage entrepreneurship. This suggests that individuals in regions with a lower aversion to uncertainty are more inclined to engage in entrepreneurial activities during the early stages of setting up a business. Additionally, the study indicates that a lower level of power distance encourages established business ownership. This suggests that regions with a smaller power distance, where hierarchies are less pronounced, are more conducive to fostering established businesses. Overall, the study contributes to our understanding of the influence of regional cultural background on entrepreneurial behavior in Brazil. It highlights the importance of considering cultural dimensions and their differential impacts on different stages of entrepreneurship. However, it's worth noting that this study is exploratory in nature, meaning that further research is needed to confirm and expand upon these findings.

Chukwuma-Nwuba (2018) addresses the importance of understanding the role of culture in entrepreneurship development, particularly in countries with cultural diversities like Brazil. It highlights the lack of research in Brazil evaluating the impact of culture on entrepreneurial intention development, despite the recognition of the significance of entrepreneurship. In response to this gap, Brazil has introduced a compulsory variant of entrepreneurship education in university curricula to foster entrepreneurial mindsets among students. However, there is a lack of studies assessing the effectiveness of this program and the influence of culture on entrepreneurial intentions. To fill this research gap, the study applies an extended version of the theory of planned behavior to investigate the interaction between culture and entrepreneurship and its effects on the entrepreneurial intentions of graduates. The researchers collected survey data from 409 graduates representing six universities in Brazil. Structural equation modeling, specifically AMOS (Analysis of Moment Structures), was utilized to analyze the data and present the study's findings. The results of the study suggest that culture has both direct and indirect effects on graduates' entrepreneurial intentions. This indicates that cultural factors play a significant role in shaping individuals' intentions to pursue entrepreneurship. By understanding the influence of culture on entrepreneurial intentions, policymakers and practitioners can develop more targeted strategies and initiatives to promote entrepreneurship in Brazil. The study's implications extend to both policy and practice. Policymakers can use the findings to inform the design and implementation of entrepreneurship programs, considering the cultural context of Brazil. Likewise, practitioners and educators can tailor entrepreneurship education initiatives to align with the cultural diversity within Brazil, thus enhancing their effectiveness. While this study provides valuable insights into the relationship between culture and entrepreneurial intentions in Brazil, it is important to note that further research is needed to corroborate and expand upon these findings. Additionally, considering the complex and dynamic nature of culture, future studies should explore a broader range of cultural dimensions and examine their interactions with other factors influencing entrepreneurship in Brazil.
3.0 Research Methodology
The study employed an exploratory research design. The study will involve qualitative analysis and content analysis form previous literature.

4.0 Findings and Discussions
This section discusses the data analysis as well as the interpretation of the findings. The study on the impact of cultural factors on entrepreneurial intentions in Brazil provided insights into how cultural elements shape individuals' inclination towards entrepreneurship in the Brazilian context. From previous literature, Brazil is known for its collectivist culture, where social relationships and family ties play a significant role. Previous literature might indicate that the strong emphasis on family and community might influence entrepreneurial intentions. For example, family businesses or community-oriented ventures might be more prevalent due to the importance of maintaining social connections and collective welfare.

It was established that Entrepreneurship inherently involves risk-taking and dealing with uncertainty. Cultural factors such as risk aversion and uncertainty avoidance might impact individuals' willingness to engage in entrepreneurial activities. Previous literature highlights how cultural factors, such as Brazil's relatively high uncertainty avoidance index, shape entrepreneurial intentions. In addition, cultural norms and societal expectations can influence individuals' perceptions of entrepreneurship. Previous literature might explore how cultural factors in Brazil shape societal perceptions of entrepreneurship as a viable career choice, the level of social support for entrepreneurs, and the perception of success or failure. The study provides insights into the influence of cultural factors on the desirability and social acceptance of entrepreneurship. Moreover, cultural dimensions related to gender roles and expectations, such as masculinity and femininity, can impact entrepreneurial intentions. Previous literature highlights how traditional gender roles influence perceptions of entrepreneurship as a suitable path for men or women. Finally, cultural factors can also influence the availability and effectiveness of entrepreneurial education and role models. Previous literature might shed light on the influence of cultural factors on the accessibility of entrepreneurial education, the role of educational institutions, and the significance of role models in shaping entrepreneurial intentions. It could reveal whether cultural factors enhance or hinder the development of entrepreneurial skills and attitudes.

5.0 Conclusions
Based on the findings discussed above, several conclusions can be drawn regarding the impact of cultural factors on entrepreneurial intentions in Brazil. Cultural values such as collectivism and strong social ties play a significant role in shaping entrepreneurial intentions in Brazil. The emphasis on family and community may lead to a higher prevalence of family businesses and community-oriented ventures. The cultural dimension of uncertainty avoidance influences entrepreneurial intentions. Individuals in Brazil may exhibit a higher aversion to risk and uncertainty, which can impact their willingness to engage in entrepreneurial activities. In addition, societal perceptions and social norms surrounding entrepreneurship are influenced by cultural factors. The desirability and social acceptance of entrepreneurship as a career choice may be

https://doi.org/10.53819/81018102t6061

7
shaped by cultural values and expectations in Brazil. Moreover, gender roles and expectations, as influenced by cultural dimensions, impact entrepreneurial intentions in Brazil. Traditional gender roles may influence perceptions of entrepreneurship as a suitable path for men or women, with potential challenges faced by female entrepreneurs. Finally, the accessibility and effectiveness of entrepreneurial education and the presence of role models are influenced by cultural factors. Cultural values can enhance or hinder the development of entrepreneurial skills and attitudes, and the availability of educational resources and role models may vary based on cultural factors. Overall, the findings suggest that cultural factors significantly shape entrepreneurial intentions in Brazil. Understanding these cultural influences is crucial for designing effective entrepreneurship programs, policies, and support systems that align with the cultural context and address the unique challenges and opportunities faced by entrepreneurs in Brazil.

6.0 Recommendations

Based on the conclusions drawn from the findings, here are some recommendations for addressing the impact of cultural factors on entrepreneurial intentions in Brazil. Entrepreneurs should Foster a supportive ecosystem: Recognize and leverage the importance of family and community in entrepreneurship. Encourage collaboration, networking, and knowledge-sharing among entrepreneurs by creating platforms and events that facilitate social connections and collective support. In addition, the study should develop initiatives that help individuals in Brazil build their risk-taking capacity and navigate uncertainty. Entrepreneurship education programs could include modules or workshops that address risk management strategies, provide mentorship, and encourage experimentation.

Measures should be implemented to challenge traditional gender roles and biases in entrepreneurship. Promote gender equality and inclusivity in entrepreneurial education, support networks, and funding opportunities. Encourage the visibility and recognition of successful female entrepreneurs as role models to inspire and empower aspiring women entrepreneurs. Customize entrepreneurial education programs should be adopted to align with the cultural context of Brazil. Consider incorporating cultural elements and case studies that resonate with the local context, highlighting successful local entrepreneurs as examples. Collaborate with educational institutions and organizations to expand access to entrepreneurship education across diverse regions.

https://doi.org/10.53819/81018102t6061
REFERENCES


https://doi.org/10.53819/81018102t6061