ENTREPRENEURIAL PERCEPTIONS AND INTENTIONS: THE COMPARATIVE STUDY BETWEEN POLAND AND THAILAND

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Abstract: The purposes of this study are to investigate a range of perceptions towards entrepreneurial intention (EI), and to compare those perceptions between Poland and Thailand. Poland and Thailand are chosen to analyze since both countries have similar aspects in term of entrepreneurial intentions rate, and are in efficiency-driven economy. EI is one of the most significant predictor of business creation. Based on Global Entrepreneurship Monitor (GEM) data in 2015, combined 5,000 samples from Poland (n=2,000) and Thailand (n=3,000) are analyzed by logistic regression to investigate the effect of perceptions on EI. Independent variables include individual's perceived self-efficiency, the ability to recognize business opportunities, entrepreneurial network, fear of failure as well as a range of socio-cultural perceptions. The results show that perceptions of self efficacy, opportunity recognition, and entrepreneurial networking have significant effect on EI in both countries. Interestingly, the impact of fear of failure is found to influence on EI for Poland, but not for Thailand. On the one hand, high level of status and public media attention on successful entrepreneurs are found to influence on EI for Thailand, but not for Poland.

Key words: entrepreneurial intention, global entrepreneurship monitor (GEM), Poland, Thailand

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Introduction

Entrepreneurship and Small and Medium Enterprises (SMEs) have been focused by government policy makers, practitioners, and academic researchers for a decade. SMEs are the backbone of world's economy in both Europe and Asia. According to European Commission (2017), SMEs represent 99% of all businesses in the EU, creating 85% of new jobs and providing two-thirds of the total private sector employment. The importance of SMEs also exists in Asia. For example, in Thailand, SMEs account for 99.73% of all enterprise, contribute about 40% of total GDP, and account for 80% of total employment.

Poland is one of the largest and most dynamically developing countries of the EU and has been considered as one of the world's major emerging economies, accounting for 14.2% of total Eastern European GDP in 2011. Poland is a high-income country with a great and various domestic economies. The Polish economy

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has rapid prospered since the EU accession in 2004. In term of entrepreneurship, Poland is an example of a country where there has been a high growth of entrepreneurship, leading to a significant development in macroeconomic performance (Ruminski, 2015).

To understand the mechanisms driving entrepreneurial intention of individual will help government policy makers to create more effective policies to enhance an entrepreneurship society and prosper sustainable entrepreneurship eco-system. Previous studies (Boyd and Vozikis, 1994; Krueger et al., 2000; Liñán et al., 2005) have focused on the antecedents of entrepreneurial intention; nevertheless, there are limited numbers of studies that comparative investigate factors influencing entrepreneurial intention (EI) in diversify of regions (Ozaralli and Rivenburgh, 2016). This paper endeavours to fulfil this gap. The investigation of EI and its antecedents from two of most dynamically developing countries in the world; namely, Poland and Thailand, will help us more deeply understand entrepreneurship situation and implication.

The purposes of this study are, (1) to investigate a range of perceptions towards EI, (2) to examine the impact of culture difference on the perceptions and EI between Poland and Thailand. The second section of the paper deals with related literature review on EI and cultural differences on entrepreneurship. The third section discusses the conceptual framework, hypothesis development, and the research design and the sampling. The fourth section elaborates on the empirical results and the hypothesis testing, then the ends up with the discussion and conclusions with limitations and suggestions for further researches.

Literature Review

Entrepreneurial Intention (EI)

Entrepreneurial Intention (EI) can be realized as the initial action in the entrepreneurial process (Khalifa and Dhiaf, 2016). According to Thompson (2009) cited in Khalifa and Dhiaf (2016), EI is defined as *"a self-acknowledged conviction by individuals that they intend to set up a new business venture and consciously plan to do so at some point in the future"*.

Entrepreneurial Intention (EI) has been perceived as a strong predictor of business starting behaviour (Ozaralli and Rivenburgh, 2016). In this study, Poland and Thailand are chosen because both are countries with high rapid entrepreneurial development. In term of economic aspect, Poland and Thailand have some similarities. Both countries are categorized in the Efficiency-Driven Economy. The entrepreneurship intentions rate are around 20%, and GDP are approximately 400 billion dollar. The highlight of entrepreneurial behaviour and attitudes of Poland and Thailand are presented in the Table 1.

Table 1. The Summary of Entrepreneurial Behavior and Attitudes
(Global Entrepreneurship Monitor, 2017)

Entrepreneurial indicators	Poland	Thailand
Self-Perceptions		
Perceived Opportunities Rate	39.5	37.7
Perceived Capabilities Rate	60.2	43.5
Fear of Failure Rate	47.6	52.1
Entrepreneurial Intentions Rate	20.8	22.6
Activity		
TEA Rate*	10.7	17.2
Established Business Ownership Rate	7.1	27.5
Entrepreneurial Employee Activity Rate	5.2	1.0
Gender Equity		
Female/Male TEA Ratio	60.9	83.1
Female/Male Opportunity-Driven TEA Ratio	90.4	90.1
Societal Values		
High Status to Successful Entrepreneurs Rate	56.2	73.6
Entrepreneurs as a Good Career Choice Rate	61.9	73.7
Stage of Economic development	Efficiency-Driven	Efficiency-Driven
Population:	38.0 Million	68.8 Million
GDP (Billion) :	$474.9	$395.3
GDP Per Capita:	$12,495	$5,742
SMEs Contribution to GDP:	52%	41%**

Note: * TEA Rate is percentage of 18-64 population who are either a nascent entrepreneur or owner-manager of a new business (less than 3.5 years); ** the data from Thailand's Office of Small and Medium Enterprises Promotion (2016)

Culture and Entrepreneurship

According to Hofstede (1980) cited in Ozaralli and Rivenburgh (2016) culture as *"the collective programming of the mind which distinguishes the members of one human group from another...[and] includes systems of values"* culture acts as a powerful force to motivate individuals in a group or society to show certain behaviours that may not be prevalent in other societies. Previous studies (Bouncken et al., 2008; Shinnar et al., 2012; Ozaralli and Rivenburgh, 2016) have shown that there exist consistent cross-cultural differences in people's willingness to become an entrepreneur. Hofstede's culture dimensions may help to explain why some cultures are more conducive to entrepreneurial activity than others. According to Hofstede (1980), Hofstede's four dimensions of individualism (IDV), uncertainty avoidance (UA), power distance (PD), and masculinity (MAS) are proposed to cluster Nations based on the difference of culture. Several researchers call for an examination of entrepreneurial intentions across different nations and cultures.

In individualistic cultures, social values as personal initiative, autonomy, achievement, diversity and personal financial security are motivated by the society. On the one hand, in collectivistic cultures, the interests of the group dominate the personal needs. According to Schultz and Schultz (2013), in individualistic cultures like Western, people have represented more happiness and optimism about their future. This is probably because of social help and easily retrievable support

of resources. On the one hand, People in Eastern are much related to fatalistic and deterministic point of view, one's actions are determined by destiny or fate. For that reason, Eastern people are supposed to accept whatever comes in their life and lack inspiration to change it. In this study, Poland and Thailand can be represented the Western and Eastern countries. The comparative result of the 6-D Model© by Geert Hofstede between Poland and Thailand is represent as the Figure 1.

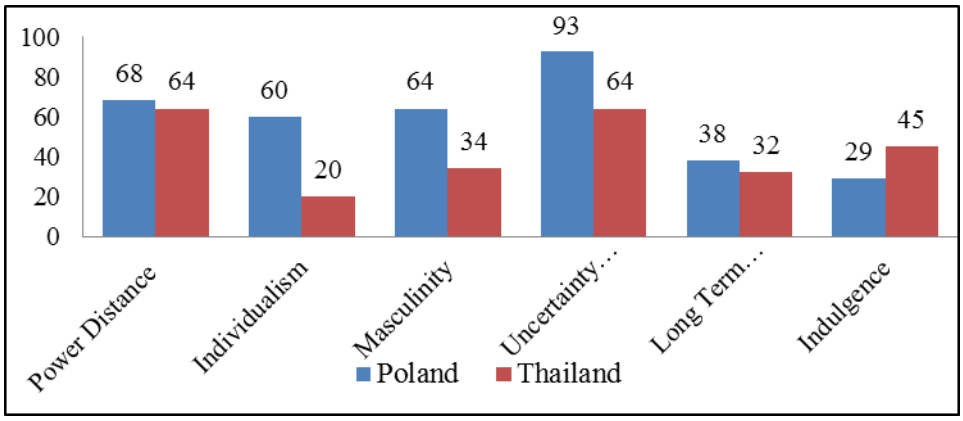

Figure 1. The Results of Culture Differences between Poland and Thailand
(https://geert-hofstede.com)

Liñán and Chen (2009) noted that cross-cultural studies are needed for the effect of different cultures and values on the entrepreneurial intention to be better understood.

Conceptual Framework and Hypothesis Development

The conceptual framework of this study is developed based on the research questions as the following, (1) whether a range of perceptions effect on individual's EI, (2) whether those perceptions differently impact on EI in Poland and Thailand. The proposed model is represented in Figure 2.
To test the impact of a range of perceptions towards EI the following hypotheses have been developed:
H1: EN has significantly positive impact on EI.
H2: OR has significantly positive impact on EI.
H3: FF has significantly positive impact on EI.
H4: SE has significantly positive impact on EI.
H5: DC has significantly positive impact on EI.
H6: HS has significantly positive impact on EI.
H7: PA has significantly positive impact on EI.

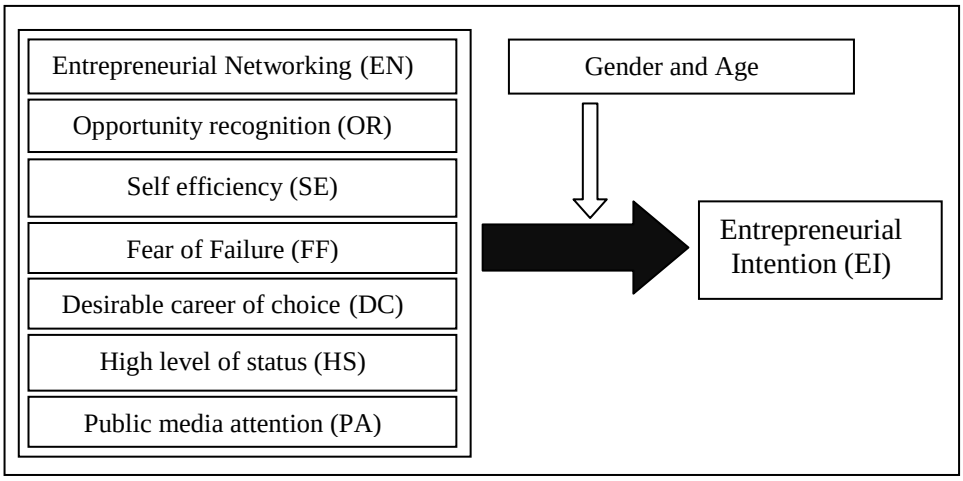

Figure 2. The Conceptual Framework and Measurement Model for the Study

Research Methodology

Measurement

The constructs and questions of this study are summarized as the Table 2.

Table 2. Constructs and Items of this Study

	Constructs	Operational terms in the questionnaires
Dependent variable	EI	Whether they intend to start a business within 3 years?
Independent variable (Binary variables; 0=No, 1=Yes)	EN	Whether you personally knew someone who had started a business in the last two years?
	OR	Would there be good opportunities to start a firm in the area where you live in the six months?
	SE	Do you believe you have the required skill and knowledge to start a business?
	FF	Whether fear of failure would prevent you from setting up a business or not?
	DC	Most people consider starting a new business a desirable career choice.
	HS	Those successful at starting a new business have a high level of status and respect.
	PA	You will often see stories in the public media and/or internet about successful new businesses.
Control variable	Age	-
	Gender	-

Results

Samples Profile

As stated earlier, the data of this study has derived from GEM Global APS Individual Level data in 2015, the brief demographic of samples profile represent in Table 3.

Table 3. Demographics of Samples in this Study

	Poland		Thailand		Total	
Gender						
Male	995	49.8%	1,461	48.7%	2,456	49.1%
Female	1,005	50.3%	1,539	51.3%	2,544	50.9%
Ages						
18-24	242	12.1%	455	15.2%	697	13.9%
25-34	479	24.0%	718	23.9%	1,197	23.9%
35-44	454	22.7%	755	25.2%	1,209	24.2%
45-54	387	19.4%	656	21.9%	1,043	20.9%
55-64	438	21.9%	416	13.9%	854	17.1%
Family members						
1-2	627	31.7%	370	12.4%	997	20.1%
3-4	988	49.9%	1,328	44.4%	2,316	46.6%
5-6	317	16.0%	1,074	35.9%	1,391	28.0%
more than 7	47	2.4%	218	7.3%	265	5.3%
Education						
None	-	-	562	18.8%	562	11.3%
Some Secondary	98	5.0%	403	13.5%	501	10.1%
Secondary Degree	990	50.1%	748	25.0%	1,738	35.0%
Post-Secondary	887	44.9%	1,196	40.0%	2,083	42.0%
Grad Exp	-	-	80	2.7%	80	1.6%

Note: missing data were not included and calculated percentages

Hypothesis Testing

In order to test the impact of perceptions towards EI, a multicollinearity problem was checked as the prerequisite by examining the Variance Inflation Factor (VIF). The VIF of the variables range from 1.023 to 1.075, which are less than 2.5 based on Craney and Surles (2002). Consequently, there is no multicollinearity problem and the data is appropriate for further analysis. Binary logistic regression analysis was used to test the proposed model of both Poland and Thailand data set. Binary logistic regressions were tested starting from only control variables (Gender and Age) in Model 1, and controls variable with all of perception variables (entrepreneurial network, opportunity recognition, self-efficiency, fear of failure, desirable career choice, high level of status, public media attention) in Model 2. The results of analysis represent in the Table 4.

Table 4. Logistic Regression on Entrepreneurial Intention

	Model 1		Model 2	
	B	EXP(B)	B	EXP(B)
Constant	-.063	.939	-.952***	.386
Gender	-.142	.764	-.033	.967
Age	-.269***	.868	-.260***	.771
Entrepreneurial network			.498***	1.645
Opportunity Recognition			.470***	1.600
Self-efficiency			.610***	1.841
Fear of failure			-.208*	.812
Desirable career choice			.058*	1.060
High level of status			.316**	1.529
Public media attention			.521***	1.683
Omnibus Tests of Model Coefficients (Sig. level)	0.000		0.000	
Nagelkerke pseudo R^2	0.246		0.318	
Percentage correct	75.2		81.9	

Note: Significance levels based on Wald statistics; * significant level p less than 0.05; ** significant level p less than 0.01; *** significant level p less than 0.001

In Table 4, Omnibus tests of model coefficients are significant which confirm the casual relationship of the proposed model. The Nagelkerke pseudo R squared indicates how well can the dependent variable be explained by independent variables in the model. Nagelkerke pseudo R squared improves when the variables are added to the model, and the percentage of correct prediction ranges from 75.2 to 81.9.

Model 1 is the basic model including only control variables (gender and age). The result shows that age significantly contribute to explain EI. According to the odd-ratios, older people seem to show less likely of the entrepreneurial intention. In other words, age is associated with lower entrepreneurial intentions since every additional year of age of respondents is associated with decreasing probability to show entrepreneurial intention.

Model 2 includes all of perception variables. Considering the result of odd ratio in Model 2, all of perception variables excluding fear of failure have positively significant effects on EI. In other words, people who possess higher perceptions on entrepreneurial network, opportunity recognition, self-efficiency, fear of failure, desirable career choice, high level of status, and public media attention are more likely to have an intention to become entrepreneurs. On the one hand, people having fear of failure are less likely to have EI. Next step is that, the logistic regression is separately performed to test for the existence of significant differences between Poland and Thailand. Overall, the model is significant, according to the Omnibus test and the predicted correct percentages are 79.5% for Poland and 81.2% for Thailand (Table 5).

According to the results of logistic regression, fear of failure significantly affects EI only Poland but not significant for Thailand. For the socio-cultural perceptions, High level of status and Public media attention are significant factors for only Thailand but not for Poland.

Table 5. Logistic Regression Results of Poland and Thailand

	Poland		Thailand	
	B	EXP(B)	B	EXP(B)
Constant	.350	1.418	-1.839***	.159
Gender	-.256	.774	.093	1.098
Age	-.541***	.582	-.144***	.866
Entrepreneurial network	.413**	1.511	.410***	1.507
Opportunity Recognition	.423**	1.526	.541***	1.718
Self-efficiency	1.098***	2.997	.533***	1.703
Fear of failure	-.509**	.601	-.142	.868
Desirable career choice	.425*	1.530	.086*	1.079
High level of status	.088	1.092	.507***	1.649
Public media attention	.188	1.207	.881***	2.414
Omnibus Tests of Model Coefficients (Sig. level)	0.000		0.000	
Nagelkerke pseudo R2	0.228		0.274	
Percentage correct	79.5		81.2	

Notes: * significant level p less than 0.05; ** significant level p less than 0.01;
*** significant level p less than 0.001

Discussion and Implications

There have been the needs for empirical investigations into culture difference and EI. This study has endeavored to fulfill this gap for more understanding to what extent the difference of culture impact EI. This study has investigated the impact of a range of perceptions and attitudes towards EI and compares the effect of the range of perception and attitudes towards EI between Poland and Thailand data. The result have shown that fear of failure significantly affects only Poland but not Thailand. On the one hand, external perceptions, which are high level status of successful entrepreneurs and public media attention on entrepreneurs significantly, impact only Thailand but not Poland. These findings are in line with previous studies (Mitchell et al., 2000; Mueller et al., 2002). For the combined sample of Poland and Thailand, the range of perceptions; namely, Entrepreneurial network, opportunity recognition, self-efficiency, fear of failure, desirable career choice, high level of status, and public media attention are significantly affected the level of EI. The results are different while separating the samples between Poland and Thailand. For Poland samples, high level of status as becoming successful entrepreneurs and public media attention are not significant predictors of EI. This situation probably can be explained based on high level of individualism,

which refers to culture that people taking care of themselves, self-orientation, and identity based on individual, making decisions based on individual needs, and emphasis on individual initiative and achievement. On the one hand, fear of failure does not significant affect on EI in Thailand. The results of this study also contribute some practical Implications. Since entrepreneurship is one of the most vital mechanisms contributing to economic and social development, and also is a major driver of job creation and national prosperity (Van Praag and Versloot, 2007). Consequently, several policy initiatives endeavor to pull people toward an entrepreneurial career choice (Fayolle et al., 2015). Policy makers need to take into account that perceptions of people towards EI are different, which means some entrepreneurship supporting programs may work effectively in one country but not in others. While Entrepreneurial social norms such as media's impact on entrepreneurship play a significant role in Thailand, entrepreneurship fostering programs may not be effective in Poland. On the one hand, fear of failure prevents people to become an entrepreneur in Poland, and policy makers need to create mechanism to reduce people's fear of failure such as entrepreneurial training programs to enhance their skill for starring businesses.

Conclusion

This paper has addressed unsolved issues regarding culture difference and EI. It has endeavored to test the application of the entrepreneurial intention model in two different cultural environments: Poland and Thailand. A range of perceptions have been tested in order to develop and verify the proposed model of factors influencing EI. In combined sample of model, the results have supported all proposed hypotheses. Additionally, the effect of culture difference on EI is tested by separately analyzing of Poland and Thailand data set.

The results show the existing impact of culture difference on perceptions and EI. This finding can be explained by the difference between the individual level of Poland (60) and Thailand (20), and also high level of uncertainty avoidance of Poland (93) while comparing with Thailand (64) based on cultural dimensions of Geert Hofstede (2017). However, this study has few limitations. Firstly, even EI is the strong predictors but still not entrepreneurs' actual behaviors. Practitioners and policy makers should take into account that intentionality does not always necessarily lead to actual behavior. Secondly, all of perception variables and EI are measured with a binary scaling. Thirdly, this paper has used only Poland and Thailand data from GEM2015. Therefore, the findings should be carefully generalized for other countries. Future researches may expand this line of research to include other relevant factors of EI and more countries so as to provide more comprehensive theoretical framework for explaining EI within and across cultural environments.

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PRZEDSIĘBIORCZE POSTRZEGANIE I INTENCJE: STUDIUM PORÓWNAWCZE POLSKI I TAJLANDII

Streszczenie: Celem badania jest analiza szeregu spostrzeżeń na temat intencji przedsiębiorcy (EI) oraz porównanie tych spostrzeżeń między Polską a Tajlandią. Polska i Tajlandia zostały wybrane do analizy, ponieważ oba kraje są podobne pod względem stopy przedsiębiorczości i są w gospodarce opartej na wydajności. EI jest jednym z najważniejszych predyktorów tworzenia działalności gospodarczej. W oparciu o dane z 2015 r. pochodzące z Global Entrepreneurship Monitor (GEM), w celu zbadania wpływu postrzegania EI, metodą regresji logistycznej łącznie przeanalizowano 5000 próbek: z Polski (n = 2000) i Tajlandii (n = 3 000). Zmienne niezależne obejmują postrzeganą przez jednostkę samoocenę, umiejętność rozpoznawania możliwości biznesowych, sieć przedsiębiorczości, strach przed niepowodzeniem, a także szereg percepcji społeczno-kulturowych. Wyniki pokazują, że postrzeganie samooceny, rozpoznawanie szans i sieci przedsiębiorczości mają znaczący wpływ na EI w obu krajach. Co ciekawe, badania wykazały, że wpływ strachu przed porażką ma wpływ na EI w przypadku Polski, ale nie Tajlandii. Z kolei wysoki poziom statusu i uwaga mediów publicznych na odnoszących sukcesy przedsiębiorców mają wpływ EI w Tajlandii, ale nie w Polsce.
Słowa kluczowe: intencja przedsiębiorcza, Global Entrepreneurship Monitor (GEM), Polska, Tajlandia

企业界知名度和意图：波兰和泰国之间的比较研究

摘要：本研究的目的是调查一系列对企业家意向（EI）的看法，并比较波兰和泰国之间的看法。波兰和泰国被选中进行分析，因为两国在创业意向率方面具有相似的方面，并且处于效率驱动型经济。EI是企业创造最重要的预测指标之一。根据2015年的全球企业家精神监测（GEM）数据，通过逻辑回归分析来自波兰（n=2,000）和泰国（n=3,000）的5,000个样本，以研究知觉对EI的影响。独立变量包括个人感知的自我效能，识别商业机会的能力，企业家网络，对失败的恐惧以及一系列社会文化认知。结果表明，自我效能感，机会识别和创业网络对两国的EI都有显着影响。有趣的是，对失败的恐惧的影响被发现影响到波兰的EI，但不影响泰国。一方面，高水平的地位和公众媒体对成功企业家的关注被发现会影响泰国的EI，而不是波兰
关键词：企业家意图，全球企业家精神监测（GEM），波兰，泰国。