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RESEARCH ARTICLE

Why Are There So Few Schumpeterian Entrepreneurs from China? Understanding the Factors That Influence Entrepreneurial Opportunity Evaluation from a Comparative Culture Perspective

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ABSTRACT

Opportunity evaluation is a very important part of entrepreneurial activity; however, entrepreneurs' individual differences in evaluating opportunities have been neglected in prior research. To address this gap, we apply institutional theory and stereotype threat theory to explain how some institutional factors differentiate entrepreneurs' opportunity evaluation process. More specifically, we explore how external institutional factors, such as political and social factors, along with personal institutional factors, such as family influences, affect the opportunity evaluation of entrepreneurs under various cultural backgrounds, specifically China and the United States. The Schumpeterian entrepreneur, in which radical innovation and the desire to significantly upend market equilibria, frames our discussion. This paper contributes to the theoretical understanding of the factors influencing entrepreneurial opportunity evaluation from a comparative culture perspective and to the comparative international entrepreneurship field by building a comparative evaluation framework that summarizes institutional factors influencing Chinese and American entrepreneurs' opportunity evaluation. We propose that policy, social value, and belief as well as family will have significant impacts on entrepreneurs' opportunity evaluation. We further propose several cultural constructs such as individualism vs. collectivism, uncertainty avoidance, and Confucian work dynamism will moderate the relationship with institutional factors in influencing an entrepreneur's opportunity evaluation process. We discuss our implications with attention given to how our comparative evaluation framework provides insights into why China and the United States differ in terms of developing Schumpeterian entrepreneurs. We then discuss the framework's limitations.

Key Words: Policy; social value; family; individualism vs. collectivism; uncertainty avoidance; Confucian work dynamism; opportunity evaluation; Schumpeterian entrepreneur

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INTRODUCTION

As the Chinese economy is emerging, more and more people wonder why China does not have many Schumpeterian-style entrepreneurs, like Bill Gates, Steve Jobs, or Elon Musk (Mourdoukoutas, 2011). While the essence of every entrepreneur is to bring a new idea to market, a Schumpeterian entrepreneur is that unique individual whose entrepreneurial idea is so radical, so bold that it ultimately disrupts the market into which it is introduced (Landstrom, 2007). Fundamentally, Schumpeterian entrepreneurs destabilize the sector(s) and economies in which they operate (de Jong et al., 2022).

Scholars are increasingly interested in studying questions regarding new venture creation (Ireland et al., 2005). New venture creation is contingent upon a number of factors, including the economic, social, and political climates as well as the availability of individuals predisposed to initiating new ventures (Del Junco & Bras-dos-Santos, 2009; Mueller & Thomas, 2001). One of the key inflection points for every entrepreneur is the evaluation of new opportunities (Mitchell & Shepherd, 2010). Research has shown that there are significant differences in how entrepreneurs identify and evaluate new opportunities based on their gender (DeTienne & Chandler, 2007; Kothari & Roldan, 2022), emotion (Foo, 2011), entrepreneurship education, in addition to personal-level and institutional variables (Pérez-Macías et al., 2022). We add to this research by exploring factors that impact entrepreneurial valuation and decision-making from a comparative culture perspective (Baker et al., 2005; Stenholm et al., 2013).

Furthermore, research has shown that cultural differences shape the extent to which individuals exhibit entrepreneurial characteristics (Del Junco & Bras-dos-Santos, 2009; Mueller & Thomas, 2001). Researchers still do not know enough about how contextual factors, in general, and national culture, in particular, affect the cognitive process of the entrepreneur in judging opportunities (Hayton et al., 2002; Keh et al., 2002; Mitchell et al., 2002 Shane et al., 1991). This, in turn, prompts our main research questions as to why Schumpeterian entrepreneurs may be more common in some countries than others, and what are the key factors impacting entrepreneurs' choice of becoming Schumpeterian entrepreneurs.

We aim, therefore, to build a more complete theoretical understanding of the factors influencing entrepreneurial opportunity evaluation from a comparative culture perspective, as well as, to advance the international entrepreneurship field. Specifically, we develop a comparative evaluation framework that summarizes institutional factors influencing entrepreneurs' opportunity evaluation. We propose that policy, social value, and belief as well as family will have significant impacts on entrepreneurs' opportunity evaluation and thus develop different entrepreneurial styles (Audretsch et al., 2016). We further suggest that several culture constructs (such as individualism vs. collectivism, uncertainty avoidance, and Confucian work dynamism) (Hofstede & Bond, 1988; Wu, 2006) moderate, along with institutional factors, an entrepreneur's opportunity evaluation process. Overall, we aim to develop a comprehensive evaluation framework that can be used to assess why countries differ in terms of developing Schumpeterian entrepreneurs.

THEORETICAL FOUNDATION

We apply institutional theory and stereotype threat theory to address the research gap which has left unexplained the factors that differentiate entrepreneurs' opportunity evaluation process (e.g., Baker et al., 2005). More specifically, we explore how institutional factors affect the opportunity evaluation of entrepreneurs in China and the United States. Institutional theory serves as our over-arching theory, forming the framework to explain how institutional factors (political, social, personal) as well as the comparative culture perspective interactively affect the opportunity evaluation of entrepreneurs. In addition, we illustrate the detailed impact of social, family, and cultural factors on the entrepreneurial opportunity evaluation process by using the lens of stereotype threat theory. We turn next to a review of these two theories and some key constructs.

Institutional Theory

Institutional theory sets out to explain how organizations and individuals "better secure their positions and legitimacy" (Bruton et al., 2010, p. 422) in society, and it does this by suggesting that human behavior is shaped by a set of formal and informal "rules of the game" (i.e., "institutions") that provide predictability and incentives for individual and organizational action.

> [Institutions] make predictable our dealings with each other every day in all kinds of forms and shapes. They thereby not only reduce uncertainty in the world but allow us to get on with everyday business and solve problems effectively. When we say institutions structure human interactions what we mean is that they provide incentives and disincentives for people to behave in certain ways; and if they are effective, they structure and provide incentives and also structure economic, political and social activity (North, 2003, p. 1).

Institutional theory, then, is an attempt to understand that social and organizational behavior is impacted by the systems surrounding the organization (Scott, 2013). It argues

that institutional forces could affect the organizations' decision-making processes. Institutional theory considers how the influence of both formal rules, its regulatory pillar, along with informal and tacit factors, its normative and cognitive dimensions, which include norms, rules, and routines of a society, establish authoritative guidelines for social behaviors (Peng et al., 2008). Therefore, social (DiMaggio & Powell, 1983; Scott, 2013), economic (Coase, 1998; North, 2003), and regulatory (Ardagna & Lusardi, 2008; Braunerhjelm et al., 2015) factors constitute the institutional structure of a particular environment, which provide advantages for people like entrepreneurs engaging in specific activities there (Bruton et al., 2010). Formal institutions can therefore change relatively quickly because they are often expressions of regulatory intent, while informal institutions, with their deep, cultural roots and socially-constructed informal rules, change more slowly (North, 2003; Scott, 2005).

Institutional theory has matured as a field of study so that there is now scholarship that reviews institutional theory as it applies to strategic management (Peng et al., 2023), organizational studies (Glynn & D'Aunno, 2023), international business (Xu & Meyer, 2013), and entrepreneurship (Audretsch et al., 2022; Urbano et al., 2019). Peng (2002) brought institutional theory into the broad domain of international management and comparative country studies through his provocative question: "Why do strategies of firms from different countries and regions differ?" (Peng, 2002, p. 251). His and his colleagues' answer is firmly: Institutions (Peng et al., 2018).

Entrepreneurial research increasingly attempts to understand individual entrepreneurial formation, especially the relationship between the entrepreneur and the environment (Sarasvathy, 2004). Recognition of an opportunity is necessary for new venture creation, but it is not sufficient. "It is the subtle interplay between the individual and the opportunity that catalyzes new venture creation" (Stenholm et al., 2013, p. 179). Institutional theory has also become an increasingly theoretical lens for entrepreneurship research in exploring the interaction between entrepreneurs and institutions (Bruton et al., 2010; Su et al., 2017). Institutional research has demonstrated that the creation of a new firm is very much shaped by the context or environment in which the entrepreneur is active (Bjørnskov & Foss, 2016; Bruton et al., 2010; Shirokova et al., 2021). Institutional contexts and forces not only influence the organizations' processes and decision-making but also the entrepreneurs' perception and recognition of opportunity (Boudreaux et al., 2022). Therefore, in this article, we apply institutional theory to develop a comprehensive view of the factors affecting entrepreneurial opportunity evaluation.

Stereotype Threat Theory

Stereotypes refer to "overgeneralized attributes associated with the members of a social group ... with the implication that it applies to all group members" (Hinton, 2017, p. 2). The formation, use, and maintenance of stereotypes involve extensive cognitive processes (Hamilton & Sherman, 2014). Stereotypical beliefs and expectations are acquired through socialization and serve a functional purpose in that they help individuals have a confirmed understanding about their world (Snyder & Miene, 1994). However, when forming stereotypes, individuals often make extreme trait and evaluative group judgments, sometimes using rare information about group members (Ford & Stangor, 1992).

Stereotype threat is a situation in which individuals are concerned about being judged negatively due to a negative stereotype toward their group (Spencer et al., 2016). Stereotype threat focuses on the target of the stereotype and how that stereotype is impacting the target's cognitions and behaviors, especially that person's performance (Schmader et al., 2008; Spencer et al., 2016). For instance, if negative stereotypes are present, individual group members are likely to become anxious, stressed, and concerned about their performance, which may hinder them from realizing their full potential. The same situation could happen to entrepreneurs who belong to a culture of stereotyping entrepreneurship or new firm creation as negative or as an improper occupation.

Based on the arguments of stereotype threat theory, we propose that opportunity evaluation of entrepreneurs will be affected by the stereotypical beliefs associated with their social group. Entrepreneurs may not objectively evaluate a given opportunity because of negative stereotype threats from policies, social values, and families, thereby hindering their new venture creation intention. Besides, stereotype threats may vary from person to person and culture to culture. We believe that entrepreneurs may vary in the degree to which they engage in the processes of stereotyping and thus act differently.

Schumpeterian Entrepreneur

The Schumpeterian entrepreneur (Henrekson & Sanandaji, 2020) is often posited as an indicator of vibrant, innovation-driven economies (Ferreira et al., 2017). Schumpeter's key insight (1934) was that economic growth was driven by disruptive innovation, which he called "creative destruction," rather than capital accumulation (de Jong & Marsili, 2015). Parallel with this insight, Schumpeter also realized that some*one* rather than some*thing* was needed to create these new, radical innovations that take economies in unexpected directions. For Schumpeter, that person was the entrepreneur. Schumpeter conceptualized an economy as a never-ending cycle of creative destruction, rapid change,

and stasis/economic equilibria, followed by a new wave of creative destruction, change, stasis, and so on, *ad infinitum*. Thus, creative destruction and the entrepreneurs who bring their bold, disruptive innovations to the market (Block et al., 2013) are not only the engines of economic growth but also the drivers of continued economic renewal.

Because the Schumpeterian entrepreneur's idea is so radical, it is often dismissed by incumbent firms in the market as either "not much of a threat" or "likely to fail." Christensen (1997) notes that this failure of incumbent firms to understand the threat posed by a new, radical idea (by the Schumpeterian entrepreneur) ultimately leads to incumbents either leaving the market or operating as much diminished firms. In so doing, the Schumpeterian entrepreneur embodies the essence of Schumpeter's view of economic growth: innovation, creative destruction, turbulence (the challenge to equilibria), and renewal (Schumpeter, 1934). Finally, there is the question of motivation. The Schumpeterian entrepreneur is not motivated by money, that is, by the goal of getting rich. Rather the Schumpeterian entrepreneur is motivated by strong competitive instincts, in the desire to create a legacy or some other non-monetary motive (Henrekson & Sanandaji, 2020). As the person most able to explain the boldness and radicalness of the innovation, the Schumpeterian entrepreneur is an individual who has a strong ego (because many will challenge the viability of the idea including incumbents), who continually perseveres in the face of sometimes daunting odds, and may have a brashness built on self-confidence, self-assurance that can come across as being impatient. Schumpeterian entrepreneurs are bold visionaries.

Opportunity Evaluation

Previous research has sufficiently identified key definitions and boundary conditions of the evaluation of opportunity (Short et al., 2010). Most of the literature defines opportunity evaluation as "a first-person judgment of the attractiveness of that opportunity," and this first-person judgment and assessment is believed to be affected by the "skills, competencies, knowledge, and resources" of the entrepreneur (Haynie et al., 2009; Kushev et al., 2019; Lee & Venkataraman, 2006).

Hindle (2007) pointed out that opportunity evaluation is one of the most important components of entrepreneurial opportunity because it acts as the fundamental essence for determining what activities an entrepreneur does. Therefore, the ability of an entrepreneur should not only be judged by their skill of discovering or exploiting an opportunity but also be determined by their capacity to evaluate an opportunity. Historically, much of the literature has investigated this linear pattern of the discovery, identification, and implementation of opportunity (Shane & Venkataraman, 2000). However, scholars more recently are beginning to explore how the opportunity evaluation, itself, forms and what factors affect that process of opportunity evaluation (Boudreaux et al., 2022).

Empirical research on personality, information and knowledge background, social networks, the entrepreneurial sensitiveness of the entrepreneur, as well as the type of opportunity itself all influence opportunity evaluation (Kaish & Gilad, 1991; Ozgen & Baron, 2007). Also, research finds that prior business experience, knowledge, and education (Davidsson & Honig, 2003; Dimov, 2007; Shane & Venkataraman, 2000; Westhead et al., 2009) together with entrepreneurial human capital (Ucbasaran et al., 2008) effect the entrepreneur's ability to evaluate opportunities. Similar to Adel Rastkhiz et al. (2019), we conclude that human capital variables and internal variables, in other words endogenous influences, dominate much of the research on entrepreneurial opportunity evaluation. Yet, the effects of external or exogenous factors, such as the environment, policy, regulations, etc., on entrepreneurial opportunity evaluation remain mostly neglected.

De Carolis and Saparito (2006) address this gap with their investigation of why some people exploit opportunities, while others do not. They did so by exploring the interaction of external and internal factors of the entrepreneur. Their study found that judgments as to whether an opportunity does or does not exist can be generated under quite different social and economic contexts and that those contexts can significantly impact the evaluation and perception of each potential opportunity. This finding has important implications for cross-country and cross-cultural research, where economic landscapes, culture, and social relationships may come together to create distinctive contextual configurations. We turn to this discussion next.

THEORETICAL DEVELOPMENT AND PROPOSITIONS

Policy

As institutional theory suggests, government regulations and legal systems, as formal institutions, can significantly impact entrepreneurial activities (Lu & Tao, 2010; Puffer et al., 2010). The role of the government, which is often the most pervasive and influential regulatory institution in a country (Bruton et al., 2010), should act as a facilitator rather than a regulator in entrepreneurship development (Acemoglu & Robinson, 2012; Kothari & Roldan, 2022). Generally speaking, a political system with freedom of choice, individual rights, democratic rules, and governmental checks and balances is needed for the growth of entrepreneurship (Ahlstrom et al., 2019). Meanwhile, the opportunity conditions for entrepreneurship are influenced by the direct and indirect actions of governments (Friedman, 1982). Governments

can remove conditions that create entry barriers, market imperfections, and unnecessary regulation to ensure markets function efficiently (Lee & Peterson, 2001). As the World Bank states, "Private sector development is driven by the efforts and ingenuity of private entrepreneurs but is critically affected by a range of public policies and regulations that create a conducive business environment" (World Bank, 2022, p. 1). For instance, governments can show support for entrepreneurial activity by providing funding to encourage risky and innovative research and development, supporting incubator programs, liberalizing trade policy, practicing disciplined fiscal policy, increasing the availability and productivity of labor, and deregulating industries and privatizing state-owned enterprises, etc. (Morris, 1998).

Conversely, some policies of the government could also block the development of entrepreneurs (Acemoglu & Robinson, 2012; Ahlstrom et al., 2019). For example, some countries' governments are bureaucratic and centralized. Entrepreneurs under those kinds of governments are mainly forced to comply with many rules and procedural requirements. They are expected to report to an array of institutions and have to spend extensive time and money in filling out documentation and meeting requirements. As a result, they are discouraged from starting new ventures (Morris, 1998). Therefore, a society's regulations and policies governing the allocation of rewards will directly affect the development of entrepreneurship (Ahlstrom et al., 2019).

Governmental regulations and policies prove to be connected with the evaluation of opportunity as well. Supportive policies, such as investing, funding and resources, protecting intellectual property rights, as well as providing convenient conditions and services for entrepreneurs, will be facilitators in evaluating opportunities (Sun et al., 2020). In East Asian economies, the government, as the main actor of institutional change, needs to formulate convenient policies to facilitate innovation (Huang et al., 2022). Following this logic, we believe that governmental policy, which is built under its specific political system and history (Tomizawa et al., 2020), will greatly affect the entrepreneurs' opportunity evaluation in a country. Specifically, policies that support entrepreneurship development will enhance entrepreneurs' opportunity evaluations. Hereby, we have the proposition:

Proposition 1: Supportive governmental policy is positively related with entrepreneurs' opportunity evaluation.

Many governmental policies relate to entrepreneurship development. Lewis et al.'s (2013) research found a significant difference in policy due to Chinese and American entrepreneurs' responses. Policy has a larger impact on Chinese entrepreneurs than on American entrepreneurs (Lewis et al., 2013). Here, we select three major governmental policies and illustrate their impact on entrepreneurs' opportunity evaluation in detail.

First, the intellectual property rights of entrepreneurs are essential for entrepreneurship (Gao et al., 2022). Protecting intellectual property is considered an important aspect for entrepreneurs to assess in their early market-entry decision (Autio & Acs, 2010). Formal intellectual property regimes not only protect entrepreneurs with exclusive business rights and their innovative ideas but also provide them with a competitive advantage in the market that those ideas could not be copied cheaply and easily. By protecting those rights for entrepreneurs, they will be more confident about their entrepreneurial performance as well as making up for the costs they already spent in their early research and development (Estrin et al., 2013; Raza et al., 2020).

Compared with the more complete intellectual property rights protection systems in the United States, Chinese entrepreneurs suffer more from the lack of intellectual property protection (Rodríguez-Pose & Zhang, 2020). The Chinese freely share ideas with each other and place far less value on privacy, which results in a lack of respect for their intellectual property rights (Anjoran, 2011). Chinese entrepreneurs find it hard to survive under conditions where piracy is rampant and legally unprotected (Rodríguez-Pose & Zhang, 2020). Intellectual property rights protection has a significant influence on entrepreneurship in China (Gao et al., 2022). Thereby, we believe that:

Proposition 1a: Supportive intellectual property policy is positively related with entrepreneurs' opportunity evaluation.

Second, funding and tax policies also turn out to be an essential element in entrepreneurs' opportunity evaluation. Wadhwa et al. (2009) surveyed 549 company founders of successful businesses and explored the factors that could impact the success or failure of entrepreneurship. Among all participants, 68% considered the availability of financing/capital as important. Governmental supportive funding policy and access to finance are important for entrepreneurs to reduce risk and evaluate opportunity (Patzelt & Shepherd, 2009). Tax policy significantly impacts entrepreneurial decisions, as shown by substantial evidence that progressive taxation discourages entrepreneurship entry (Gentry & Hubbard, 2000).

For most of its history, China did not have a free market economy (Bramall, 2008), one consequence of which was that Chinese funding and tax policies favored foreign investment over local entrepreneurs (Huang & Tang, 2018). So too, because of China's weak institutional infrastructure (i.e., underdeveloped legal and financial systems when compared

to those in developed economies), there existed a persistent, ideological bias against small businesses with governmental preferences being given to state-owned enterprises (Lu & Tao, 2010). As a result, strong financial support and venture capital availability have yet to have a large, positive impact on China's entrepreneurial activities (Pan & Yang, 2019). Although China's innovation has improved recently, there are, nevertheless, huge imbalances of innovation development among different regions (Yao & Li, 2023). These imbalances are mainly influenced by five entrepreneurship policies, including talent development, digital transformation, technology transformation, tax, and government innovation management policies (Huang et al., 2022). In contrast, American entrepreneurs have benefited not only from the United States' entrenched free market system and strong private property rights protections but also from the United States' more supportive funding and tax policies, historically more stable political conditions, an abundance of labor, a steady supply of capital and sufficient natural resources, and technology support (Gunderson, 1989). Therefore, we propose that:

Proposition 1b: Supportive funding and tax policy is positively related with entrepreneurs' opportunity evaluation.

Third, the success of entrepreneurs cannot be fully realized without supportive policies from the government in providing convenient conditions and services (Urbano et al., 2019). Rooted in socialism, Chinese entrepreneurs face more regulation and policy barriers than their counterparts in other countries (Huang & Tang, 2018). Under the Chinese policy system, there are fewer helpful services or training programs for entrepreneurs (Huo & Wei, 2023).

In addition, compared to other developed economies, China, as an emerging economy, scores low in economic freedom (Heritage Foundation, 2023). Corruption, prevalence of state-owned enterprises, many rules and procedural requirements, and other non-tariff barriers all make doing business in China difficult (Heritage Foundation, 2023). According to the Ease of Doing Business ranking (World Bank, 2020), China was ranked 31, while the United States was ranked at 6. The higher ranking indicates a more conducive regulatory environment in a country to start and operate a business. Providing supportive conditions and services, such as entrepreneurial training and education and building necessary utilities, will encourage entrepreneurship. Here, we have the following proposition that:

Proposition 1c: Supportive entrepreneurial serving policy is positively related with entrepreneurs' opportunity evaluation.

While Proposition 1, with its further refinement in Propositions 1a, 1b, and 1c, describes macroeconomic and governmental policies that support all entrepreneurs in opportunity evaluation, these conditions are especially important for Schumpeterian entrepreneurs (Henrekson et al., 2021). Because Schumpeterian entrepreneurs do "what has not been done before" (Schumpeter, 1928, p. 380), they face a magnitude of uncertainty, risk, and market-entry hurdles that well-exceed those encountered by entrepreneurs who engage in incremental innovation, that is, an innovation that basically improves an existing and familiar product. Supportive government policies thus provide Schumpeterian entrepreneurs with certainty and the trust that institutions will function as they should (Rose & Lahiri, 2022), that there are protections for their radical ideas, thereby indicating that this level of entrepreneurial risk-taking is worth attempting.

Social Values and Beliefs

Values and beliefs form the basis of people's expectations, actions, and inactions. Culture can be defined as "a set of values and beliefs that could socially define a group of people and binds them together" (Trenholm & Jenson, 2000). According to Weaver (1999), culture could also be described as an iceberg. The tip of the iceberg is the behavior of people which we can easily see. Most of the iceberg is submerged under the water, which represents the values and beliefs of the people (Weaver, 1999). Those values and beliefs are hidden inside people's minds and guide their way of thinking and perceiving. Most importantly, these values and beliefs often determine a person's behavior because every individual is socialized into a given culture. Therefore, to understand any group's social and personal behavior, it is important to investigate the dominant values and beliefs of their culture, which are passed down from generation to generation (Weaver, 1999).

As Hofstede (1980) pointed out, the characteristics and behavior patterns of people depend on their prevailing value systems. Those cultural values usually form early in a person's life and last over time. Karim (2001) demonstrated that a person's decision to become an entrepreneur might be affected by socio-cultural factors, such as religious values. Many researchers have asserted that we can gain valuable insights about patterns of behavior, motivation, and expectations of cross-cultural boundaries by systematically exploring social values (Hofstede, 1983a,b; Schwartz, 1992). Additionally, according to institutional theory, the beliefs and values of individuals and groups, considered as institutional logic, will impact entrepreneurial activity (Scott, 2013; Su et al., 2017). Therefore, investigating different values and beliefs is beneficial for understanding the motivation and patterns of entrepreneurial behaviors, especially new venture creation.

Positive opportunity evaluation and entrepreneurship could come from the influence of certain social values. Specifically, societies are inclined to be more entrepreneurial when they place a higher social value on social mobility, independent thinking and action, a lower need for conformity, and a stronger motivation toward material wealth (Sexton & Bowman, 1985). Additionally, autonomy and proactiveness were proven to be essential factors in promoting a strong opportunity evaluation (Sexton & Bowman, 1985). For example, countries that follow a Confucian social philosophy and place a high value on authority would affect the initiative of entrepreneurs because collective and conformist behaviors, which could be barriers to entrepreneurial opportunity evaluation, are highly valued. This Confucian conformity works as a stereotype deeply rooted in people's minds and supports existing norms, making Chinese entrepreneurs more pragmatic than American entrepreneurs. Consequently, Chinese entrepreneurs frequently select opportunities that are more achievement and short-term oriented than those embodying more radical innovations (Holt, 1997).

China, as a representative of Confucian social philosophy, values authority and the hierarchical structure of social life more than freedom and autonomy. Under these values, the Chinese view themselves more as parts of the group unit than as free individuals. Typically, Chinese children are raised to pursue group achievement over their own personal benefits (Holt, 1997). Chinese entrepreneurs are significantly influenced and restricted by these social values when they make decisions. In contrast, American entrepreneurs benefit from favorable entrepreneurship environments due to the value system that is supportive of entrepreneurship (Gunderson, 1989). By highly valuing autonomy, American entrepreneurs have enough room and freedom to develop and initiate their own start-ups (Holt, 1997).

This interplay between autonomy and authority speaks directly to the social values that either encourage or stymie the Schumpeterian entrepreneur. Autonomy connotes independence, the willingness to be different from others as well as the valuing of all forms of creativity (e.g., thinking without constraints). Authority, in contrast, stresses the need to mesh with others, which tends to stifle radical ideas that might challenge group harmony and consensus. Thus, autonomy as a value is centrally situated for Schumpeterian entrepreneurs, since they are driven to develop radical, disruptive innovations, always *ex nihilo* (Henrekson et al., 2021), and must have the freedom and independence to do so. We can conclude that entrepreneurs' patterns of behavior, motivation, and evaluation of opportunities are closely related to the social values of a country. Social values that respect the autonomy and legitimacy of those who exploit opportunities will likely encourage entrepreneurial behaviors (Lee & Peterson, 2001). Therefore, we have the following set of propositions:

Proposition 2a: The social value of autonomy is positively related with entrepreneurs' opportunity evaluation.

Proposition 2b: The social value of authority is negatively related with entrepreneurs' opportunity evaluation.

There is a long history of research on beliefs. Leung et al. (2002) provided the first step of systematically and comprehensively analyzing the nature of beliefs. They explore five common beliefs that can serve as a basis for understanding individuals in all cultures and in different cross-cultural settings: cynicism, social complexity, reward for application, spirituality, and fate control (Leung et al., 2002). Cynicism represents a negative, mistrusted, and biased view of society and humanity and an expectation of opportunism (Turkina & Thai, 2015). Fate control is the belief that life events are predetermined and people sometimes are powerless to change the outcomes of those events (Leung et al., 2002). Those two beliefs guide people's behaviors and become explanatory factors for a variety of social behaviors. For instance, cynicism is associated with trusting behaviors, while fate control is connected with investing in certain strategies. Those beliefs may also relate to entrepreneurial activities since cynicism and fate control will have a significant impact on the entrepreneurs' opportunity evaluation (Turkina & Thai, 2015).

Cynicism is believed to be negatively related with business innovation and business start-ups (Heuer, 2012). Heuer (2012) points out that cynicism is debilitating and negatively impacts the working environment and, thus, the whole company. Stereotype threat theory applies here since cynicism expresses negative stereotypes about certain groups of people, one consequence of which is that individuals in those groups may underperform in situations where those negative stereotypes are salient. In contrast, entrepreneurs are normally considered optimistic and radical rather than confrontational and subdued (Casson, 2005). Cynicism may destroy the exploration and identification of an opportunity and prevent a successful start-up.

Fate control deals mainly with the belief whether people can control the events happening to them (Turkina & Thai, 2015). One aspect of fate control is fatalism. Fatalism is the belief that no matter how hard individuals struggle or what they do, events and outcomes are predetermined and inevitable. Fatalism is a strong informal institutional force that constrains entrepreneurial innovation and activities (Shantz et al., 2018). Entrepreneurs need to be optimistic and passionate for the potential favorable outcomes of an opportunity (Casson, 2005). They should be willing to take the necessary

risks to achieve their goals. However, the core beliefs of fatalism conflict with the requirements of being entrepreneurs. Ruiu (2014) presents a theoretical model illustrating how fatalistic beliefs will be a serious obstacle in a person's choice as to whether to be an entrepreneur or not. We note here that Schumpeterian entrepreneurs eschew both cynicism and fatalism, since both would negate a solid belief in their transformational business idea (cynicism) and in their own ability to bring their radical innovation to market (fatalism). Thereby we have the following propositions:

Proposition 2c: The social belief of cynicism is negatively related with entrepreneurs' opportunity evaluation.

Proposition 2d: The social belief of fatalism is negatively related with entrepreneurs' opportunity evaluation.

Family

Based on the institutional theory literature, family is considered as one of the ideal types of institutional logic that shapes the cognition and behaviors of entrepreneurs (Thornton et al., 2012). Entrepreneurs' decisions to start new ventures will be influenced by their families and/or other persons around them; people are part of networks of social relations and "do not decide to start a business in a vacuum" (Aldrich & Cliff, 2003, p. 577). Aswathappa (2009) found out that the role of family is a highly valued factor that influences entrepreneurship. Family type and family size were also important socio-economic factors that impact entrepreneurial success (Khan, 2014). This family-embeddedness perspective offers one framework for understanding the role of family in entrepreneurship (He et al. 2022). It shows that family-system characteristics comprise three interrelated components: transitions (marriage, divorce, childbirth); resources (financial, human, social); and norms, attitudes, and values (the interaction between family members, attitudes toward work and family, and instrumental and terminal values). These characteristics may impact the business start-up process and its outcomes (Aldrich & Cliff, 2003).

Furthermore, judging from this entrepreneurial networking perspective, entrepreneurs' decisions and evaluations are always bounded within their social contexts and networks (Arregle et al., 2015). People located at more advantageous positions within social networks are more likely to discover and reach entrepreneurial opportunities. That is to say, entrepreneurs often depend on their informal networks, such as family, friends, and business partners, to support them in their entrepreneurial activities (Aldrich & Zimmer, 1986). Exploring opportunities requires acquiring scarce and competitive resources, such as human capital, market information, and technical knowledge. Therefore, family financial support is important in new firm formation (Lee & Peterson, 2001).

Additionally, how the family values and treats entrepreneurial activity is also essential in shaping entrepreneurial decision-making. Wadhwa et al. (2009) found that 73% of the participating entrepreneurs believe that they have family/financial pressures to keep a traditional, steady job when they are trying to start a new venture. Take the impact of family influence in China as a case in point: As the deeply rooted values of moderation and Confucian conformity in Chinese society assert (Ip, 2009), most parents want their children to have stable careers rather than take any entrepreneurial risk (Zhu et al., 2023).

Applying stereotype threat theory, there exists among the Chinese a negative stereotype that considers entrepreneurship as "monkey business" and an unserious job. In addition, following the traditional Chinese virtues and values, Chinese people usually have the pressure of the obligation to take care of their parents, which in turn will strengthen the family's influence (Yan & Sorenson, 2004) as well as weaken the risk-taking willingness and courage of Chinese entrepreneurs to start a new venture. Confucian culture reinforces this focus on family and patriarchal principles. Individuals are supposed to make decisions following paternal authority and should behave in ways for the sake of harmony (Au & Kwan, 2009). Chinese entrepreneurs may act more conservatively when evaluating an opportunity, especially if family funding is involved, due to the need for security (Redding, 2013). In countries where entrepreneurs are less likely to have family influence and pressures, Schumpeterian entrepreneurs are more likely to develop due to greater freedom and less family restriction and interference in their opportunity evaluation (Au & Kwan, 2009).

Therefore, family indeed plays an important part in entrepreneurs' opportunity evaluation because it provides support to entrepreneurs both emotionally and materially. Thereby, we believe family support could mainly be divided into financial and mental support both of which are essential for entrepreneurs' decision and entrepreneurial success. Based on the family embeddedness and networking perspectives, with the application of stereotype threat theory and the explanation of the specific case of China, we propose that:

Proposition 3: Family support is positively related with entrepreneurs' opportunity evaluation.

Cultural Dimensions

Substantial and sustained research has been conducted on national value systems and differences among cultures; however, research by Hofstede (1980, 1983a,b) is frequently considered foundational for understanding and categorizing

different cultures. Hofstede (1980) explained culturally based value systems as containing four dimensions: power distance, uncertainty avoidance, individualism, and masculinity. Hofstede's (1980) culture dimensions were believed to provide a relative objective measure of group characteristics that represent different value orientations and beliefs.

Hofstede's (1980) culture dimensions were criticized early on as mainly developed based on Western cultures. Thus, Hofstede and Bond (1988) specifically explain these values in terms of East Asian entrepreneurship and the unusual success of private enterprise development under Asian economies. Hofstede (2001) later revised his conceptualization to include Confucian work dynamism, or short-term versus long-term orientation, although not all scholars are satisfied with this (Fang, 2003).

Culture and Entrepreneurial Opportunity Evaluation

As institutional theory states, culture is a fundamental "informal institution" that supports other "formal institutions," such as entrepreneurial activities in the environment (Hofstede, 2011; Redding, 2005; Singh, 2007). There is no direct relationship between culture and entrepreneurial activities specified by Hofstede in his definition. However, the cultural dimensions he mentions provide guidance regarding which key elements of culture should be connected with entrepreneurial opportunity evaluation. Besides, national culture has been empirically associated with entrepreneurship in the international research arena (Calza et al., 2020; Goktan & Gunay, 2011).

According to Weaver's (1999) "iceberg analogy" of culture, values and beliefs determine most behaviors of people like entrepreneurs. Cultural values were strongly correlated with entrepreneurial behavior in Huisman's (1985) study, with a wide variance of entrepreneurial activities identified across different cultures. While Leung et al. (2002) found many factors that influenced entrepreneurial behaviors are common among cultures, Mueller and Thomas's (2001) research suggests that because of different values and belief systems in different countries, some cultures may have stronger entrepreneurial orientation than others. Lee and Peterson (2001) noted that cultural values and norms could be either helpful or harmful in developing a strong entrepreneurial orientation. Similar results are found by McGrath et al. (1992) that entrepreneurs differ significantly in culture-based values and beliefs in their ten-country study of entrepreneurs and non-entrepreneurs.

The majority of entrepreneurship studies rely on Hofstede's (1980) cultural dimensions rather than other values and beliefs (Muzychenko, 2008). Those studies have mostly hypothesized and concluded that entrepreneurship is facilitated by cultures that are high in individualism, low in uncertainty avoidance, low in power distance, and high in masculinity (Hayton et al., 2002). Mourdoukoutas (2011) argues that China might have fewer Schumpeterian entrepreneurs because the discovery and exploitation of new market opportunities and the introduction of products and process to exploit them do not blend well with China's culture of Confucian conformity to existing norms. In contrast, the United States may produce more Schumpeterian entrepreneurs because of the United States' unique cultural embeddedness of individualism, risk-taking, optimism about the future, and strong commitment to freedom.

Three of Hofstede's cultural dimensions, individualism versus collectivism, uncertainty avoidance, and Confucian work dynamism, seem to be most central to understanding the cultural differences in entrepreneurial opportunity evaluation in different country contexts. In addition, we propose that these three cultural dimensions have the greatest explanatory power in understanding why China and the United States are different in developing Schumpeterian entrepreneurs.

Individualism Versus Collectivism

Individualistic cultures have values and beliefs such as being responsible for oneself, individual achievement, and emotionally independent from organizations or groups (Cullen, 2002; Hofstede, 1980). The ties and networks of social members are loose, and everybody cares primarily about their own family's business in an individualistic society (Cable & Judge, 1994; Hofstede, 2001). In an individualistic culture, autonomy, variety, pleasure, and personal financial security are greatly emphasized, personal initiative and achievement are highly valued, and people are identified by their individual contributions. Since individuals are supposed to pursue their own personal interests in highly individualistic cultures, there would be stronger employment mobility and entrepreneurial orientation (Hofstede, 1980).

Collectivist cultures, in contrast, emphasize organizational and social belonging and individuals gain their identity from the group membership. People are integrated into strong, cohesive in-groups in collectivism societies. These groups protect individuals with an exchange of their unquestioned loyalty (Hofstede & Hofstede, 2005). In collectivistic cultures, group decisions are regarded as superior over any individual's opinions. Therefore, individual initiative is not highly advocated and differences in opinion or behaviors are not usually accepted or recognized under collectivist cultures (Song & Meek, 1998).

Compared with collectivistic cultures, individualistic cultures are more supportive of individual action and tolerant of independent action. In addition, individualistic cultures have greater emphasis on personal initiative than collectivistic

cultures. Entrepreneurs who illustrate high levels of self-reliance and self-confidence are valued and encouraged in highly individualistic cultures, such as the United States, the United Kingdom, and Canada (Mueller & Thomas, 2001). Therefore, it is more likely for entrepreneurs in individualistic cultures to engage in new venture creation with high personal initiative and independent actions.

Research suggests that friendship and family networks (Shane et al., 1991) as well as resource leverage provided by the group (Tiessen, 1997) are factors that strongly influence venture creation decisions. Entrepreneurs in individualistic cultures, however, have less pressure from their family or group based on them being highly independent. With the impact of informal institutional barriers, such as collectivism, entrepreneurs will evaluate opportunity under obligations and constraints (Shantz et al., 2018). In comparison, entrepreneurs in individualistic cultures are less constrained by the personal and external factors existing in the environment, such as policy, social, and family influences.

Schumpeterian entrepreneurs, therefore, thrive in individualistic cultures because individualistic cultures reinforce the Schumpeterian entrepreneur's agency to be independent, to be confident in self, and to be self-reliant. The fact that in individualistic cultures people "feel proud of their own accomplishments, and are motivated by their own interests and the achievement of personal objectives" (Pinillos & Reyes, 2011, p. 26) captures the Schumpeterian entrepreneurial ethos. Collectivist cultures present significant challenges to Schumpeterian entrepreneurs because of their strong normative pressures to conform and to place what is best for the group before what is best for an individual. Failure to act in accordance with group interests, in collectivist cultures, leads to punishment, intense feelings of shame (Bedford & Hwang, 2003), and possibly expulsion from the group. Therefore, we have the following group of propositions:

Proposition 4a: Governmental policy has more impact on entrepreneurs' opportunity evaluation in collectivist culture than in individualistic culture.

Proposition 4b: Social value and belief have more impact on entrepreneurs' opportunity evaluation in collectivist culture than in individualistic culture.

Proposition 4c: Family has more impact on entrepreneurs' opportunity evaluation in collectivist culture than in individualistic culture.

Uncertainty Avoidance

Entrepreneurs are always connected with risk-taking. Even the definition of an entrepreneur, as an individual "willing to take the uncertainty and riskiness associated with being self-employed" (Lee & Peterson, 2001), has risk-taking at its core. Risk-taking is also an important aspect of evaluating an opportunity. Some entrepreneurs prefer to choose an opportunity with lower risk to eliminate any unexpected loss and the problem of information asymmetry.

The uncertainty avoidance dimension of culture mainly captures the person's attitude toward ambiguity. People in high uncertainty avoidance cultures focus on stability and security, whereas in low uncertainty avoidance cultures, people tend to be more tolerant of unstructured and ambiguous situations (Lee & Peterson, 2001). Members of high uncertainty avoidance cultures try to avoid ambiguity and feel threatened by unknown situations. Change is often perceived as dangerous in high uncertainty avoidance societies. Members in uncertainty-avoiding societies appreciate confirmation and prefer predictability in their lives (Hofstede & Hofstede, 2005; Kreiser et al., 2010; Steensma et al., 2000).

The tendency to avoid uncertainty is likely to influence entrepreneurial behaviors. Risk-taking and entrepreneurial behaviors will be beneficial only in societies that tolerate ambiguity and uncertainty (Steensma et al., 2000). Some research proposes a relationship between opportunity evaluation and uncertainty avoidance yet suggests future research is needed to examine this relationship (Mitchell et al., 2002).

For entrepreneurs, deciding whether an idea is an opportunity will usually demand judgments under complex or uncertain conditions (Kushev et al., 2019), a hallmark of the situation faced by the Schumpeterian entrepreneur. Therefore, in societies where uncertainty avoidance norms are dominant, individuals are more likely to evaluate situations as risky and are less likely to pursue entrepreneurial opportunities. On the contrary, when entrepreneurs perceive less risk in an idea, they will be more likely to evaluate this idea as a favorable opportunity (Ke et al., 2002). This indicates that the differences in interpreting the same situations or entrepreneurial opportunities may not be because of the information that individuals receive, but because of the underlying meaning of the information in different cultural contexts (Crosson et al., 1999).

Based on the uncertainty avoidance definition, people in uncertainty-accepting countries are more tolerant of uncertainty than people in uncertainty-avoiding societies (Hofstede, 1980). For example, research has shown that uncertainty is evaluated less by decision-makers in China than by decision-makers in the United States (Wright et al., 1978). We would expect fewer if any Schumpeterian entrepreneurs in China than in the United States precisely because of the different cultural risk tolerances between the

two countries. These arguments lead to the following group of propositions:

Proposition 5a: Governmental policy has more impact on entrepreneurs' opportunity evaluation in high uncertainty avoidance culture than in low uncertainty avoidance culture.

Proposition 5b: Social value and belief have more impact on entrepreneurs' opportunity evaluation in high uncertainty avoidance culture than in low uncertainty avoidance culture.

Proposition 5c: Family has more impact on entrepreneurs' opportunity evaluation in high uncertainty avoidance culture than in low uncertainty avoidance culture.

Confucian Social Philosophy

Confucianism is the ancient tradition upon which Chinese culture is derived. Confucian social philosophy provides a principle for most Chinese organizational management practices, such as organizational bureaucracy, loyalty, commitment, courtesy, etiquette as well as business networks (Lockett, 1988). Wang et al. (2005) believe that Confucian values could mainly consist of five aspects: hierarchy and harmony, group orientation, guanxi networks (relations), mianzi (face), and time orientation. Those five basic virtues are considered the cornerstones of Confucian social philosophy.

Entrepreneurship activities in China are believed to be largely influenced by Confucian social philosophy (Zhu et al., 2022). Five relationships are central to the concept of harmony and hierarchy within Confucian culture (Confucius, 1983): (1) ruler and subject, (2) father and son, (3) elder brother and younger brother, (4) husband and wife, and (5) friend and friend.

Justice and righteousness should mark the relations between sovereign and subject. There should be proper rapport between father and son. There should be separation of function between husband and wife. The younger should give precedence to the elder. Faith and trust should reign over relationships between friends. (Confucius, 1983, p. 60).

The foundation of Chinese society is family (Pistrui et al., 2001). It is assumed that the harmony of the whole society depends on each family (Ip, 2009). Obedience, moderation, and self-restraint are highly valued among family members (Bedford & Yeh, 2019). Therefore, entrepreneurs receive more pressure and resistance from their families under Confucian culture. Hofstede and Bond (1988) found that entrepreneurship in many Asian families is enhanced not only by formal networks but also by informal associations, which is *guanxi* in China. In Confucian culture, families and social networks are relatively more important for entrepreneurs intending to start a new business (Pistrui et al., 2001). Consequently, we believe that under the Confucian social philosophy, government, social value, and belief as well as family will have significant power and influence on the entrepreneurs' opportunity decisions.

Collectively, Confucian culture structures society as a set of immutable, hierarchical relations that create a harmonious society (Park & Chesla, 2007). Thus, radical and completely new entrepreneurial ideas, which are the kind of innovations characteristic of Schumpeterian entrepreneurs, would, in effect, be discouraged because of their potential to massively disrupt markets and society. Disruption in society can lead to

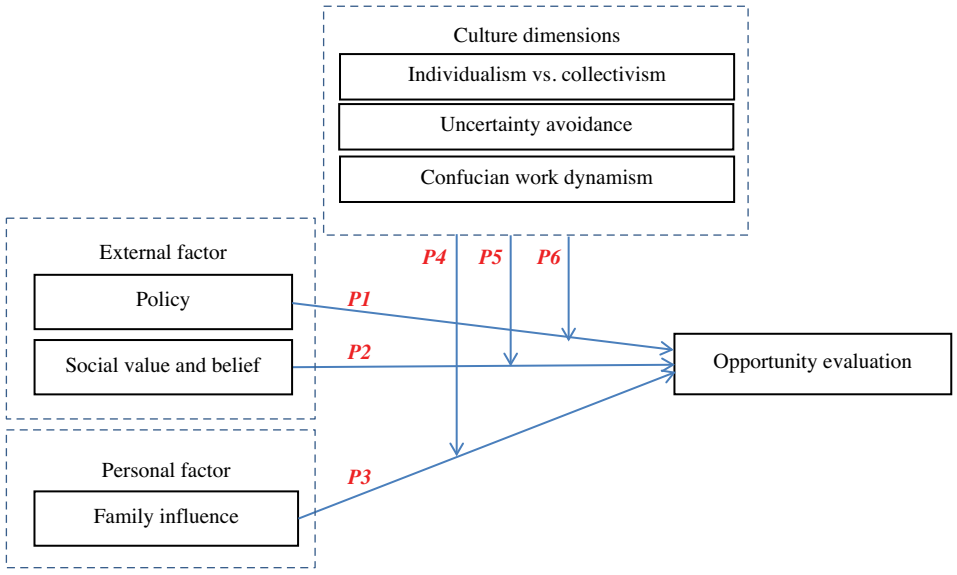

FIGURE 1 A Conceptual Model Relating Cultural Dimensions, Personal, and External Factors to Entrepreneurial Opportunity Evaluation

chaos and disorder, the very antithesis of the Confucian ideal of order and harmony (Chen et al., 2020). Therefore, we have the last group of propositions:

Proposition 6a: Governmental policy has more impact on entrepreneurs' opportunity evaluation in Confucian culture than in non-Confucian culture.

Proposition 6b: Social value and belief have more impact on entrepreneurs' opportunity evaluation in Confucian culture than in non-Confucian culture.

Proposition 6c: Family has more impact on entrepreneurs' opportunity evaluation in Confucian culture than in non-Confucian culture.

Based on our research propositions, we draw the following model to better illustrate the relationship of our variables (see Figure 1). The model reveals that the relationship between external factors (policy and social value/belief) and a personal factor (i.e., family) and opportunity evaluation is moderated by three cultural dimensions – individualism versus collectivism, uncertainty avoidance, and Confucian work dynamism.

DISCUSSION AND IMPLICATIONS

This paper not only explores the difference in opportunity evaluation among entrepreneurs from different nations and cultural backgrounds, most specifically between China and the United States, but also does so by referencing a unique type of entrepreneur: the Schumpeterian entrepreneur. Although Schumpeterian entrepreneurs are rare, they serve as an ideal model of what an entrepreneur can be: An individual whose idea or concept is so radical and innovative that it completely disrupts markets (what Schumpeter terms "creative destruction"), thereby changing the business landscape in fundamental, profound ways. We applied institutional theory and stereotype threat theory to explain how personal and external factors might influence the opportunity evaluation of entrepreneurs. Specifically, this paper focused on discussing the political and social external factors and family influences as personal factors that will affect the opportunity evaluation of entrepreneurs. We discussed in detail how these factors significantly influence entrepreneurial opportunity evaluation.

Most importantly, this paper explored the moderating effect of cultural differences on the relationship between those personal and external factors and opportunity evaluation. We specially explored the moderating role of two cultural dimensions (individualism vs. collectivism and uncertainty avoidance) (Hofstede, 1980) and one extra dimension, Confucian work dynamism. We then presented six propositions arguing that personal and external factors will greatly impact opportunity evaluation, but individualism versus collectivism, uncertainty avoidance, and Confucian orientation of the culture to which the entrepreneur belongs will moderate this relation.

In addition to proposing a theoretical explanation of the possible factors effecting entrepreneurial opportunity evaluation, our main contribution and implication falls in our first three propositions. We believe that those three factors encapsulate country-level, social-level, and personal-level factors that significantly influence opportunity evaluation of entrepreneurs.

By proposing these six propositions, we expected to make the following contributions to international entrepreneurship research: First, the research propositions help our understanding of why the entrepreneur acts to exploit "opportunity A" but not "opportunity B." Second, exploring those possible factors impacting entrepreneurs' decisions will assist policymakers in drafting the country's future economic plans that take into account these factors. Third, explicitly considering these aspects of political, social, and personal contexts that influence entrepreneurial opportunity evaluation can, in turn, enhance current theories of business strategy, competitive advantage, and human resource management (Nicholls-Nixon et al., 2011). Fourth, while existing research has explored the relationship between culture and entrepreneurial orientation (Lee & Peterson, 2001), new venture creation, and entrepreneurial potential (Mueller & Thomas, 2001), our study extends the international entrepreneurship research by suggesting that there is an association between national culture and entrepreneurial opportunity evaluation. Specifically, we summarize why China and the United States differ in terms of developing Schumpeterian entrepreneurs – in one word: Institutions. We note that Chinese institutions (particularly those related to intellectual property protection, tax policies, and limited support for disruptive innovations) when coupled with the deep, historical imprinting of Confucian social values (of which harmony and hierarchy are core), cultural collectivism, respect for authority as well as stereotype threat (that views some entrepreneurial opportunities more viable than others) hinder rather than enable Schumpeterian entrepreneurs. Chinese entrepreneurs excel at improving existing innovations (Greeven & Yip, 2021; Tse, 2015), yet the collective, intense, and normative pressure to conform and avoid actions that could potentially be disruptive, we propose, hinders the development of Schumpeterian entrepreneurs in China.

By illustrating the specific external and personal institutional factors that impact opportunity evaluation, we

provide practical implications for entrepreneurs who are seeking opportunities under different cultural backgrounds. When entrepreneurs evaluate opportunities, they should focus on evaluating the idea itself, instead of the influence and pressure from their family and society. They should also ignore negative social norms, such as cynicism and fatalism, which may influence their decision. Furthermore, exploring the impact of institutional and cultural factors is essential for understanding entrepreneurial activities in China and the United States and to applying the insights gained to other countries (Ahlstrom & Ding, 2014). Lastly, by knowing the reasons why China and the United States differ in the enabling conditions supportive of the Schumpeterian entrepreneur, we offer some guidance at the government level for improving institutional factors such as supportive legal systems, substantive intellectual property protection, pro-entrepreneurial funding, and tax policies as well as reducing stereotype threats that are "in the air" (Spencer et al., 2016) so that more radical innovation can emerge and creative destruction can occur.

LIMITATIONS AND FUTURE RESEARCH

Our study has several limitations that could be addressed in future work. First, we focused only on the family's influence as the personal-level factor impacting entrepreneurial opportunity evaluation. While we believe that family is the most influential network that an entrepreneur may have, we concede that friends, business alliances, and other ties will also have an impact on an entrepreneur's decision-making. Other factors may have an influence on opportunity evaluation, and these too should be probed in future research.

A second limitation of our study is our focus on comparing China and the United States. Due to our specific comparison, we may be ignoring some special effects of culture that are less prevalent in our two cases. We mainly focus on evaluating the impact of Chinese policy, social value, family, and cultures, especially under the influence of Confucian social philosophy. This single source enables us to make a comparison of two culturally diverse countries (China and the United States) more specifically. However, it may overlook some special policies, social values, and cultural dimensions from other countries or regions, such as Latin America and India from a developing country perspective and Canada, England, and Australia from a developed country perspective.

Thus, the conclusions we draw from our comparison of the impact of policy, social value, and family on entrepreneurial opportunity evaluation may be limited in generalization and application. We hope, though, that our theoretical framework is a starting point for an expanded understanding of entrepreneurial opportunity evaluation and that it will encourage additional empirical studies. Empirical work based on other cultures and countries will be beneficial. Therefore, we expect future research to collect data from various cultural and country backgrounds as well as to conduct the analysis at both national and individual levels.

CONCLUSION

This paper applied institutional theory and stereotype threat theory to explain how personal and external factors might influence the opportunity evaluation of entrepreneurs. Furthermore, this paper focused on the significant impact of political, social, and family factors and explained why China and the United States are different in developing Schumpeterian entrepreneurs. Finally, this paper explored the moderating effect of culture between those personal and external factors and opportunity evaluation. We specifically indicated that whether the entrepreneur comes from a collectivist or individualistic culture, high or low uncertainty avoidance culture, or Confucian or non-Confucian culture will moderate the influence of those personal and external factors on opportunity evaluation.

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CONFLICT OF INTEREST DISCLOSURES

We certify that there is no actual or potential conflict of interest in relation to this article.

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