Social Capital Multidimensionality as a Determinant of Entrepreneurial Intention: Evidence from Mexico and Spain

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ABSTRACT

The assessment of the university and family social environments is relevant due to the influence during the individual’s formative years, effecting the individual’s development, career and occupational preferences. In an attempt to deepen the understanding of social capital, the authors proposed an examination of its dimensionality. Hypotheses were formulated building upon three dimensions—cognitive, structural, and relational—embedded in both contexts as determinants of entrepreneurial self-efficacy and intention. Implications are discussed promoting an appropriate social capital dimension and favorable environment for individuals to access information, resources, and support, with the purpose to foster and motivate their entrepreneurial spirit. Structural equation modeling was used considering 399 undergraduate students from universities in Mexico and Spain.

KEYWORDS

Cognitive, Family Context, Relational, Social Environments, Structural, University Context

INTRODUCTION

During recent years, the concept of social capital has become increasingly popular in a wide range of social science disciplines (Gedajlovic, Honig, Moore, Payne, & Wright, 2013). This concept has become one of the most popular exports from sociological theory into everyday language (Portes, 1998). Although significant conceptual and empirical contributions to social capital have been made, authors agree that social capital has been used inconsistently and with limitations (Adler & Kwon, 2002).

The attainment of social capital plays an essential role in the entrepreneurial process of individuals, reflecting how the social environment interplays with individuals to drive opportunity discovery, evaluation, and exploitation (De Carolis & Saparito, 2006; Ireland, Hitt, & Sirmon, 2003). Therefore, this paper explores the social capital dimensions within different social environments, illustrating how this view may provide an additional perspective to the understanding of entrepreneurship. As proposed by Adler and Kwon (2002), a social capital lens can reveal features of reality that otherwise remain invisible (p. 36).

This study is justifiable; firstly, since empirical studies about the dimensions of social capital and different contexts are practically absent in the literature. Authors agree that such omission may have

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caused the simplification of the role of social capital in entrepreneurship, as to assume that it is unitary regardless of context (Liao & Welsch, 2005). Secondly, future research directions on entrepreneurial intention suggest placing a greater emphasis on the interaction between individual factors and the different contexts (Lim, Morse, Mitchell, & Seawright, 2010; Schwarz, Wdowiak, Almer-Jarz, & Breitenecker, 2009; Welter, 2011). Henceforth, there is a gap in the literature regarding the interplay of social capital on entrepreneurial behavior (De Carolis & Sparito, 2006). It has been suggested that for a better understanding of the role of social capital in entrepreneurship a broader conceptualization is needed (Chang, Memili, Chrisman, Kellermanns, & Chua, 2009; Liao & Welsch, 2005).

This paper addresses such gap, and it is built upon the three dimensions of social capital proposed in the literature –cognitive, structural, and relational– (Nahapiet & Ghoshal, 1998). This framework may shed further light on the specific linkages suggested in the proposed model for a better understanding of the disaggregated social capital dimensions of both family and university contexts. Furthermore, the authors explored the possible effects that these dimensions may have on students’ entrepreneurial self-efficacy and entrepreneurial intention. In this way, an attempt is given to provide an initial response for a broader conceptualization of social capital as a prerequisite for improving the understanding of the role that it plays in entrepreneurship.

The assessment of the university and family social environments seems pertinent due to the influence both contexts exert during the individual’s formative years. These social institutions shape individual perspectives by promoting a set of norms, values, attitudes, beliefs and confidence (Bercovitz & Feldman, 2008), not only bearing an effect on the individual’s social capital development but abetting specific career and occupational preferences.

On the one hand, the focus on the university social environment is derived from the widespread promotion of education in entrepreneurship and the combination of specific goals in all educational levels to develop skills and competencies as well as to foster entrepreneurial intention among students. DiMaggio and Powell (1983) emphasized the critical role universities play, stating that those “drawn from the same universities and filtered on a common set of attributes… will approach decisions in much the same way” (p. 153). On the other hand, the family experiences including those acquired in a family business play a significant role in the career choices of family members associated with the business including consequent entrepreneurial intent (Ajzen & Fishbein, 1980).

THEORETICAL BACKGROUND AND RESEARCH HYPOTHESES

Entrepreneurial Self-efficacy and Entrepreneurial Intention

Entrepreneurship is a multifaceted process that is subject to the influence of numerous contextual and individual factors. A significant stream of research in entrepreneurship has been centered on intentionality as the primary predictor of entrepreneurial behavior (Ajzen, 1991; Krueger & Carrsrud, 1993). A key component in such intention models is the concept of entrepreneurial self-efficacy (ESE). ESE is a central construct in Bandura’s social learning theory (1977, 1986). Moreover, it refers to a motivating factor, which reinforces the capacity and the perception that the behavior can be performed (Bandura, 1977, 1986; Wood & Bandura, 1989). ESE develops over time and is affected by many exogenous factors, as also reported in different intentions models (Krueger & Brazeal, 1994; Krueger & Dickson, 1993).

ESE refers to the belief that the individual is capable of performing the roles and tasks of an entrepreneur. Boyd and Vozikis (1994) proposed ESE as “an important explanatory variable in determining both the strength of entrepreneurial intentions and the likelihood that those intentions will result in entrepreneurial actions” (p. 66). Thus, in many cases, ESE is even more important than the actual skills as a determinant of entrepreneurial behavior (Krueger & Brazeal, 1994). During the last two decades, an increased emphasis on the role of ESE in the study of entrepreneurship is
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