



A Conceptual Framework for Understanding Entrepreneurial Intention and Behavior in Near and Distant Future

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Abstract

The purpose of this paper is to understand the entrepreneurial intention and behavior with respect to time scale using the theory of planned behavior and temporal construal theory. These theories suggest the new patterns to evaluate the entrepreneurial intention and behavioral outcomes using different time intervals which are classified into short-term, mid-term and long-term. A new perspective has identified to study the entrepreneurial intention and behavior with time fluctuation, based on the psychological distance and primitive action. The aim of identifying the temporal construal for intention and behavior is to encourage future entrepreneurship research to contribute new knowledge that will support institutions to design better strategy. The exploratory research study discusses the potential temporal spectrum of intentions and behavior and propose a conceptual framework to study the short, mid and long term entrepreneurial intent and behavior of an individual in the context of factor and efficiency driven economies. This paper is an extension of published studies on entrepreneurial intention to constrict the future research into time scale and proposes new research directions to address the gaps.

Keywords: Temporal intention, Temporal behavior, Entrepreneurship

Introduction

The research studies on entrepreneurship and its dimensions have been largely focused by researchers as it becomes the vital component to uplift economy, social well-being and endpoverty (Herrington et. al. 2017; Fayolle and Linan, 2014). Indeed, entrepreneurship has a spark to become a pillar of economy in term of overcoming the unemployment, establish small and medium enterprises and innovation (Olafsen and Cook, 2016; WESO, 2017; UNDP, 2016; ADB, 2016; IMF 2016). The Global Entrepreneurship Monitor research study (2016-17) indicated that factor and efficiency driven economies have more entrepreneurial potential and people have 30 percent intend to be an entrepreneur as compare to the innovation driven economies which is 25 percent (Herrington et. al. 2017). Several researchers have been examining the entrepreneurial intention and its antecedents via integrated the theories from different discipline (Fayolle and Linan, 2014), yet entrepreneur intent using the temporal construal has been unaddressed (Hallam et. al., 2016). However, people from developing nation perceived that they have a large number of business opportunities and intended to start the business (Acs et. al. 2014, 2017), hence, it is important to measure their intentions using a time scale to examine beliefs and actions (Hallam et. al., 2015, 2016). The future research challenge is associated with the intention-behavior process relatively linked to the psychological distance that can be changed to their proximity in time (Fayolle and Linan, 2014; Shook et. al., 2003; Liberman and Trope, 1998; Hallam et. al., 2015).



Taking this point forward, the study purpose is to develop the idea for better understanding the process of entrepreneurial intention and behavior, aligns with the theory of planned behavior and temporal construal theory.

A perspective for Temporal Entrepreneurial Intention and Behavior

Numerous research studies on entrepreneurial intention guided by the three models, i.e. implementing entrepreneurial ideas (Bird, 1988), entrepreneurial event model (Shapero and Sokol, 1982) and theory of planned behavior (Ajzen, 1991). Whereas, theory of planned behavior is widely contributed to study the entrepreneurship in line with control variables, regional and demographic context (Fayolle and Linan, 2014; Krueger et al., 2000; Henley et. al., 2017).

The decision to be an entrepreneur pertains to observe and judge the events that take place in the near future or distant future, which aligns with the temporal construal theory (Hallam et. al., 2016, 2015; Liberman and Trope, 1998). Although, research methods used to study entrepreneurship may be less supportive to uncover the societal and institutional issues and its dimensions (Parker, 2010), thereby, uncertainty prevails when it comes to active engagement of the individual towards entrepreneurial activity via building intentions on the temporal construal (see table 1) (Hallam et. al., 2016).

Table 1: Temporal Construal Perspective with Entrepreneurial Intention and Behavior

| Perspective by researchers | Total studies | Research studies in sequential order |
|--|----------------------|---|
| Temporal construal provide support to examine the individual's mental state in order to what extent actions will be performed in the near and distant future. | 21 | (Liberman and Trope, 1998; Trope & Liberman, 2003; Audet, 2004; Förster et al., 2004; Wakslak et al., 2006; Herzog et al., 2007; Krueger, 2009; Trope & Liberman, 2010; Liñán, et. al. 2011; Welter, 2011; Schmeichel, Vohs, & Duke, 2011; Tumasjan, et. al., 2013; Fayolle and Linan, 2014; Gielnik, 2014; Zampetakis, 2015; Fujita et. al. 2015; Hallam et. al., 2015; Hallam et. al., 2016; Kirkley, 2016; Arrighetti, 2016; Valliere, 2017) |
| Thus, temporal construal of entrepreneurial intention provide support to evaluate the individual's mental state in order to act towards business concept in the near and distant future, aligns with the theory of planned behavior. | 13 (out of 21) | Audet, 2004; Krueger, 2009; Liñán, et. al. 2011; Welter, 2011; Tumasjan, et. al., 2013; Fayolle and Linan, 2014; Gielnik, et. al., 2014; Zampetakis, 2015; Hallam et. al., 2015; Hallam et. al., 2016; Kirkley, 2016; Arrighetti, 2016; Valliere, 2017) |



| | | |
|---|---------------------------|--|
| Whereas, temporal construal of short-term and long-term entrepreneurial intention confined to the near-future (after graduation) and distant-future (someday/12month horizon). | 3 (out of 13 of 21) | (Hallam et. al., 2015; Hallam et. al., 2016; Valliere, 2017) |
| Yet, temporal construal of entrepreneurial intention should be extended to short, mid and longtime spectrum followed by the behavior of an individual in order to act towards business concept, aligns with the theory of planned behavior. | Proposed by authors | None |

The temporal construal theory is aligned with the psychological distance that enable people to travel mentally in order to predict, evaluate, judge and make decision about the events (Fujita et. al. 2015; Liberman & Trope, 1998; Trope & Liberman, 2010). This theory pointed out that the individual's decision about near future events are based on "more incidental and concrete features", whilst, distant future events rely on "relatively central and abstract features" (Liberman & Trope, 1998). The schematic aspect of the near-future action is linked with low-level abstraction, and distant future actions to high-level abstraction. However, high-level construal carefully and thoughtfully processes the distant future events, low-level construal promotes the processing of incidental and concrete features to retrieve the information (Herzog et al., 2007). In order to perform any action, it is likely to move on from low-level to high-level construal (Schmeichel, Vohs, & Duke, 2011; Förster et al., 2004; Wakslak et al., 2006). Thus, it is a thoughtful process to determine whether high-level or low-level construal is better to predict and take decision for entrepreneurial activity, yet distant future activities were construed with more weight as compared to near-future (Liberman and Trope, 1998; Fujita et. al. 2015). The individual's mental state to perform an action depends on the perceived feasibility and desirability may bring result in change the response towards entrepreneurial intention (Fujita et. al. 2015; Hallam et. al., 2016, 2015).

In the context of entrepreneurial intention and behavior, the feasibility is "how I do it", and desirability "why I do something", the greater consideration gives to desirability in order to act towards business concept (Bird, 1988; Liberman & Trope, 1998; Liberman, & Trope, 2010; Agerström & Björklund, 2009; Hallam et. al., 2016). Entrepreneurial intention and behavior has not been thoroughly studied at different point of time as a part of psychological distance (Hallam et. al. 2016; Bird 1992; Fayolle and Linan, 2014). Although, a portion of researchers has measured the entrepreneurial intention without specifying the maturity of entrepreneur intent at particular time scale (Shah and Soomro, 2017; Batool et. al. 2015; Zhao et al., 2005; Tipu and Arain, 2011), while others calculated the overall entrepreneurial intention regardless of considering the temporal construal to measure intention that will occur in near-future and distant-future (Hallam et. al. 2016; Kirkley, 2016; Arrighetti, 2016; Valliere, 2017). From the perspective of intention-behavior link, there is utmost need to develop and test the theoretical framework using temporal construal (Fayolle and Linan, 2014; Hallam et. al., 2016).



Temporal Entrepreneurial Intention and Behavior Model

Following the rationale build in the previous section, the future research studies on entrepreneurial intention should be examined by temporal spectrum (Hallam et. al., 2016), longitudinal, experimental and historical perspective (Welter, 2011). The proposed conceptual framework (see figure 1) comprises of two domains, i.e. intention and behavior, segmented into three temporal spectrums.

For intention domain: the first spectrum depicts the short-term entrepreneurial intention (STEI) on the time scale of immediate-future (low-level construal), the second spectrum represents the mid-term entrepreneurial intention (MTEI) on the time scale of near-future (mid-level construal), and third spectrum covers the long-term entrepreneurial intention (LTEI) on the time scale of distant-future (high-level construal). All intention construal level cover the psychological distance that enables individual to travel mentally in order to predict, evaluate, judge and make decisions, can prompt processing of information to act in the form of entrepreneurial behavior. An individual tends to gain more scientific knowledge in line with the predictions and expected outcome fall in the low-level and mid-level construal (immediate and near future), probably rely on the explicit information. Whereas, individual tends to be more positive, confirmed, confident and thoughtful about predictions and outcomes fall in the high-level construal (distant future), probably gain sufficient knowledge and information. Thereby, it would be worthy to know about the entrepreneurial intention using a temporal spectrum of proposed entrepreneurial activities, leading to hypotheses: H1a) “STEI will have a positive direct effect on MTEI”, H1b) “MTEI will have a positive direct effect on LTEI” and H1c) “STEI will have a positive indirect effect on LTEI through MTEI”. The cross-sectional study will help to test the hypotheses for entrepreneurial intention. The individual’s mental state confined with the perceived feasibility “perception of feasible future states that are related to the creation of a new venture” and perceived desirability “prospect of starting a business attractive and would be represented by the desire to perform a behavior to achieve a goal” (Shapero, 1975).

For behavior domain: the first spectrum depicts the short-term entrepreneurial behavior (STEB) with immediate action (here and now) promotes the individual behavior under perspective of lowlevel construal, the second spectrum represents the mid-term entrepreneurial behavior (MTEB) with near-future values and ideologies to perform action for entrepreneurial activities under the perspective of mid-level construal, and third spectrum covers the long-term entrepreneurial behavior (LTEB) with distant-future values and ideologies in choice and behavior under the perspective of high-level construal (Fujita et. al. 2015). All behavior construal level covers the action performed by an individual to attain the desire results via using knowledge and wisdom. There are chances to get bias or error or difficulty in expected results from low vs mid vs high level construal. Although, there may be need to de-bias, correct and get the more relevant information and experience to redefine judgements, plans and decisions. The minor or major changes in the temporal spectrum have influenced by the contextual and situational factors (Fujita et. al. 2015). Thereby, it would be worthy to know about entrepreneurial behavior using temporal spectrum to know about the sustain behavior to perform entrepreneurial activities, leading to



hypotheses: H2a) “STEB will have a positive direct effect on MTEB”, H2b) “MTEB will have a positive direct effect on LTEB” and H2c) “STEB will have a positive indirect effect on LTEB through MTEB”.

For intention-behavior link: there is an assumption that STEI and MTEI moves towards STEB subject to availability of resources, support and overconfidence. Whereas, entrepreneurial behavior will remain stagnant and follow the temporal spectrum, leading to the hypothesis; H3) “LTEI will have a positive direct effect on STEB while STEI and MTEI will be a negative effect on the STEB”. The longitudinal study will help to test the hypotheses for entrepreneurial behavior and its link with intention.

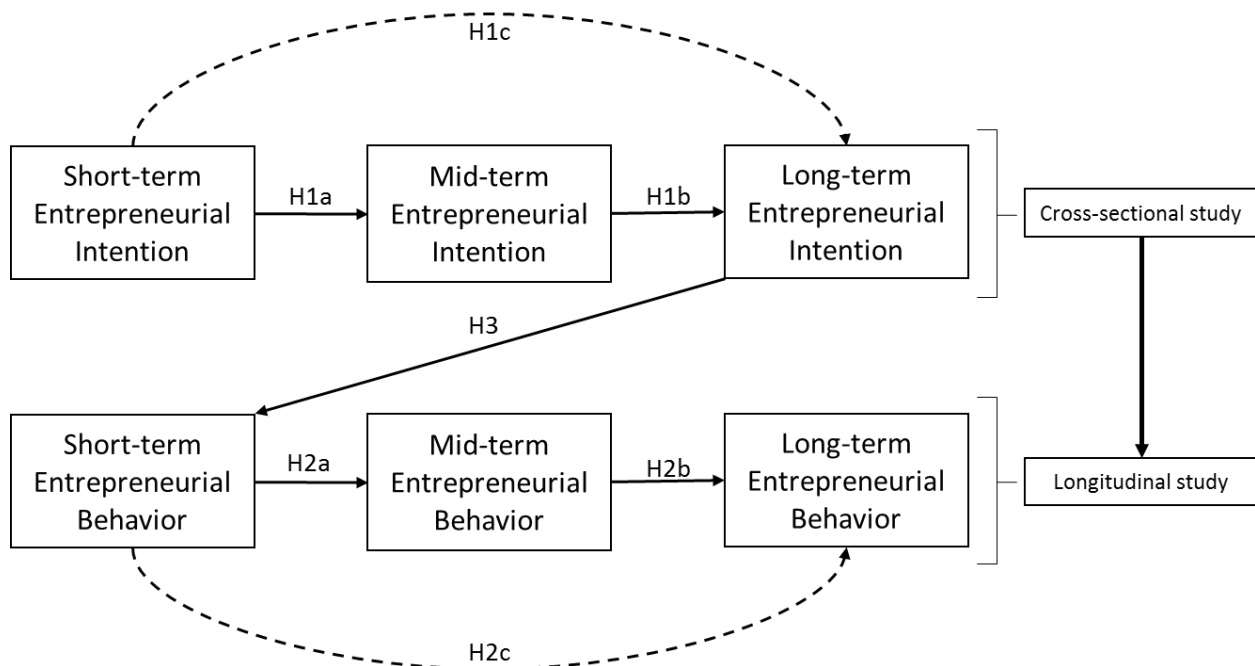


Figure 1: Temporal Entrepreneurial Intention and Behavior Model
(Constructed by authors)

Conclusion

This paper contributes the new knowledge and theoretical model to build cognitive understanding within the field of entrepreneurship. A new perspective has identified to study the entrepreneurial intention and behavior with time fluctuation, based on the psychological distance and primitive action. The temporal segmentation of intention depends on low, mid and high level construal classified into short-term, mid-term and long-term entrepreneurial intention. Similarly, entrepreneurial behavior depends on immediate actions at the present time, confined near-future actions and distant-future actions, aligns with values and ideologies. The proposed conceptual framework “Temporal Entrepreneurial Intention and Behavior Model” is supported by published studies on entrepreneurship using temporal construal theory and theory of planned behavior. Thus,



this model possesses the strong rationale to be tested and validated in the factor and efficiency driven economies as of having great entrepreneurial potential and high intention to be an entrepreneur in comparison with innovation driven economies. The limitation may be in the form of minor or major changes in the temporal spectrum, usually influenced by the situational factors. It implies measuring entrepreneurial intention and behavior specific to one context at a time. The aim of identifying the temporal construal for intention and behavior is to encourage future entrepreneurship research to contribute new knowledge that will support institutions to design better strategy.

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