

Family-Based Isomorphic Pressures and The Role of Cultural Values in Developing Entrepreneurial Intentions: An Institutional Theory Perspective

Dr. Omer Farooq

Zayed University Abu Dhabi, United Arab Emirates

Abstract

This study investigates how cultural factors such as power distance index (PDI) and collectivism moderate the indirect link between a family business background and individuals' entrepreneurial intentions (EI) through the influence of institutional forces (coercive, normative, and mimetic). We surveyed 459 university students in Pakistan to collect data. We employed the structural equation modeling technique in Mplus to test the measurement and hypothesized models. The findings of this study indicate a positive relationship between individuals' family business background and EI, mediated by institutional forces such as coercive, normative, and mimetic force. Moreover, the results highlight the significance of the PDI as a cultural factor that amplifies the impact of family business background on EI through coercive force. Additionally, the study reveals that collectivism plays a moderating role in the indirect relationship between family business background and EI via normative and mimetic force. Specifically, highly collectivistic individuals exhibit a stronger indirect relationship through normative force, whereas individuals with lower levels of collectivism demonstrate a stronger indirect relationship through mimetic force. The originality and value of this study lie in its unique integration of cultural factors with institutional forces to elucidate the indirect relationship between family business background and EI.

Keywords: Entrepreneurial Intention, family business background, institutional forces, structural equation modelling, cultural factors