VALUES, ENTREPRENEURIAL ATTITUDES, AND START-UP INTENTIONS OF INDIGENOUS SOUTH AFRICAN NASCENT ENTREPRENEURS

Wendy Lindsay: The University Of Adelaide, Adelaide, Australia
Noel Lindsay: The University Of Adelaide, Adelaide, Australia
Anton Jordaan: The University Of Adelaide, Adelaide, Australia
Antonio Dottore: The University Of Adelaide, Adelaide, Australia

Contact: Wendy Lindsay, The University of Adelaide, Yarrabee House, National Wine Centre Campus, Cnr Botanic and Hackney Roads, 5005 Adelaide, Australia, (T) 08-8303 7422, (F) 08-8303 7512, Email: wendelsch@yahoo.com

ABSTRACT

This research examines the values-entrepreneurial attitude relationship in necessity-based nascent entrepreneurs. Necessity-based entrepreneurs establish businesses because they need to – to survive – not necessarily because they want to - as do opportunity-focused entrepreneurs. Entrepreneurial attitude has been found to be effective in discriminating between existing (opportunity-focused) entrepreneurs and non-entrepreneurs. This research identifies entrepreneurial attitude to be also effective in discriminating between necessity-based nascent entrepreneurs and non-entrepreneurs. Although attitudes have proven to be an effective discriminator, attitudes can be unstable and can change over time with events that impact the attitude. Values, however, are considered to be more stable than attitudes. Values drive attitudes which, in turn, drive intentions and behavior. This research, therefore, examines the values-entrepreneurial attitude relationship with a view to examining the context within which entrepreneurial attitudes are framed. The research identifies positive internal values and external values – entrepreneurial attitude relationships but not a fun and excitement values-entrepreneurial attitude relationship in necessity-based nascent entrepreneurs. Necessity-based nascent entrepreneurs also demonstrated higher levels of internal and external values and entrepreneurial attitude than non-entrepreneurs.

INTRODUCTION

Distinguishing entrepreneurs from non-entrepreneurs has consumed the passions of a range of researchers who have focused on criteria such as personal attributes (e.g., McClelland, 1961; McClelland, Atkinson, Clark, and Lowell, 1953) and demographic characteristics (e.g., Brockhaus, 1975; Brockhaus and Horwitz, 1986). These lines of research tended to produce no real fruitful results and were not regarded highly by some researchers (Gartner, 1988).

With the same objectives of distinguishing between entrepreneurs and non-entrepreneurs, another research approach was adopted in more recent times that focused on the attitudes of entrepreneurs (see, for example, Robinson, Stimpson, Heufner, and, Hunt, 1991; McCline, Bhat, and Baj, 2000). Whereas entrepreneurs exhibit an entrepreneurial attitude, non-entrepreneurs do not (Robinson, Stimpson, Heufner, and, Hunt, 1991; McCline, Bhat, and Baj, 2000). Thus, entrepreneurial attitude has provided the basis for differentiating between entrepreneurs and non-entrepreneurs.

Attitudes however, are susceptible to change and are not as stable as values (Rokeach, 1973; Schwartz, 1992). Thus, entrepreneurial attitude may not necessarily be a reliable indicator of an individual’s entrepreneurial tendencies depending on when an individual’s attitude is measured (for example, if some entrepreneurially-related event has left a negative lasting impression on an entrepreneur who had a positive entrepreneurial attitude prior to the event occurring, this attitude may be negated and if a
measure of that attitude was taken subsequent to the event occurring, the results may be lower than previously or even non-existent). Personal values, on the other hand, are relatively stable (Rokeach, 1973; Schwartz, 1992). Personal values are shaped largely in our formative years (Schwartz, 1992) and they are responsible for shaping or providing a context for the attitudes that we develop (Rokeach, 1993). Our attitudes, in turn, drive our intentions and, ultimately, our behavior (Ajzen 1982, 1985; Fishbein and Ajzen 1975; Rosenberg and Hovland 1960; Shaver 1987). However, since attitudes are changeable, attitudes probably should not be used in isolation to predict intentions and behavior. Because of the stability of values and their influence on attitudes, values may provide a rich context within which attitudes (and intentions and behavior) can be examined. Thus, it is advantageous to examine the values-entrepreneurial attitude relationship in entrepreneurs.

To date, entrepreneurial attitude and values research has not identified a need to differentiate between necessity-based entrepreneurs (those who set up businesses because they have to – often for survival purposes) and opportunity-focused entrepreneurs (those who do so because they identify an opportunity and want to exploit that opportunity) (Global Entrepreneurship Monitor, 2006). Yet, the attitudes of individuals within these two groups may be vastly different because of their underlying motivations. For example, with opportunity-focused entrepreneurs, there may be a sense of adventure, excitement, and fun in investigating and establishing their businesses. With necessity-based entrepreneurs, because survival can underpin their need to start their businesses, there may be less of a focus on fun and excitement as the consequences of their businesses not succeeding can be dire. This may be magnified with nascent (intending) entrepreneurs where they may suffer from a lack of entrepreneurial experience, skills and knowledge as well as a lack of the necessary resources required to establish their businesses and generate momentum. Existing entrepreneurs, by definition, will have at least overcome (at least some of) the hurdles that nascent entrepreneurs face.

Most mainstream entrepreneurial research tends to focus, at least implicitly, on opportunity-focused entrepreneurs. Yet, necessity-based entrepreneurs have different motivations and a different set of circumstances to deal with. For this reason, the theory associated with opportunity-focused entrepreneurs may not necessarily be directly relevant to necessity-based entrepreneurs. In addition, nascent entrepreneurs face a similar but different set of challenges than established entrepreneurs. For these reasons, this research examines the values-entrepreneurial attitude relationship of necessity-based nascent entrepreneurs and non-entrepreneurs who come from socially and economically disadvantaged communities.

The research makes a contribution in the following ways. Poverty is a scourge in all societies. Entrepreneurship has been identified as a means of overcoming at least some of the ills associated with poverty and socially disadvantaged communities (see, for example, Hindle & Lansdowne 2005; Lindsay 2005). Thus, an underlying motivation of this research is to contribute toward developing our theoretical understanding of necessity based nascent entrepreneurs, who often function in disadvantaged communities, as a conduit in contributing toward the economic development and sustainability of those communities. This research does this by extending previous entrepreneurial attitude studies (that focused on existing, opportunity-focused entrepreneurs). Since not all entrepreneurs are the same and one theory does not fit all, entrepreneur motivations for establishing businesses need to be considered as a point of difference in good entrepreneurship theory development. At an applied practitioner level, the research makes a contribution by providing the basis for recruiting suitable participants from socially-disadvantaged communities to attend entrepreneur training programs who will be motivated to continue developing their business ideas after the training has completed. This has positive benefits for trainers, government bureaucrats who are engaged in facilitating entrepreneur training programs for disadvantaged communities, as well as for policy makers who make policy about disadvantaged communities.

The paper proceeds as follows. First, the conceptual model is presented together with underlying hypotheses. Subsequent parts of the paper deal with the research method and results followed by a discussion of possible explanations of what the results mean.

**MODEL DEVELOPMENT**

The term "entrepreneur" has often been applied to the founder of a new business, or a person "who started a new business where there was none before" (Gartner 1985). This definition of the term "entrepreneur" is adopted in this research. In terms of the different aspects of entrepreneurship that can be investigated, Gartner (1985) presents a conceptual framework for describing new venture
creation that integrates four major perspectives in entrepreneurship. These are the characteristics of the individual starting the venture, the organization they create, the environment surrounding the new venture, and the process by which the new venture is created. This research is aligned with Gartner’s (1985) first and third perspectives. It adopts an inclusive definition of entrepreneurship that also encapsulates a broad interpretation of cultural and environmental effects (Hayton, George, and Zahra 2002). In this research, these effects emanate from the community within which the nascent entrepreneurs live, their Indigenous cultural heritage, the developing nature of the local and national economies that facilitate “non-level entrepreneurial playing fields”, and the absence of a social security system for the unemployed.

Exhibit 1 provides the conceptual model that underpins this research. This identifies entrepreneurial attitude as the dependent variable. In this research, entrepreneurial attitude is measured in terms of attitude toward opportunity recognition (McCline, Bhat, and Baj, 2000). Personal values, measured in terms of external, internal, and fun and excitement (Kahle, 1983; Homer and Kahle, 1988), are the independent variables. Personal values are expected to precipitate entrepreneurial attitude which, in turn, drives entrepreneurial intention (and, ultimately, behavior). Entrepreneurial intention is the commitment to start a new business (Kruger, 1993). Nascent entrepreneurs have entrepreneurial intentions which result from entrepreneurial attitudes. In turn, these intentions are based on personal values/beliefs and become the immediate determinant of behavior (Fishbein and Ajzen, 1975). Thus, for this research …

H1: Necessity-based nascent entrepreneurs (who have intentions to establish businesses) will demonstrate a significant positive entrepreneurial attitude.

H2: Non entrepreneurs (who do not have intentions to establish businesses) will not demonstrate a significant positive entrepreneurial attitude.

Values
Values are “enduring beliefs that a specific mode of conduct or end state of existence is personally or socially preferable to an opposite or converse mode of conduct or end state of existence” (Rokeach, 1973, p.5). They are core to our functioning and are said to be the most significant construct in social sciences (Rokeach 1973). Values act as core motivations for basic psychological needs (Rokeach 1973) through representing conceptions of desirable influences on the way that individuals select behavior and evaluate their worlds (Schwartz and Bilsky 1987).

Individuals use their values (typically multiple values – Micken, 1992) to help rationalize and guide their beliefs, attitudes, and behaviours (Rokeach 1973). Values are considered to be shaped largely by pre-adult socialisation and have been viewed as situationally invariant (Schwartz, 1992); however, values can and do change with time and events (Kahle, 1983; Kahle, Poulos, and Sukdial, 1988; Rokeach and Ball-Rokeach, 1989).

Various studies support the hierarchical primacy of values over attitudes and behaviours (e.g., Homer and Kahle, 1988). As such, they provide a stable and inner-oriented understanding of individuals – more so than attitudes. Whereas attitudes are open to change - across time and situations, values are stable and occupy a central position within a person’s cognitive system. Once a value is learned, it becomes part of a value system in which each value is ordered in priority to other values (Rokeach, 1973). Value systems provide a complete understanding of the motivational forces driving an individual’s beliefs, attitudes, and behavior.

There are different frameworks, approaches, and measures toward values (see, for example, Rokeach 1973; Kahle 1983; Mitchell 1983; Schwartz and Bilsky 1987). The relative importance of different values to an individual has frequently been measured using the method developed by Rokeach (1973). A simplified and parsimonious alternative to Rokeach’s (1973) method is the List of Values or “LOV” (Kahle, 1993, 1996; Kahle, Beatty, and Homer, 1986). LOV is based on the work of Feather (1975), Maslow (1954), and Rokeach (1973). LOV has proven popular in values-oriented business related
marketing research as it is succinct and because it demonstrates excellent psychometric properties (Kahle, 1996; Shoham, Rose, and Kropp, 2005).

LOV is used in this research. It consists of nine values: a sense of belonging, excitement, fun and enjoyment in life, warm relationships with others, self-fulfilment, being well-respected, a sense of accomplishment, security, and self-respect. Various studies have demonstrated that, through factor analysis, these nine values (usually) can be reduced to three dimensions (e.g., Homer and Kahle, 1988; Kamakura and Novak, 1992). Names attributed to these dimensions (Homer and Kahle, 1988) include external values (sense of belonging, warm relationships with others, being well-respected, security), internal values (self-fulfilment, sense of accomplishment, self-respect), and fun and excitement values (excitement, fun and enjoyment in life).

To understand the value system of entrepreneurs, one needs to consider what entrepreneurs do. Recognizing opportunities is one of the most important abilities for successful entrepreneurs (Ardichivili, Cardozo & Ray, 2003; Shane and Venkataraman, 2000; Baron, 2004, 2006). In addition, they demonstrate an entrepreneurial self-efficacy that is associated with entrepreneurial confidence and a belief in oneself (Boyd and Vozijis, 1994; Chandler and Jansen, 1997; Chen, Greene, and Crick, 1998; Drnovsek and Glas, 2002; Lucas and Cooper, 2004). As such, it can be expected that entrepreneurs (and nascent entrepreneurs) will demonstrate high levels of internal values since internal values are associated with confidence in oneself and what one has achieved. Non-entrepreneurs, on the other hand, will come from a variety of backgrounds and experiences and will have a variety of motivations. As such, they are likely to demonstrate the full spectrum of internal values levels (from low to high) depending on the environmental influences they were exposed to in their formative years as well as that which is inherited from prior family generations. Thus, overall, as a group, entrepreneurs and nascent entrepreneurs will tend to demonstrate higher levels of internal values than non-entrepreneurs.

**H3:** Necessity-based nascent entrepreneurs will demonstrate higher levels of internal values than non-entrepreneurs.

Entrepreneurs are good at networking and cultivating relationships with others (Timmons and Spinelli, 2007). They appreciate that they do not necessarily need to know all the answers but they do need to know who to contact if they need someone with the answer to a problem they are experiencing. As such, it can be expected that entrepreneurs (and nascent entrepreneurs) will demonstrate high levels of external values since these are associated with being able to relate with others. Non-entrepreneurs, on the other hand, will demonstrate the full range of personal values from low to high depending on their formative year experiences, etc.

**H4:** Necessity-based nascent entrepreneurs will demonstrate higher levels of external values than non-entrepreneurs.

When it comes to fun and excitement values, however, it can be expected that necessity-based nascent entrepreneurs will be serious about setting up their businesses. It will not be about fun and excitement; the entrepreneurial process will be about “putting food on the table” and being able to have a life without poverty. Thus, it can be expected that the fun and excitement values of necessity-based nascent entrepreneurs will be low. Non-entrepreneurs, however, as a group, will demonstrate the entire range (from low to high) of fun and excitement values depending on their formative year experiences, etc. Thus, for this research,

**H5:** Necessity-based nascent entrepreneurs will demonstrate lower levels of fun and excitement values than non-entrepreneurs.

**Entrepreneurial Attitude**

Attitude is the predisposition to respond in a generally favourable or unfavourable manner with respect to the object of the attitude (Ajzen 1982; Rosenberg and Hovland 1960; Shaver 1987). Models based upon the theories of reasoned action (Fishbein and Ajzen 1975) and planned behavior (Ajzen 1985) use attitude as indirect behavior prerequisites, via intentions, to perform particular behaviours. Performance of a behavior is determined by the strength of the person’s intention to perform that
behavior. Intention is viewed as a function of the person’s attitude toward performing the behavior (Ajzen 1985).

For entrepreneurship researchers, attitude theory provides an alternative credible approach to personality-based psychological models of the entrepreneur (Robinson, Stimpson, Heufner, & Hunt 1991). The entrepreneurial attitude model is a tripartite model (as distinct from a univariate model) founded upon affect (positive or negative feelings toward an attitude object), conation (behavioral intentions and dispositions to behave in a given way toward an attitude object), and cognition (beliefs and thoughts an individual has toward an attitude object) (see, for example, Ajzen 1982; Fishbein & Ajzen 1975; Ajzen & Fishbein 1977; Rosenberg & Hovland 1960; Shaver 1987). Entrepreneurial attitudes are a function of all three types of reactions to a specific entrepreneurial object (Robinson, Stimpson, Heufner, & Hunt 1991) – for example, opportunity recognition.

In this research, entrepreneurial attitude is measured in terms of the individual’s attitude toward opportunity recognition (McCline, Bhat, & Baj 2002). McCline, Bhat, & Baj’s (2002) work stemmed from that of Robinson, Stimpson, Heufner, & Hunt (1991) who did not include opportunity recognition in their entrepreneurial attitude orientation (EAO) scale. Since the discovery of opportunities is core to the entrepreneurial process (Kirzner, 1973; Shane & Venkataraman 2000; Venkataraman 1997), entrepreneurs and nascent entrepreneurs will be predisposed toward recognizing and developing opportunities. Non-entrepreneurs, by definition, will not be inclined toward recognizing opportunities. Thus, in this research …

H6: Necessity-based nascent entrepreneurs will demonstrate higher levels of entrepreneurial attitude (opportunity recognition) than non-entrepreneurs.

Similarly, because of the relationship between values and attitudes and the arguments put forward above, necessity based nascent entrepreneurs will demonstrate positive internal value-entrepreneurial attitude and positive external value-entrepreneurial attitude relationships but no significant fun and excitement values-entrepreneurial attitude relationships.

H7: Necessity-based nascent entrepreneurs will demonstrate a positive internal values - entrepreneurial attitude (opportunity recognition) relationship.

H8: Necessity-based nascent entrepreneurs will demonstrate a positive external values - entrepreneurial attitude (opportunity recognition) relationship.

H9: Necessity-based nascent entrepreneurs will not demonstrate a fun and excitement values - entrepreneurial attitude (opportunity recognition) relationship.

Non-entrepreneurs are not expected to demonstrate any systematic values-entrepreneurial attitude relationship because they will have inherent in them a range of levels of values and will not be predisposed toward opportunity recognition. Thus,

H10: Non-entrepreneurs will not demonstrate an internal values - entrepreneurial attitude (opportunity recognition) relationship.

H11: Non-entrepreneurs will not demonstrate an external values - entrepreneurial attitude (opportunity recognition) relationship.

H12: Non-entrepreneurs will not demonstrate fun and excitement values - entrepreneurial attitude (opportunity recognition) relationship.

RESEARCH METHOD
The fundamental research question addressed in this research is to what extent does the values-entrepreneurial attitude relationship differ between necessity-based nascent entrepreneurs (who intend starting businesses) and non-entrepreneurs with a similar socio-economic demographic (who do not
intend starting businesses) where entrepreneurial attitude is measured in terms of attitude toward opportunity recognition. Validated measures are used to investigate the research question.

Participants

Participants were from socially-disadvantaged communities in Johannesburg, South Africa. Most had been or were currently unemployed. No social security or unemployment benefits are payable to the unemployed in South Africa. As such, if an individual is unemployed, there are only a few options to survive. These include stealing, begging, seeking assistance from other family members, or setting up a business. The entrepreneur participants used in this research can be regarded as “necessity based” as they were predominantly unemployed Indigenous South Africans who intended to start businesses out of necessity.

Many of the businesses operated by necessity-based entrepreneurs in South Africa remain small although some have been known to grow substantially. For example, it is not unknown in SOWETO (a disadvantaged Johannesburg community) for those whose business ventures have grown significantly to have one, or often more, luxury cars parked outside their shanty homes – the results of the determination and entrepreneurial success of these local entrepreneurs.

Participants in the research were recruited via the following approach. A series of newspaper advertisements were placed in the mainstream and local community newspapers promoting the project. In addition, community centres were approached to help recruit individuals in their local communities who were looking to start up businesses. Word-of-mouth attracted additional potential applicants who did not see the newspaper advertisements or were not members of local community groups.

Information sessions were held for interested parties. Participants in the program were advised that they would be helped to start their businesses. This would be done via their attending daily lectures on a range of topics (including entrepreneurship, marketing, finance, legal issues as well as topics on personal grooming, personal motivation, problem solving, etc.) and hands-on mentoring from a group of experienced business consultants - over a period of one year. Those who were accepted on the program would also receive a weekly stipend for the year’s duration. The possibility of receiving money to be on the program was a significant incentive for potential participants to apply. As such, personal interviews were conducted with each applicant to determine which applicants were serious about starting businesses. As a result of this process, 436 individuals were deemed eligible to participate in the program. All stated that they intended starting businesses – although some appeared to be more serious than others. After the interview process to determine their “bona fides”, and before the program started, participants were given a confidential questionnaire to complete. This included questions about participant demographics and validated scales that focused on personal values and entrepreneurial attitude. The questionnaire also contained a question that asked whether the participant really intended starting a business in the near future. After the intense screening process applied to applicants, we expected all participants to answer this question in the affirmative. However, this was not the case. There were 329 participants who answered that they intended to start businesses and there were 107 participants who said that they really did not intend to start businesses in the foreseeable future. Presumably, this latter group was particularly motivated by the money that they would receive whilst being on the program as well as in improving their knowledge. Because the questionnaire was confidential, we were not able to identify specifically who was in each group.

In terms of demographics, 59.6% were female and 40.4% were male; ages ranged from 18 to 42 years with the majority (63%) being 25 years; 74% were currently unemployed with duration of unemployment ranging from 0 to 16 years (half had been unemployed for a year); 30% had attempted to start some type of business previously.

Measures

Validated scales were used to measure personal values and entrepreneurial attitudes. Personal values were measured using the List of Values or “LOV” (Kahle 1983; Kahle, Beatty, and Homer 1986). The instrument comprises nine questions and uses a Likert-type scale (1 = Important to Me and 9 = Extremely Important to Me). Examples of LOV questions include “Sense of Belonging (to be accepted needed by friends, family, and community)”, “Excitement (to experience stimulation and thrills)”, and “Self-Respect (to be proud of myself and confident of who I am)".
Entrepreneurial attitude was measured using the scale developed by McCline, Bhat, and Baj (2000) that focused on attitude toward opportunity recognition. They identified the EOR scale to be more parsimonious in predicting entrepreneurial attitudes and differentiating entrepreneurs from non-entrepreneurs than Robinson, Stimpson, Heufner, and Hunt’s (1991) scale although they acknowledge that the EOR scale could be used advantageously in conjunction with Robinson, Stimpson, Heufner, and, Hunt’s (1991) EAO achievement and perceived personal control subscales. For parsimony, this research uses only the EOR scale. EOR measures use a 10-point Likert-type scale (1 = Strongly Disagree and 10 = Strongly Agree). Examples of scale questions include: “I like talking to people to find out how I can provide better services.” and “I believe I can identify what a customer needs to make them satisfied”.

RESULTS

Exhibit 2 provides the means, standard deviations, and reliabilities for the two groups (Group 1 – necessity-based nascent entrepreneurs and Group 2 – non-entrepreneurs” with the dependent value being entrepreneurial attitude (opportunity recognition) and the independent variables being internal, external, and fun and excitement values.

---

**Structural Equation Modeling:** We used structural equation modeling (Joreskog, 1973) using AMOS Version 7.0 (Arbuckle, 2006) in the primary analysis of the data. Exhibit 3 provides the structural models for the two groups. In both cases, the Chi Square statistic was not significant indicating that there was no significant difference between the sample variance/covariance matrix and the model implied variance/covariance matrix. Hence, the data fitted the model well notwithstanding that Mardia’s coefficient was greater than 3 in both groups (Mardia’s coefficient = 8.852 in Group 1 and 10.381 in Group 2). This indicated multivariate kurtosis (Mardia, 1970). As such, the Bollen-Stine bootstrap (which is a post-hoc adjustment to account for non-normality) was run using 2,000 iterations. This produced new critical Chi-Squares for both Groups against which the original Chi-Squares were compared. The Bollen-Stine bootstrap p was 0.918 for Group 1 and 1.000 for Group 2. Since both adjusted p values were greater than 0.05, the model was confirmed even though the data was non-normally distributed. Further fit indices also supported the fit between the sample and the model. In both groups, the Goodness of Fit Indices (GFI) and Adjusted Goodness of Fit Indices (AGFI) were greater than 0.950, the Root Mean Square Error of Approximation (RMSEA) was less than 0.05, and the Tucker Lewis Index (TLI) was approximately 1.0 – all of which are key cut-off points in determining model goodness of fit.

Given that the data fits the structural models, the following observations can be made. In Group 1, the dependent variable, entrepreneurial attitude (opportunity recognition) accounted for 44% of the variance ($R^2 = .44$). Both internal and external values were significant at the 0.01 level (Beta internal values = 0.53 and Beta external values = 0.21). Fun and excitement was not significant (Beta fun and excitement = 0.04). In Group 2, the dependent variable, entrepreneurial attitude (opportunity recognition) accounted for only 8% of the variance ($R^2 = .08$). Both internal and external values were not significant (Beta internal values = 0.18 and Beta external values = 0.11). Fun and excitement was significant and negative at the 0.05 level (Beta fun and excitement = -0.29).

---

**Independent-Samples T-Tests:** Independent-samples T-Tests were undertaken to compare the mean scores of the external, internal, and fun and excitement values and entrepreneurial attitude (opportunity recognition) constructs for the two groups of participants. Exhibit 4 summarises the results. Levene’s test for equality of variances indicates that the variation of scores for the two groups is the same for external and fun and excitement values (significance > 0.05) but differ for the internal values and entrepreneurial attitude (opportunity recognition) constructs (significance < 0.05). Thus, equal variances are not assumed for these latter two constructs. In any event, there are significant differences between the two groups with regard to the external values ($p < 0.05$), internal values ($p < 0.01$), and the
entrepreneurial attitude (opportunity recognition) (p < 0.01) constructs. There were no significant differences between the two groups for the fun and excitement construct.

Hypotheses: Confirmation/rejection of the 12 hypotheses was as follows …

- H1 hypothesizes that necessity-based nascent entrepreneurs (who have intentions to establish businesses) will demonstrate a significant positive entrepreneurial attitude. This hypothesis was confirmed.

- H2 hypothesizes that non-entrepreneurs (who do not have intentions to establish businesses) will not demonstrate a significant entrepreneurial attitude. This hypothesis was confirmed.

- H3 hypothesizes that necessity-based nascent entrepreneurs will demonstrate higher levels of internal values than non-entrepreneurs. This hypothesis was confirmed.

- H4 hypothesizes that necessity-based nascent entrepreneurs will demonstrate higher levels of external values than non-entrepreneurs. This hypothesis was confirmed.

- H5 hypothesizes that necessity-based nascent entrepreneurs will demonstrate lower levels of fun and excitement values than non-entrepreneurs. This hypothesis was not confirmed.

- H6 hypothesizes that necessity-based nascent entrepreneurs will demonstrate higher levels of entrepreneurial attitude (opportunity recognition) than non-entrepreneurs. This hypothesis was confirmed.

- H7 hypothesizes that necessity-based nascent entrepreneurs will demonstrate a positive internal values - entrepreneurial attitude (opportunity recognition) relationship. This hypothesis was confirmed.

- H8 hypothesizes that necessity-based nascent entrepreneurs will demonstrate a positive external values - entrepreneurial attitude (opportunity recognition) relationship. This hypothesis was confirmed.

- H9 hypothesizes that necessity-based nascent entrepreneurs will not demonstrate a fun and excitement values - entrepreneurial attitude (opportunity recognition) relationship.

- H10 hypothesizes that non-entrepreneurs will not demonstrate an internal values - entrepreneurial attitude (opportunity recognition) relationship. This hypothesis was confirmed.

- H11 hypothesizes that non-entrepreneurs will not demonstrate an external values - entrepreneurial attitude (opportunity recognition) relationship. This hypothesis was confirmed.

- H12 hypothesizes that non-entrepreneurs will not demonstrate fun and excitement values - entrepreneurial attitude (opportunity recognition) relationship. This hypothesis was not confirmed.

**DISCUSSION**

Prior research has demonstrated that entrepreneurial attitudes are a way of differentiating between existing entrepreneurs and non-entrepreneurs (Robinson, Stimpson, Heufner, and, Hunt, 1991; McCline, Bhat, and Baj, 2000) where the entrepreneurs were opportunity-focused - setting up businesses because they wanted to, not because they had to. The results of this research extends the results of prior studies by examining necessity-based nascent entrepreneurs who intended starting businesses – not because they wanted to but because they needed to – for survival. In this regard, the entrepreneurial attitude (opportunity recognition) construct was useful in successfully differentiating
between necessity-based nascent entrepreneurs and non-entrepreneurs. Necessity-based nascent entrepreneurs scored higher on this construct than non-entrepreneurs. Thus, it would appear that entrepreneurial attitude provides the basis for differentiating between both existing opportunity-focused entrepreneurs and intending necessity-based entrepreneurs.

Notwithstanding these results, attitudes can change - over time and with events; for example, attendance at a training workshop can change individual attitudes. Thus, measuring attitudes at a moment in time may be tenuous as this represents a measurement “photograph” where the reality may change after the measurement has been undertaken. Values, on the other hand, are more stable than attitudes. They are less susceptible to change. Since they are related to attitudes, they provide the basis for more stable estimates of behavior. Thus, we also measured values.

In this research, we identified significant differences between nascent entrepreneur and non-entrepreneur values. Nascent entrepreneurs were primarily driven by internal values – a belief in themselves and, to a lesser extent, by their external values – their ability to relate to others. Their external values were significantly related to entrepreneurial attitude but less so than their internal values. Ability to network and interact with others to help solve problems in moving the business forward is extremely important. Successful entrepreneurs do not need to know all the answers themselves but they do need to be able to know who or where to go to get answers for their business problems. Thus, external values are important. In addition, security is a component of the external values dimension. Managed risk-taking is associated with entrepreneurial behavior and therefore security would appear to be incongruent with this – especially with opportunity-focused entrepreneurs. In contrast, necessity-based entrepreneurs come from a fragile environment where there may be little or no security. Thus, security may be a higher order driver of entrepreneurial behavior with necessity-based entrepreneurs than for opportunity-focused entrepreneurs. As such, the businesses that necessity-based nascent entrepreneurs hope to establish may provide a pathway to economic, social, and self-realization security for them.

Thus, both values sets – internal and external - appear core to shaping necessity-based nascent entrepreneurial attitudes. Fun and excitement values, however, were not related. One explanation for this focuses on the seriousness of getting the business up and going and the consequences of failing to successfully do so; that is, when the motivation for establishing your business is survival, fun and excitement are not important. It is about identifying a business opportunity that will help you establish a business that will generate a cash flow that will put food on the table so that you do not have to do crime, beg from family, or seek support from family.

Fun and excitement appear more important to non-entrepreneurs than entrepreneurial attitudes (fun and excitement was negatively correlated with entrepreneurial attitude); however, with an entrepreneurial attitude of R² = 0.08, this finding is hardly worth discussing. Non-entrepreneurs, however, appear to be about having a good time and this seems to be the antithesis of having an entrepreneurial attitude and thinking about setting up a business.

In summarizing the results, entrepreneurial attitude may be sufficient to differentiate between necessity-based nascent entrepreneurs and non-entrepreneurs. However, values provide an underlying context for these attitudes. It would seem, at least based on the results of this study, that low levels of internal and external values may not be conducive to fostering an entrepreneurial attitude. Those with low internal and external values levels may not be the right type of person to establish a business successfully. Thus, if there is a need to ensure that scarce resources are used wisely when allocating funding to entrepreneurial training programs to improve the skills, knowledge, attitudes, and behaviors of “would-be” necessity-based entrepreneurs, it may be prudent to screen applicants on the basis of their personal values favoring those that rate higher on the internal and external values scales.

Limitations and Future Research Directions
There were a few limitations associated with this research that future studies could address. First, the research was limited to Johannesburg, South Africa – a developing region. As such, the results are not necessarily generalizable to other countries. Future values-entrepreneurial attitude research needs to occur in a range of other countries – both developing and developed. Second, this research provides insights into the constructs of interest at a point in time. Future research needs to be longitudinal to determine if values and attitudes change over time and to what extent do they actually relate to entrepreneurial behavior. This future research could involve an entrepreneurial training intervention to
determine to what extent entrepreneurial training modifies (if at all) personal values and entrepreneurial attitudes. Third, this research focused on nascent entrepreneurs. Future research should investigate the values-entrepreneurial attitude relationship in existing entrepreneurs as well as opportunity-focused entrepreneurs.

SUMMARY
This research builds upon prior research to identify a stable approach to differentiate necessity-based nascent entrepreneurs from non-entrepreneurs. Prior research has identified entrepreneurial attitudes to discriminate between existing (opportunity-focused) entrepreneurs and non-entrepreneurs. Although entrepreneurial attitude was successful in discriminating between necessity-based entrepreneurs from non-entrepreneurs, the real contribution of this study is that it has identified personal values as a possible basis for a more stable way of identifying necessity-based nascent entrepreneurs.

REFERENCES

SUMMARY
This research builds upon prior research to identify a stable approach to differentiate necessity-based nascent entrepreneurs from non-entrepreneurs. Prior research has identified entrepreneurial attitudes to discriminate between existing (opportunity-focused) entrepreneurs and non-entrepreneurs. Although entrepreneurial attitude was successful in discriminating between necessity-based entrepreneurs from non-entrepreneurs, the real contribution of this study is that it has identified personal values as a possible basis for a more stable way of identifying necessity-based nascent entrepreneurs.

REFERENCES

SUMMARY
This research builds upon prior research to identify a stable approach to differentiate necessity-based nascent entrepreneurs from non-entrepreneurs. Prior research has identified entrepreneurial attitudes to discriminate between existing (opportunity-focused) entrepreneurs and non-entrepreneurs. Although entrepreneurial attitude was successful in discriminating between necessity-based entrepreneurs from non-entrepreneurs, the real contribution of this study is that it has identified personal values as a possible basis for a more stable way of identifying necessity-based nascent entrepreneurs.

REFERENCES

SUMMARY
This research builds upon prior research to identify a stable approach to differentiate necessity-based nascent entrepreneurs from non-entrepreneurs. Prior research has identified entrepreneurial attitudes to discriminate between existing (opportunity-focused) entrepreneurs and non-entrepreneurs. Although entrepreneurial attitude was successful in discriminating between necessity-based entrepreneurs from non-entrepreneurs, the real contribution of this study is that it has identified personal values as a possible basis for a more stable way of identifying necessity-based nascent entrepreneurs.

REFERENCES

SUMMARY
This research builds upon prior research to identify a stable approach to differentiate necessity-based nascent entrepreneurs from non-entrepreneurs. Prior research has identified entrepreneurial attitudes to discriminate between existing (opportunity-focused) entrepreneurs and non-entrepreneurs. Although entrepreneurial attitude was successful in discriminating between necessity-based entrepreneurs from non-entrepreneurs, the real contribution of this study is that it has identified personal values as a possible basis for a more stable way of identifying necessity-based nascent entrepreneurs.

REFERENCES

SUMMARY
This research builds upon prior research to identify a stable approach to differentiate necessity-based nascent entrepreneurs from non-entrepreneurs. Prior research has identified entrepreneurial attitudes to discriminate between existing (opportunity-focused) entrepreneurs and non-entrepreneurs. Although entrepreneurial attitude was successful in discriminating between necessity-based entrepreneurs from non-entrepreneurs, the real contribution of this study is that it has identified personal values as a possible basis for a more stable way of identifying necessity-based nascent entrepreneurs.


Kahle, L. R., Beatty, S. E., and Homer, P. M. (1986). Alternative measurement approaches to consumer values: The list of values (LOV) and values and lifestyle (VALS). Journal of Consumer Research 13, December, 405-409.


Exhibit 1: Conceptual Model

Entrepreneurial Intentions

External Values

Internal Values

Fun and Excitement Values

Entrepreneurial Attitude

AGSE 2008

202
<table>
<thead>
<tr>
<th>Group</th>
<th>Scale</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group 1: Nascent Entrepreneurs – Intention to start a business</td>
<td>LOV: External</td>
<td>5.647</td>
<td>1.384</td>
<td>.793</td>
</tr>
<tr>
<td></td>
<td>LOV: Internal</td>
<td>6.107</td>
<td>1.449</td>
<td>.724</td>
</tr>
<tr>
<td></td>
<td>LOV: Fun &amp; Excitement</td>
<td>5.500</td>
<td>1.515</td>
<td>.704</td>
</tr>
<tr>
<td></td>
<td>Entrepreneurial Attitude (Opportunity Recognition)</td>
<td>5.789</td>
<td>1.473</td>
<td>.894</td>
</tr>
<tr>
<td>Group 2: Non-entrepreneurs – No real intention to start a business</td>
<td>LOV: External</td>
<td>5.259</td>
<td>1.553</td>
<td>.876</td>
</tr>
<tr>
<td></td>
<td>LOV: Internal</td>
<td>4.561</td>
<td>1.749</td>
<td>.887</td>
</tr>
<tr>
<td></td>
<td>LOV: Fun &amp; Excitement</td>
<td>5.411</td>
<td>1.652</td>
<td>.768</td>
</tr>
<tr>
<td></td>
<td>Entrepreneurial Attitude (Opportunity Recognition)</td>
<td>4.682</td>
<td>1.805</td>
<td>.956</td>
</tr>
</tbody>
</table>

Exhibit 2: Means, Standard Deviations, and Reliabilities
Exhibit 3: Structural Models

Group 1: Nascent Entrepreneurs - Intention of Setting Up a Business
Structural Model: Values & Entrepreneurial Attitude (Opportunity Recognition)
Chi-Square (df = 98) = 96.712, p = .518
TLI = 1.001 GFI = .964 AGFI = .950
RMSEA = .000

Group 2: No Real Intention of Setting Up a Business
Structural Model: Values & Entrepreneurial Attitude (Opportunity Recognition)
Chi-Square (df = 98) = 31.783, p = 1.000
TLI = 1.072 GFI = .964 AGFI = .951
RMSEA = .000

Exhibit 3: Structural Models
## Exhibit 4: Independent-Samples T-Test Results

### Levene's Test for Equality of Variances

<table>
<thead>
<tr>
<th></th>
<th>F</th>
<th>Sig</th>
<th>t</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
<th>Mean Difference</th>
<th>Std. Error Difference</th>
<th>95% Confidence Interval of the Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equal variances assumed</td>
<td>1.866</td>
<td>.173</td>
<td>2.439</td>
<td>434</td>
<td>.015</td>
<td>.38731</td>
<td>.15881</td>
<td>.07519</td>
</tr>
<tr>
<td>Equal variances not assumed</td>
<td>2.300</td>
<td>164.282</td>
<td>.023</td>
<td>.38731</td>
<td>.16840</td>
<td>.05481</td>
<td>.71981</td>
<td></td>
</tr>
<tr>
<td>Equal variances assumed</td>
<td>6.369</td>
<td>.012</td>
<td>9.098</td>
<td>434</td>
<td>.000</td>
<td>1.54665</td>
<td>.17001</td>
<td>1.21251</td>
</tr>
<tr>
<td>Equal variances not assumed</td>
<td>8.272</td>
<td>156.110</td>
<td>.000</td>
<td>1.54665</td>
<td>.18688</td>
<td>1.17732</td>
<td>1.91598</td>
<td></td>
</tr>
<tr>
<td>Equal variances assumed</td>
<td>.645</td>
<td>.423</td>
<td>.515</td>
<td>434</td>
<td>.607</td>
<td>.08879</td>
<td>.17248</td>
<td>-.25021</td>
</tr>
<tr>
<td>Equal variances not assumed</td>
<td>.493</td>
<td>167.846</td>
<td>.623</td>
<td>.08879</td>
<td>.18026</td>
<td>-.26709</td>
<td>.44466</td>
<td></td>
</tr>
<tr>
<td>Equal variances assumed</td>
<td>7.799</td>
<td>.005</td>
<td>6.374</td>
<td>434</td>
<td>.000</td>
<td>1.10716</td>
<td>.17369</td>
<td>.76579</td>
</tr>
<tr>
<td>Equal variances not assumed</td>
<td>5.752</td>
<td>154.525</td>
<td>.000</td>
<td>1.10716</td>
<td>.19250</td>
<td>.72690</td>
<td>1.48743</td>
<td></td>
</tr>
</tbody>
</table>

### Independent Samples Test

For the Independent Samples Test, the results show significant differences between the groups with p-values less than 0.05. The t-tests for Equality of Means are performed under both equal variances assumed and not assumed conditions. The mean differences and confidence intervals are calculated accordingly.