

# DEMOGRAPHICAL VARIABLES AND ENTREPRENEURIAL DISPOSITION: A NARRATIVE OVERVIEW OF LITERATURE

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## ABSTRACT

*Significant scholarship on the criticality of entrepreneurship to economic development exists. Policy makers have also accepted existing entrepreneurship and economic development theories in efforts to drive economic development reduce poverty, unemployment and increase wealth levels of the populations. In view of this, researches on the qualities and related predictors or antecedents that are related to the inclination of individuals to engage in entrepreneurial activities have been considered. The present study sought to pull together research studies on the demographical variables that affect entrepreneurial disposition. A narrative overview of literature anchored the study. The study found that most sections of the literature on predictors of entrepreneurial disposition have focused on personal attitudes, personality traits and qualities that increase the likelihood of an individual to engage in entrepreneurship. Gender has been the most prominent demographical variable that has received scholarship and it has been established that males seem to be more predisposed to engage in entrepreneurship than females, even though female entrepreneurship is on the rise. Studies on age have suggested that entrepreneurial predisposition seems to ascend among the younger age groups to a peak around middle age before it starts to decline. It appears that consideration of other demographical variables such as marital status, race and place of origin have not been adequately explored.*

**Keywords:** Entrepreneurship, Entrepreneurial Intentions, Demographical Variables, Narrative Analysis.

## INTRODUCTION

Recent studies seem to observe shifts in the relationship between demographical variables and entrepreneurial activity (Bowmaker-Falconer & Herrington, 2020; Global Entrepreneurship Monitor [GEM], 2020). This necessitates a need for an overview of existing literature on the relationship between demographical variables and entrepreneurial activity in order to fully comprehend the phenomenon. Whereas early scholarship on entrepreneurship focused on examining the concept and advocating for its recognition, the focus changed on to the antecedents of entrepreneurship. Ferreira et al. (2015) commented that early writings on the field of entrepreneurship seem to have been associated with Knight (1921); Schumpeter (1934). These two scholars have been widely cited by many researchers as they provided initial basis for understanding entrepreneurship. The rise of entrepreneurship scholarship has also attracted related disciplines to ensure increased appreciation and comprehension to the field (Lose, 2019). The fields of management and economics have chiefly been associated with entrepreneurship.

Psychology also became a related discipline, which considers the mental and cognitive state of the entrepreneur. Given the economic imperative associated with entrepreneurship, antecedents of entrepreneurship were recognised as critical since they could be used by policy makers, administrators and other stakeholders to manipulate relevant variables for the growth of entrepreneurship. Writers such as Robbins et al. (2009) provided a model of organisational behaviour, which emphasises the role of individual, group and organisational level behaviours in influencing organisational output. In the same vein, this study was based on the need to inquire into the role of individual level demographical factors in entrepreneurship. Due to the increase in entrepreneurship related research, many studies were completed to inform both theory and practice. Much of these studies remain scattered and unintegrated making it necessary to create an overview of the literature that pulls together various findings into a comprehensive analysis to increase understanding and create in-depth inspection of entrepreneurship. Specifically, the study sought to pursue studies related to the demographical variables that have an impact on entrepreneurship against a dynamic background where there appears to be shifts in previous findings

## **BACKGROUND ENTREPRENEURIAL DISPOSITION**

The study of demographical variables in relation to entrepreneurial dispositions has its roots in psychological studies in entrepreneurship. Saiz-Alvarez and Vaquero (2017) reveal that seminal works on the psychological dimensions of entrepreneurship started in the 1960s with the publications of McClelland (1965); Rotter (1966); Atkinson (1966). Saiz-Alvarez and Vaquero (2017) also observed that schools of thought on the psychological aspects of entrepreneurship can be put into five groups, namely: (1) Functionalism, (2) Behaviourism, (3) Gestalt, (4) Humanist psychology and (5) Cognitivism theories. Of these schools, the behaviourist school of thought, which focuses more on the reasons why entrepreneurs act in a certain way seems to be more aligned to the objectives of the study. The final assumption was that certain demographical variables predispose entrepreneurs to certain entrepreneurial behaviours. Pruett et al. (2009) define entrepreneurial disposition as an individual's sense of self as well as the propensity for personal creativity and personal initiative that increases the likelihood to engage in entrepreneurship. Research on the relationship between entrepreneurial predisposition and entrepreneurial intention has received consideration interest amongst some scholars and academics (Pruett et al., 2009).

## **DEMOGRAPHICAL VARIABLES AND ENTREPRENEURIAL DISPOSITION**

As noted by Tamizharasi and Panchanatham (2010) demographical variables can be used to explain or predict the latent entrepreneurial spirit of certain individuals. Demographical variables that have received earlier attention, include family background, previous working experience before start-up, socio-economic status, age, education level, birth order and so on (Tamizharasi & Panchanatham, 2010). According to Kerr et al. (2017) entrepreneurial activities were found to be more prevalent among men, younger people, non-minorities and immigrants. These suggest the influence of age, nationality and gender on entrepreneurship. Research, however, has failed to establish consistency in the nature of entrepreneurship across demographical variables owing to the existence of environmental-based variables. Even though there is greater recognition that a number of individual variables affect level of entrepreneurship, it appears that much focus has been put to personality traits (Frese & Gielnik, 2014), education

(Hynes et al., 2010) and entrepreneurial passion (Santos & Cardon, 2018) among other attributes. Research has taken the position that foundational variables such as age and race and culture tend to be associated with certain dispositions that influence entrepreneurship. Studies have, therefore, been attracted to the attitudes and dispositions that have a direct bearing on entrepreneurship as opposed to the base variables.

## Research Problem

Traditional findings on the demographical distribution of South African entrepreneurs appear to be changing. Bowmaker-Falconer & Herrington (2020) observed that the age, gender and educational profiles of South African entrepreneurs seem to be shifting. This phenomenon has also been reported in the GEM (2020) assessment of demographical profiles of entrepreneurs globally. According to Bowmaker-Falconer and Herrington (2020), entrepreneurial activity has almost doubled from 7.5% in 2017 to 14.3% in 2019 in the age group 45–54 years, but has decreased in the age bracket 35–44. At the same time, there are observations that female entrepreneurship is increasing (GEM, 2020). In South Africa, the ratio of male to female entrepreneurial activity has changed from 1.52 (12.5 male: 8.2 female entrepreneurs) in 2017 to 1.14 (10.9 male: 9.6 female entrepreneurs) in 2019. Changes such as the above are likely to be sources of policy shifts and may be the basis for opening up new frontiers for both entrepreneurial theory and practice. The above indications are new observations that call for widespread inquiry and assessments, thereby making it imperative to conduct literature overviews on the phenomenon. Given the above, the research question that guided the study was: What are the literature variations in the influence of demographical variables on entrepreneurial disposition?

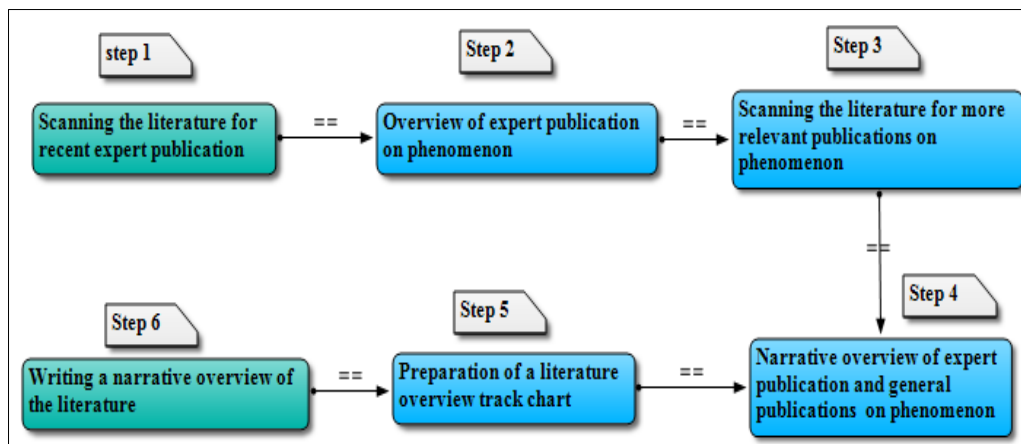
## METHODOLOGY

This study was formulated to interpret the literature on the variations on the influence of demographical variables on entrepreneurial disposition. As such the study was deemed to be associated with the interpretivist research paradigm. It was based on the construction of meaning from the research findings in the literature. It sought to construct meaning through the interpretation of the literature. Kivunja and Kuyini (2017) posit that the interpretivist is a based on the subjective analysis of human experiences. Creswell and Creswell (2018) agree that the interpretivist or social constructivist paradigm is based on the ontological view that individual seek to understand the world through interactions and experience. Following this position, this study was founded on the argument that an an analysis of the literature on demographical variables and entrepreneurial disposition can be used to create meaning for the changes in the phenomenon under study. Snyder (2019) comments that literature review research methodologies have become essential to address knowledge fragmentation and increase interdisciplinary comprehension of phenomena. In Green, Johnson and Adams' (2006) discussion of literature reviews, narrative overviews are described as the comprehensive synthesis of previously published information. Such reviews are critical as they pull together knowledge fragments into a holistic interpretation of issues of interest. Ferreira, Reis and Miranda (2015) echo the same sentiments and mention that reviews are critical in providing a synthesis of published literature on a topic and also to point towards trends and the current state of knowledge on a particular phenomenon. Given the significant interest in entrepreneurship worldwide, a literature review was found to be the most suitable approach as it offers the stated

advantages. It was noted that numerous studies exist on entrepreneurial intention in the literature thereby making a narrative overview essential to ensure knowledge on entrepreneurial intention remain condensed and focused for it to be useful in fostering economic growth through entrepreneurship.

### SOURCES OF LITERATURE AND SELECTION CRITERIA

As provided above, the nature of the study was based on the need to address the current fragmentation of knowledge on demographical variables and their influence on entrepreneurship against a background of observed phenomena shifts. Therefore, there was needed to make a literature study to create deeper understanding before providing a synopsis of the phenomena of interest. Electronic publications and databases were the sources of literature for the narrative overview. Publications were mainly obtained through Google Scholar searches as well as by accessing journals of entrepreneurship. The criteria for inclusion and exclusion of publications were based on the following conditions: (1) journals from which articles were selected were accredited to the Department of Higher Education (DHE) South Africa, (2) Key words or phrases for all selected articles were ‘entrepreneurial intention,’ ‘early stage entrepreneurship’ or ‘entrepreneurial disposition’. Figure 1 shows the procedure that was followed in writing the narrative overview of literature that is provided in this paper.



**FIGURE 1**  
**PROCEDURE FOLLOWED AUTHORS OWN CONTRIBUTIONS**

Figure 1 shows that the first step involved the scanning of the literature including the study of recent publications. At this study the literature was consulted widely in order to foster an in-depth appreciation of the area of study. The literature sources were not essentially from one journal but were simply selected following a purposive sampling approach where publications were required to meet the selection criteria stated previously. Some articles were categorised as expert articles while others were simply classified as general publications. In order for an article to be considered an ‘expert publication’ it had to be recent or it had to be the original work of a well-cited author whose work has received significant scholarly attention in entrepreneurship. The Global Entrepreneurship Monitor Report 2019/2020 was regarded as an expert article given its international recognition and the scale of its influence. Similarly, Robert Schumpeter’s (1934) publication was also considered an expert article. Other general articles were then searched from

the databases and a narrative overview was provided with reference to both the expert articles and the general articles. A literature overview chart was designed to capture the main findings from various empirical findings. Table 1 is part of the literature overview chart, which was used to track the literature. The overview was stopped when it started to appear that there was some saturation on the literature position and no new arguments were emerging.

<b>Biographical variable</b>	<b>Overview of findings</b>
GEM (2020)	Women still lag significantly behind men in entrepreneurial endeavours even though they are improving. Levels of early-stage entrepreneurship generally increase with age and then decline. Immigrant status affects entrepreneurial disposition. Family disposition affects entrepreneurial disposition. Personal experience increases entrepreneurial disposition.
Bowmaker-Falconer & Herrington (2020)	The age, gender and educational profiles of entrepreneurs have switched.
Yan (2020)	Some personality traits relate to entrepreneurial disposition.
Kerr et al. (2017)	Historical legacies affect entrepreneurial intention. Personality/psychological traits of entrepreneurs are of great importance for the study of entrepreneurship.
Bux and Van vuuren (2019)	Self-efficacy and entrepreneurial education lead to improved entrepreneurial disposition.
Malebana and Swanepoel (2015)	Entrepreneurial education increases entrepreneurial intention.
Ndofirepi, Rambe and Dzansi (2018)	Males score higher on entrepreneurial propensity than women.
Malebana (2016)	Long term exposure to entrepreneurship education is vital in stimulating entrepreneurial intention.
Franco, Haase and Lautenschlager (2010)	The findings reveal a zero or weak influence of demographic profile, social background and participation in entrepreneurship education, but the underlying motives for occupational choice as well as the “regional dimension” are highly relevant.
Jeon (2018)	Belief in the existence of opportunities and personal capabilities were seen to influence intentions.
Ramawati (2020)	Entrepreneurial motivation mediates the relationship between perceived desirability and create new venture intentions.

## DISCUSSION

Despite the observations that are shown in Table 1 on the findings of studies with regard to demographical profiles of entrepreneurs, it was observed that generally the literature is scarce when compared to studies on other antecedents of entrepreneurial activity. These findings are important as they make a statement on the question that guided the inquiry, namely: What are the literature variations in the influence of demographical variables on entrepreneurial disposition? Most studies on the influence of demographical information on entrepreneurial intention have considered the role of personality traits (Yan, 2010; Kerr et al., 2017), while others have focused on attitudes in general as they affect entrepreneurial disposition (Tamizharasi & Panchanatham, 2010; GEM, 2020). The study of demographical variables such as age, race and marital status seem not to have received much attention. This seems to imply that such studies have received little in-depth and rigorous attention when compared to the studies on personality traits and attitudes in general as antecedents of entrepreneurial intention. Among other demographical

variables, the relationship between gender and entrepreneurial disposition has received more attention than all other demographical variables (Ndofirepi et al., 2018; Ahmed & Kar, 2019). Some sections of the scholarship on demographical variables and entrepreneurial disposition correspond to Schumpeter's (1934) views on demographical variables and entrepreneurial disposition. In the Schumpeterian view, the internal disposition to initiate changes in the economy propels the entrepreneur to generate opportunities. Schumpeter's view seems to point to certain internal attributes, which disposes an individual to engage in entrepreneurship (Dutta & Crossan, 2005). Schumpeter's (1934) view further assumes that entrepreneurs are heroes who utilise certain superior demographical variables and other intrinsic attitudes to take advantage of business opportunities in the environment. The literature points to the fact that males demonstrate higher entrepreneurial dispositions than their female counterparts. Some scholars align to the view that successful entrepreneurship owes itself to certain extrinsically attained advantages that allow the exploitation of market opportunities. In other words, demographical and other personal traits are not at the centre of entrepreneurial opportunities but the possession of information and the ability to realise market gaps and how to manipulate them (Dutta & Crossan, 2005). Such theorists do not pay much attention to demographical variables as predictors of entrepreneurial disposition. Research seems to suggest that entrepreneurial disposition varies with age. Recently, the GEM (2019/2020) Global Report informed that in many economies, the propensity to be involved in starting or running a new business first increases and then decreases with age. In other words, entrepreneurial disposition tends to increase in the early ages and could reach a maximum before starting to decrease again as old age sets in. In terms of gender, the GEM (2019/2020) report found that even though males tend to have a greater entrepreneurial disposition than females, there is a new trend which suggests rising entrepreneurial activity among females in many economies. Many studies that look for non-linear patterns, document an inverted U-shaped relationship between age and rate of entrepreneurship, with perhaps a peak point in the range of age 45 (Kerr et al., 2017). It appears that research on the role of demographical variables and entrepreneurial disposition has been dominated by the study of certain personality traits and attributes rather than demographical variables such as age, marital status, race or place of origin, which normally form the foundations of most studies. Only the association between gender and entrepreneurial intention seems to have been interesting to researchers. The overview of literature above also point that early studies on demographical variables as antecedents for entrepreneurship did not put sole focus on basic demographical variables of age, race, gender and marital status. However, it appears that recent inquiries such as those from the GEM (2020) seem to point to a new imperative that looks into the demographical profiles of entrepreneurs as critical in influencing practice and policy formation.

## CONCLUSION

This study has given an overview of previous studies on demographical variables and entrepreneurial disposition. Previous research on this phenomenon seems to be more centred on the role of personality traits, attributes, experiences, knowledge and education. Some foundational variables such as age, marital status, race and place of origin seem to have received little scholarly attention. Almost all studies suggest that males seem to be more entrepreneurial than females, though lately research appears to establish that entrepreneurial disposition among females is increasing. It appears that there is recent interest in the profiles of entrepreneurs, especially from GEM as well as other large scale reports such as those of Bowmaker-Falconer

and Herrington (2020). As such, it can be concluded that there are observable variations in research focus regarding the position of demographical variables in entrepreneurship. Whereas early studies, did not attach much attention on demographical variables of entrepreneurs, new scholarship point to deeper analysis of that research niche. The study, therefore recommends more research focus on demographical variables and entrepreneurial disposition.

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