Abstract

Entrepreneurship has been globally identified as an important factor for economic development. The importance of entrepreneurship has encouraged policymakers to invest in entrepreneurship development, and entrepreneurial mindset and culture are being assumed as important factors to consider in developing entrepreneurship success and growth. This study focused on the role of entrepreneurial mindset and culture on the entrepreneurship success or failure in South Africa. The objective of this study was to understand whether entrepreneurship culture can enhance entrepreneurial mindset and whether both entrepreneurial mindset and culture enhance entrepreneurship success and development. A qualitative research approach was used for this study, where a systematic literature review was followed as the method of review. Various online databases and peer-reviewed journal articles were used in analysing appropriate and relevant literature. The findings revealed that culture and mindset have a robust contribution towards entrepreneurship development and success. The findings further revealed that entrepreneurship culture makes an important contribution to the development of an entrepreneurial mindset, which encourages entrepreneurial intentions and venture success. This study indicates that the creation of an entrepreneurial mindset that drives creativity and innovation, resulting in new ventures being created and entrepreneurship culture being cemented, is very important in encouraging entrepreneurship growth and success.

Keywords: Entrepreneurial Mindset; Culture; Entrepreneurship
Introduction

The belief that entrepreneurship is essential in economic and social development has encouraged the development of various programmes to support entrepreneurship in South Africa. The South African government has prioritised entrepreneurship development by establishing different programmes to support and promote entrepreneurship growth in South Africa (Dlova, 2017). Entrepreneurship is an important driver of South African development, not only because it contributes to the gross domestic product (GDP), estimated at 283 billion in 2020 (Statistics South Africa, 2020), it also contributes towards job creation, poverty alleviation, and economic growth (Chimucheka, 2012; Aderibigbe, Mpondo, Gcaza & Chimucheka, 2020; Statistics South Africa, 2020; Polas, Raju, Muhibullah & Tabash, 2022). Despite the importance of entrepreneurship to the South African economy, entrepreneurship participation remains very low. The Global Entrepreneurship Monitor (GEM) report (2022) indicates that the discontinuance rate of 13.9% was more than the formed business ownership rate of 5.2% in South Africa. Chimucheka, Muchineripi and Chinya (2019) confirm that more than 70% of new business ventures fail in less than two years after being established.

Entrepreneurs face various challenges, which lead to low business performance and hinder business success (Mayr et al., 2021; Engidaw, 2022). Some of the difficulties identified are sustaining an entrepreneurial mindset that promotes business success (Palalić, 2020; Abdelwahed & Alshaikhmubarak, 2023) and developing an entrepreneurial culture that encourages long-term business success and sustainability (Khan, Salamzadeh, Shah & Hussain, 2021). Kuratko et al. (2021) and Lynch et al. (2023) indicated that business failure could be due to a lack of an entrepreneurial mindset, which is defined as the state of mind that an individual has that encourages entrepreneurship development (Nicolaides, 2011; Wathanakom, Khraisang & Songkram, 2020; Lynch & Corbett, 2023). There are several supporting dimensions for business development and sustainability to foster an entrepreneurial mindset for business, including entrepreneurial culture (Mukhtar et al., 2021). Maiwada (2015), Pfeifer et al. (2016), and Ndou et al. (2018) assert that entrepreneurship culture is critical in shaping an entrepreneurial mindset, intention, and venture creation.

Entrepreneurship culture is measured by the degree to which self-employment is seen as an important career choice and the degree to which successful entrepreneurs are valued in society (Stam & Spigel, 2018). Regardless of the vital role that entrepreneurial mindset and culture can play in developing entrepreneurship, it can also hinder entrepreneurship success. Wardana et al. (2021) argued that entrepreneurial mindset and culture could drive and hinder entrepreneurship development. Proper entrepreneurship culture, which nourishes the entrepreneurship mindset, can increase venture creation and success (Stam & Spigel, 2018). However, business ventures are unlikely to be created when an entrepreneurial mindset is not promoted and entrepreneurship culture is discouraged in society (Davis, 2002; Radebe & Vezi-Magigaba, 2021). Considering the above background, this study aims to identify the role of an entrepreneurial mindset in business success and failure with the mediating role of entrepreneurial culture.

Methodology

In understanding the entrepreneurial mindset as a facilitator and barrier to entrepreneurship development with the mediating role of entrepreneurial culture, within the South African context, this study followed a qualitative research approach. Islam and Aldaihani (2022) defined the qualitative research approach as the tool that helps the researcher to recognise new viewpoints in undertaking the study phenomenon. A systematic literature review was followed in this study as the method of review. Doran, Pommret and Adu-Ampom (2022) argued that systematic reviews are effective in verifying existing procedures, addressing changes, and spotting new patterns contained by a phenomenon. A
systematic review, according to Astell-Burt, Hartig, Putra, Walsan, Dendup and Feng (2022), establishes a guiding pathway that guides and informs policy advances, which can encourage policymakers to consider a valuable policy pathway in improving entrepreneurial development and growth. Various online databases and peer-reviewed journal articles were used to analyse an appropriate and relevant literature review for this study. The researchers analysed, through the relevant articles, whether they were relevant to contribute to the objective of this study, and then those that were relevant were included in this study. The process eliminates inadequacies that may occur in the search, inclusion, and exclusion process (Mendes, Vieira & Mano, 2022). In ensuring that this study is appropriate to guide effective policy decisions that would otherwise be impactful in developing entrepreneurship, this study sustained consistency and reduce potential biases (Hossain, Akhter & Sultana, 2022).

**Theoretical Framework**

The Aggregate Psychological Traits Approach

The aggregate psychological traits approach guides this study. This approach is of the view that there is a link between individual values and beliefs and individual actions (Thurik & Dejardin, 2011). Therefore, it is realistic that cultural differences significantly influence individuals’ performance and actions, including the choice to be self-employed rather than employed (Richter & Patel, 2022) and how the established business performs (Zaid et al., 2020). According to this approach, more individuals have entrepreneurial values in a society with high chances of entrepreneurial activities (Davidsson, 1995; Shane, 1993). This study considers entrepreneurial mindset and culture as crucial factors for business performance. Therefore, the aggregate psychological traits approach is important to this study as it relates to entrepreneurial culture, entrepreneurial mindset, and business performance. Therefore, the theory and this study commonly hold the view that the proper development of entrepreneurial values, mindset, and culture can improve business performance.

**Literature Review**

The Role of Culture in Shaping Entrepreneurial Mindset

Governments across the globe are increasingly recognising the importance of small businesses in their respective economies. In South Africa, small businesses are regarded as key players in driving economic growth and social development (Chimucheka, 2014). Entrepreneurship culture has been regarded as one of the key influential factors shaping people’s mindsets around the creation of these ventures. Consequently, it is crucial to understand the role of culture in shaping an entrepreneurial mindset. According to Kuratko et al. (2021), an entrepreneurial mindset refers to how individuals engage their minds when it comes to entrepreneurship. Culture, on the other hand, refers to the collective programming of a person’s mind that distinguishes that person from others (Solesvik, Westhead & Matlay, 2013; Hofstede, 2001).

The influence of culture on entrepreneurship was recognised and first emphasised by Max Weber in the earlier 20th century when he indicated that a culture that emphasises individualism, achievement motivation and self-reliance nourishes and cultivates an entrepreneurship mindset (Abzari & Safari, 2012). According to Ndlovu (2014), research conducted on youth entrepreneurship in the Western Cape reported that the development of an entrepreneurial culture among young people has the potential to create and promote the necessary mindset required to cultivate the skills necessary to succeed as an entrepreneur. Proper entrepreneurship culture has the potential to nourish and cultivate an entrepreneurial mindset among citizens, which will, in turn, increase the number of new ventures created, and further cement the atmosphere of entrepreneurship. A properly established and instilled entrepreneurship culture
that nourishes the entrepreneurial mindset has been reported to increase the chances of new venture creation and success (Stam & Spigel, 2018). According to Azari and Safari (2012), entrepreneurship behaviour may not only be motivated or driven by monetary motives, but may also be driven by many other factors, such as cultural factors, among others. Therefore, an understanding of the role of culture in entrepreneurship is very important, especially when considering that culture has continued to play an increasing role in shaping demographic explanations to understand the motivation of entrepreneurship behaviour.

Moreover, governments, in their efforts to stimulate entrepreneurial activities among citizens, should not only focus on general physical support such as funding, but should also focus on the creation of an entrepreneurial mindset that drives creativity and innovation, resulting in new ventures being created and an entrepreneurship culture being cemented (Solesvik et al., 2013)

**Entrepreneurial Mindset as a Tool for Entrepreneurship Development**

Understanding the entrepreneurial mindset as a tool to advance proves to be a necessary tool for modern economies. Firstly, it is imperative to comprehend entrepreneurship development; the African Development Report (2011, p.124) termed it “the process of enhancing entrepreneurial skills and knowledge through structured training and institution building programs.” On the other hand, an entrepreneurial mindset is ascribed to how individuals engage their minds to ponder, act, and feel about entrepreneurship (Kuratko et al., 2021). Therefore, within the context of this study, it is fair to collate that training and institutions can play a pivotal role in influencing and harnessing an entrepreneurial mindset. Therefore, this structured training by institutions can focus on the following triad of the entrepreneurial mindset:

- The cognitive aspects (thinking)
- The behavioural aspects (acting) and
- The emotional aspects (feeling)

**The Cognitive Aspects**

Over the years, contrasting debates have emerged among scholars as to what cultivates the entrepreneurial mindset. Firstly, a need arises to define the foundations of the cognitive approach; this approach employs individuals’ cognitive aspects to gauge their entrepreneurial mindset and behaviour. This approach observes the thought process of identifying entrepreneurial opportunities, formulation of enterprises, and other behavioural patterns (Chavoushi et al., 2021; Sánchez et al., 2011). It is then argued that positive cognitive aspects allow effective entrepreneurial identification and behaviour to explore the identified opportunity best. Therefore, support of structured entrepreneurial mindset training can ignite economies, create value and stimulate employment (Kouakou et al., 2019). In support, Costa et al. (2018), in their study evaluating the effects of cognitive training and its effect on opportunity identification, found that people enrolled in the training more precisely after the cognitive training. These findings align with DeTienne and Chandler (2004) and Morris et al. (2013), who understood the importance of ordering mental cognition as it optimises individuals’ effectiveness in given situations (Kuratko et al., 2021).

Deliberating on the success and importance of the cognitive approach in aiding an entrepreneurial mindset, opportunity recognition and optimisation of decision-making, and handling uncertainty through cognitive training requires caution. Shepherd and Zacharakis (2001) brought caution to the appraisal of the cognitive approach. This caution, through the cognitive approach, results therein that the entrepreneurial mindset is facilitated by acquired knowledge, skills, and abilities. A question arises in cases of the absence or over-evaluation of the three capabilities. Failure to constantly upskill one’s cognitive capabilities can therefore often lead to stagnation and future entrepreneurial failures (Hartmann
et al., 2022; Haynie et al., 2009, 2016). According to Sánchez et al. (2011), these failures result from counterfactual thinking, planning ambiguity, overconfidence, and over-optimism. Equal to this, Sánchez et al. (2011) questioned the rigidity and conclusiveness of the cognitive approach as it ignores other entrepreneurial mindset contextual issues. It is evident that acquiring cognitive capabilities is significant in developing an entrepreneurial mindset, and so are the behavioural aspects.

The Behavioural Aspects

Previously, the significance of cognitive aspects in aiding individuals’ mindset and facilitating was denoted. Superior cognitive abilities and competencies alone cannot suffice to strengthen entrepreneurial development. Cognitive abilities are not sufficient to create an economic value for identified opportunities. Therefore, a need arises to evaluate the action aspect that can maximise the economic value of entrepreneurial opportunities (Kuratko et al., 2021). Behavioural aspects of entrepreneurship have a significant role in the action and behaviour of entrepreneurship development (Festyana, 2022). Having identified an opportunity, an entrepreneur must act (create a venture) through the acquired skill of an entrepreneurial mindset, allowing behaviour and action. This entails the installation of specific attitudes, traits, and behaviours for opportunity identification.

According to Pearce II et al. (1997) and Pearce et al. (2010), these behaviours include innovativeness, risk-taking, pro-activeness, autonomy, and competitive aggressiveness. These behaviours are essential for entrepreneurs as they contribute to identifying and seizing opportunities, taking calculated risks, proactively pursuing goals, and navigating the uncertain and complex conditions often associated with entrepreneurship. Entrepreneurial behaviour is critical in determining an individual’s performance and success in entrepreneurial activities.

Furthemore, developing an entrepreneurial mindset is intricately linked to entrepreneurial orientation. Entrepreneurial orientation refers to an individual’s mindset or perspective shaping their approach to entrepreneurial activities (Firman et al., 2022), thereby highlighting entrepreneurial behaviour as a key indicator of an individual’s activities and success in entrepreneurship as emotional aspects.

The Emotional Aspects

The subsequent sections dwell on the importance of cognitive and behavioural aspects in facilitating a mindset toward developing entrepreneurship. Possessing the latter alone does not guarantee entrepreneurial success, let alone facilitate entrepreneurship development. Therefore, a combination of various cognitive, behavioural, and emotional abilities is significant in developing entrepreneurship (Fernández-Pérez et al., 2019). Therefore, entrepreneurship competencies include emotional aspects, as several scholars have confirmed. Pfeifer et al. (2016) allude to the importance of investing in an individual’s emotional aspects, as, when correctly nurtured, this can facilitate entrepreneurial cognition and action (Fernández-Pérez et al., 2019). However, the literature reports the under-research and existing ambiguities concerning the emotional aspects of entrepreneurship. Instead, Cardon et al. (2005) earlier put forward that emotions are not sufficient character aspects to facilitate entrepreneurship. However, Foo et al. (2015) and Frese and Gielnik (2023) contend that emotions do influence entrepreneurial decisions and actions. In addition, the following emotions are said to influence an entrepreneurial mindset: Firstly, fear
of failure. Frese and Gielnik (2023) state that fear of failure can have positive and negative outcomes on entrepreneurship. In turn, this activated emotion of fear of failure forms judgement and behaviour (Kollmann et al., 2017). For example, this can instil fear of venture opportunity identification due to the fear that it will fail. The opposite is true for individuals who might have an intense fear of failure, which will propel them to take positive action toward identified ventures. In this essence, emotional intelligence can play a pivotal role in shaping and pivoting cognition and action from entrepreneurs.

Other emotions, just as fear, tend to yield positive and negative behaviour and action effects; this includes passion, fear, anxiety, stress, and grief (Ávila et al., 2022). These highlight the dynamism of emotions as an aspect that can be enhanced toward the facilitation of entrepreneurial development. However, applied with caution, each emotion, positive or negative, can always yield the opposite of each.

**Cultural Barriers to Entrepreneurship Development**

In the age of global uncertainty, one cannot over-emphasise the need for entrepreneurship to be seen and consolidated as a strategic long-term process to promote socio-economic development and address the injustices caused by apartheid in South Africa. Notwithstanding the above, we cannot ignore the many barriers that, to a great extent, have hindered entrepreneurship development. Scholars (Ackah & Vuvor, 2011; Hoogendoorn et al., 2019; Yoshino & Hesary, 2016) reflect on issues such as lack of capacity, lack of risk-taking capacity, not having a strategic plan, issues with human resources and less or no experience in marketing have in the 21st century become significant impediments to entrepreneurship development. In the words of Baù et al. (2017), while there are several barriers relating to entrepreneurship development, one of the most prevalent and demotivating ones is the perception of society towards failure. Society tends to reject and judge failure and a mistake, keeping one in a mindset of going through life trying to avoid mistakes without realising that failure is a part of success. In Uganda, Khayesi et al. (2017) reflect that, without a doubt, culture plays a crucial role in influencing and shaping different aspects of society, including organisational phenomena and practices. Africa has always been a culturally sensitive continent, and everything that Africans do is tied to culture and tradition in some way or the other. Therefore, culture can be both facilitative and constraining to entrepreneurship development through its effect on organisational outcomes. Even though one cannot escape culture as a factor in entrepreneurship, it has become a worrisome impediment. The Center for International Private Enterprise (2015) communicates that, in Latin America, entrepreneurs continue to face strong cultural challenges. Many youths lack the confidence to start their businesses for fear of failure and the associated consequences. Would-be women entrepreneurs must often deal with machismo, or male dominance, in economic matters (The Center for International Private Enterprise, 2015).

In Asia, culture has also found its way into the entrepreneurship domain. Franzke et al. (2022) noted that, in developing Asian countries, female entrepreneurs often have a low level of education and work in the informal sector, driven by economic necessity. In contrast, many female entrepreneurs in transitioning/developed Asian countries are highly educated and work in high-growth industries. Culture and different religions, for example, Islam and Hinduism, are significant sources of constraints for the education and financing of female entrepreneurs in Asia. The same sentiments can be seen in Europe, where Blideanu and Diaconescu (2018) note that young entrepreneurs identify several factors that are holding them back, such as

1. Lack of finance,
2. Too many regulations and administrative burdens,
3. Europe’s digital market has failed to overcome fragmentation,
4. Taxes are too high and complicated,
5. Cultural problems (from multiple languages to a fear of failure mentality).
In a culturally and traditionally sensitive continent such as Africa, several sociocultural factors have and continue to hinder development in the entrepreneurial sector. Factors include weak entrepreneurial culture, the negative cultural and social attitude towards youth entrepreneurship, the lack of valuation of entrepreneurship, lack of support from family or friends, witchcraft, and magico-religious beliefs and practices (Makina, 2022). Robinson (2014) further notes that starting a successful business venture in Africa requires understanding the cultures and societies on the continent. For the author, The Tony Elumelu Foundation (2023), various cultural and social barriers make it difficult for women to start or grow businesses. These barriers include traditional gender roles, limited mobility, and discrimination. Women are also often expected to prioritise their family responsibilities over their work, making it difficult to devote the time and resources needed to build a successful business. There seems to be a lack of adequate support mechanisms to address these barriers in Africa, and this has negatively affected the need to consolidate entrepreneurship development.

In South Africa, culture continues to lean heavily on entrepreneurship development. Within the context of female entrepreneurship, factors such as access to financial resources, lack of support, negative prevailing sociocultural attitudes, sex discrimination or gender bias and personal difficulties continue to hinder female development in the entrepreneurial domain. Moreover, the Department of Trade and Industry (2003) notes that for women in South Africa, chief barriers to promoting women in business include cultural and societal problems, the psychological impact of cultural norms, employment legislation and policy, lack of information, training, finance, markets, technology and business infrastructure, absence of vehicles for skills development and capacity building.

However, apart from these observations, there have been increasing debates about how the government can intervene to ensure that continuous investment in entrepreneurship can remove the harmful elements associated with culture in entrepreneurship. Whitmore (2016) notes that overcoming such would need a coordinated approach; firstly, there is a need to promote appreciation of cultural differences. Secondly, there is a need to be open to trying new things. Thirdly, there is a need for one to be accommodating. Globally, governments ought to invest in entrepreneurial development through support structures such as networking, community support, support thought, training and workshops, and access to credit. This will ensure that specific stigmatisation associated with culture and entrepreneurship can be addressed through practical policy support. This paper notes that there is a need to ensure that investments also speak to the public’s needs; that is, there need to be supportive avenues, agencies and organisations solely mandated to support and promote entrepreneurship development and ensure its subsequent consolidation.

Moreover, one of the most effective approaches towards ensuring investment as an approach to changing the mindset regarding entrepreneurship is to ensure its incubation at primary school level. Mmekwa (2023) notes that entrepreneurship education is an essential aspect of education that should be introduced early in life to prepare learners for the future. South Africa has realised this importance and tried including entrepreneurship education in the primary school curriculum. However, entrepreneurship is offered as an optional subject and a 30% component of Economic and Management Sciences (EMS) (Mmekwa, 2023). There are several benefits of undertaking such a move; firstly, such a move (entrepreneurship education in primary schools) can that ensure learners, at an early stage, develop and understand the types of skills and knowledge needed to become successful entrepreneurs, and develop skills such as innovation, creativity, and teamwork. Secondly, entrepreneurship education can help learners develop a sense of responsibility and independence. Thirdly, it is vital to note that with the right skills and knowledge, entrepreneurship education can help reduce unemployment and poverty in South Africa. By equipping learners with the necessary skills and knowledge to start their businesses, they can create job opportunities for themselves and others (Mmekwa, 2023).
Therefore, while investing in such requires a collaborative environment underpinned by multi-stakeholder collaboration, there is no doubt that there is an urgent need to reform how culture hinders entrepreneurship development and ensures that the investments speak to the need of the public. This is vital to ensure that such investments play a role in changing the mindset of society and ensure that entrepreneurship is a process geared towards collective development, thereby supporting its overall consolidation.

**Conclusion**

This study analysed and discussed the importance of entrepreneurial mindset and culture on entrepreneurship, and the role of culture in shaping entrepreneurial mindset that promotes entrepreneurship growth and development. The findings of this research, therefore, confirm that culture and mindset have a robust contribution towards entrepreneurship development and success. Additionally, entrepreneurial culture plays an important contribution to the development of entrepreneurial mindset, which encourages entrepreneurial intentions and venture success. This study indicates that the creation of entrepreneurial mindset that drives creativity and innovation, resulting in new ventures being created and entrepreneurship culture being cemented is very important in encouraging entrepreneurship growth and success.

**References**


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