

## MASTER'S THESIS

### The intention-based model of entrepreneurship in the Chinese context

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**The Intention-based Model of Entrepreneurship in the Chinese Context**

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for the degree of  
Master of Philosophy**

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**Hong Kong Baptist University**

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# Abstract

During the past two decades, the number of private enterprise had been growing at the annual rate of about 20 per cent in the Mainland China. Entrepreneurship research has attempted to investigate the factors predicting and explaining why Mainland Chinese create new venture. However, these entrepreneurship studies mainly adopted deterministic theoretical models that merely focus on a set of determinants from a single personal or environmental dimension and cannot adequately explain and predict complex phenomenon of new venture creation. Some Chinese entrepreneurship researchers verified determinants from more than one dimensions within a single theoretical model, but the possible interactions among personal and environmental determinants haven't yet been considered and estimated. Thus, the contextual complexity of new venture creation cannot be captured. Then the estimation of any possible moderation or mediation effect by environmental factors on affecting the prediction of personal factor also cannot be done. Moreover, the new venture creation process hasn't yet been investigated. These factors altogether impede the development of comprehensive and contingent entrepreneurship theory in the Chinese context and also indicate that the research gap of developing such theory is present.

Against this background, this thesis aims at filling this research gap by advancing the existing intention-based model of entrepreneurship in an attempt to contribute development of a more comprehensive and contingent entrepreneurship theory in the Chinese context. The intention-based model of entrepreneurship actually adopts the contextual and process-oriented focus. This enables the capture of contextual factors from environment and their interactions with personal factors into the cognitive process of forming entrepreneurial intention. This thesis specifically determines the contextual influence of individualism-collectivism (I-C) cultural orientation on personal perception-based attitudes and entrepreneurial experience on predicting entrepreneurial intention. By using Structural Equation Modeling (SEM), the research findings based on 204 Chinese MBA students verify interdependent self-construal as an individual-level construct of collectivism moderates the predictive strength of perceived social norms towards entrepreneurship on entrepreneurial intention. Furthermore, the construct of perceived social norms has the strongest predictive power but personal attitude doesn't have significant effect on entrepreneurial intention. These results are actually contradictory to the empirical findings in individualistic countries, which have demonstrated the moderation effect of I-C cultural orientation. This advanced intention-based model of entrepreneurship in the Chinese context can explain and predict the person-environment interaction, which contributed to development of a contingent entrepreneurship theory. This model also implies that the decision of Chinese people to create new venture is greatly affected by people embedded in the social relations, especially for those who highly construe themselves as interdependent with others. Relevant practical strategies promoting the growth of new venture creation in the Chinese society are suggested for entrepreneurship educators and policy-makers.

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