

Entrepreneurial capabilities and culture

How do entrepreneurial capabilities and culture affect innovative entrepreneurship?

Entrepreneurial capabilities and culture play a critical role in market entry and in the success of new ventures. They determine the capacity to identify opportunities, run new businesses, drive innovations and learn from and adapt to changing circumstances. Culture may also affect innovative entrepreneurship by influencing the propensity of individuals to become entrepreneurs, the degree to which interested individuals take risks with regard to establishing a new enterprise and the degree of support that entrepreneurs receive when setting up a new enterprise.

What are key policy dimensions regarding entrepreneurial capabilities and culture, and innovative entrepreneurship?

Common challenges across three policy dimensions are particularly relevant and include the following:

- How can entrepreneurship skills be taught most effectively to encourage innovative entrepreneurship? (see [Business and entrepreneurship skills and experience](#) [1])

→ Business and entrepreneurship skills and experience (see [Business and entrepreneurship skills and experience](#) [1]), which deal with the teaching of entrepreneurship and the provision of vocational training by universities and other educational institutions.

- What cooperative approaches with the private sector are most effective in providing a business support infrastructure that will be useful to businesses? (see [Business support infrastructure](#) [2])

→ Business support infrastructure (see [Business support infrastructure](#) [2]), which includes the public and private provision of knowledge-intensive business services, such as consulting (business, legal and accounting) and R&D services, and focuses, in particular, on business incubators, science parks and accelerator programs.

- How can governments evaluate policies targeting attitudes towards entrepreneurship, given the slow rate at which attitudes change and difficulties in creating a control group? (see [Attitudes towards entrepreneurship](#) [3])

→ Attitudes towards entrepreneurship (see [Attitudes towards entrepreneurship](#) [3]), which refers to society's perception of entrepreneurial activity (e.g. the desirability of establishing new companies and how entrepreneurs are viewed by society).

What are the main rationales for policy interventions in support of entrepreneurial capabilities and culture?

Several factors justify policy intervention regarding entrepreneurial capabilities and culture:

- A lack of entrepreneurial skills and a negative attitude towards entrepreneurial activity within a society (e.g. when an entrepreneur's failure is seen as negative and something to fear) can affect the creation and success of innovative new ventures.
- Markets may fail to supply appropriate services, advice and incentives to entrepreneurs. These failures reveal the need for policy intervention to enhance entrepreneurial capabilities and culture. For example, a firm's training program may result in a low return on investment if employees leave to join competitor firms. Thus, firms may not always gain from their investment in training despite the overall increase in human capital for society. This calls for policy interventions to address this disincentive.

What are the main policies that influence entrepreneurial capabilities and culture in the context of innovative entrepreneurship?

Within the context of innovative entrepreneurship, public policy can influence:

Business and entrepreneurship skills and experience (see [Business and entrepreneurship skills and experience](#) [1]) by:

- Supporting and implementing high-quality entrepreneurship education in school systems, higher education and in vocational education across a broad range of subjects (including technical and scientific fields).
- Encouraging closer links between education institutions and the private sector (e.g. involving entrepreneurs in coaching and mentoring students and giving guest lectures, or through apprenticeships in companies).
- Providing training targeted at entrepreneurs.

Business support infrastructure (see [Business support infrastructure](#) [2]) by:

- Improving the support infrastructure for local businesses (e.g. through financial assistance to incubators and science parks).
- Subsidizing advice and training that may or may not be connected with a particular location (e.g. through a system of vouchers that would enable businesses to get advice from approved consultants/advisors).

Attitudes towards entrepreneurship (see [Attitudes towards entrepreneurship](#) [3]) by:

- Ensuring that all high school students are exposed to the concept of entrepreneurship (e.g. inclusion of entrepreneurship in the curriculum as a compulsory subject).
- Promoting entrepreneurship through events (e.g. organizing an "entrepreneurship week" in schools and communities, and/or co-financing TV and radio programmes on successful entrepreneurs).

References

- OECD (2013), "Determinants of entrepreneurship: selected indicators" in Entrepreneurship at a Glance, OECD Publishing. http://dx.doi.org/10.1787/entrepreneur_aag-2013-en [4]
- OECD (2012), "Culture: Entrepreneurial perceptions and attitudes", in OECD, Entrepreneurship at a Glance 2012, OECD Publishing. http://dx.doi.org/10.1787/entrepreneur_aag-2012-26-en [5]
- OECD (2011), "Entrepreneurial talent and culture", in OECD, OECD Science, Technology and Industry Scoreboard 2011, OECD Publishing. http://dx.doi.org/10.1787/sti_scoreboard-2011-52-en [6]
- OECD (2010), "Entrepreneurship skills", in OECD, SMEs, Entrepreneurship and Innovation, OECD Publishing. <http://dx.doi.org/10.1787/9789264080355-49-en> [7]

Related Link: Skilled labour

Business and entrepreneurship education

Production of R&D-related skills by universities and PRIs

Source URL: <https://www.innovationpolicyplatform.org/content/entrepreneurial-capabilities-and-culture?topic-filters=12162>

Links

[1] <https://www.innovationpolicyplatform.org/content/business-and-entrepreneurship-skills-and-experience?topic-filters=12032>

[2] <https://www.innovationpolicyplatform.org/content/business-support-infrastructure?topic-filters=12077>

[3] <https://www.innovationpolicyplatform.org/content/attitudes-towards-entrepreneurship?topic-filters=12280>

[4] http://dx.doi.org/10.1787/entrepreneur_aag-2013-en

[5] http://dx.doi.org/10.1787/entrepreneur_aag-2012-26-en

[6] http://dx.doi.org/10.1787/sti_scoreboard-2011-52-en

[7] <http://dx.doi.org/10.1787/9789264080355-49-en>