

# How do thought-cognitive models drive entrepreneurship for the purpose of promoting social development or social impact?

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**ABSTRACT:** *This study explored the effects of cognitive factors in initiating entrepreneurship and undertaking corporate social responsibility (CSR) in Tianjin, China. Using semi-structured interviews, I gathered qualitative data from 10 local entrepreneurs. Following a grounded theory approach, I iterated on and coded the data to reveal key themes. Several cognitive factors emerged: moral ethics, entrepreneurial passion, envisioning goals, personality, education, family influence, financial need, being market-driven, engaging in social appraisal, and social resource & network emergence as decisive in the early planning of entrepreneurship and whether to undertake CSR. Findings suggest entrepreneurial intention plays a role in determining the engagement of CSR activities. I close with recommendations to effectively foster business ventures and encourage enterprises to assume greater prosocial endeavors to facilitate the advancement of society.*

**KEYWORDS:** *Entrepreneurship, Social Entrepreneurship, Corporate Social Responsibility, Cognition, Motivation, Entrepreneurial Motivation.*

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## I. INTRODUCTION

The literature on entrepreneurship suggests that cognition is important for driving innovation and development in entrepreneurial endeavors (Frese & Gelnik 2014). This includes self-efficacy beliefs (Rauch & Frese 2007) as well as personality traits such as positive affect (Frese et al. 1996). Scholars have also shown, however, that under identical circumstances, not all individuals will behave the same, underscoring the importance of personality in entrepreneurial research (Stewart et al. 1998; Frese 2009). Notwithstanding, external factors are also significant determinants of social development and innovation (Stevenson and Sahlman 1986; Carree and Thurik 2003; Wong et al. 2005).

However, a key question that remains unresolved, is how these specific cognitions might drive entrepreneurs to engage – and to what degree – in socially conscious behaviors and, in doing so, promote the development or betterment of society. For instance, upper echelons theory suggests top management greatly influences firm behaviors (Hambrick & Mason 2009) – and in one example, Chin and colleagues (2013) found that more liberal CEOs often drive more prosocial endeavors for the firm. Yet, many factors studied in prior research do not explain vast amounts of the variance in entrepreneurial activity to promote society. Additionally, while extensive research has been conducted on profit maximization as a motive for creation and continuance of a company (Locke & Latham 2002), much less is known about more prosocial motivators for entrepreneurs. In other words, when does the motivation or imperative to care about society and making greater impacts influence entrepreneurship?

Through a series of semi-structured interviews conducted with local entrepreneurs in Tianjin, China, I identified three key themes: classifications of entrepreneurship intention, ways of undertaking CSR, and cognitive determinants in startup and prosocial endeavors. The cognitive factors include intrinsic factors – personality traits, moral ethics, entrepreneurial passion, and goal envisioning alongside extrinsic factors including financial needs, market-driven motivations, social appraisal, family influence, and access to social resources all play important roles in motivating entrepreneurs to actively engage in prosocial behaviors and contribute to the promotion of social welfare through their businesses.

This paper provides two contributions to literature and practice. First, I examine entrepreneurship specifically for social impact. The findings and framework derived from the interviews provide insights into the motivations behind entrepreneurs' engagement in prosocial activities, while also delineating both internal and external factors that contribute to such involvement. Consequently, aspiring entrepreneurs can utilize this result to effectively pursue their prosocial endeavors in the future. Second, this paper presents a comprehensive

analysis of the underlying motivations that drive individuals to engage in prosocial activities. As such, practically, it can also be applied to other fields to undertake their parts of corporate social responsibility.

## **II. BACKGROUND AND LITERATURE REVIEW**

### **Entrepreneurship and Its Significance**

Since the 1980s, entrepreneurship has emerged as a topic of growing interest among management scholars and social scientists. There are numerous conceptual frameworks for “entrepreneurship,” with each emphasizing different aspects of the larger activity. Here, we define entrepreneurship as the *identification and exploitation of business opportunities within the individual–opportunity nexus* (Shane & Venkataraman 2000). As such, entrepreneurship is vital for the creation of professions, economic development, societal advancement of nations, and innovations (Birch 1979; Van Praag & Versloot 2007). Regarding economic development, Birch (1979) found that from 1954 to 1961, businesses with less than one hundred employees generated more than 80% of new jobs in the United States. To this end, large firms are attempting to become more entrepreneurial in their approaches, i.e., engaging in corporate entrepreneurship.

### **The Cognitive-Based View of Entrepreneurship**

To understand the motivations behind modern entrepreneurial endeavors and behavior, it is important to understand not only the circumstances that might create opportunities for entrepreneurship but also the mind or cognition of an entrepreneur. That is, what motivates someone to have an entrepreneurial drive, with initially limited resources? The cognition-based view of entrepreneurship can aid in better understanding this.

According to incentive theory, the behavior of an individual is determined by his/ her attitudes, beliefs, drives, needs, and values (McClelland 1985). This theory suggests entrepreneurs have distinctive values and attitudes towards work in particular and life in general. People who have similar characteristics as entrepreneurs will be better suited to entrepreneurship than people who do not possess such characteristics (Lachman 1980). These characteristics include personal values such as honesty, duty, responsibility and ethical behavior, risk-taking tendency, and the need for achievement (Cunningham and Lischeron, 2002) – and many of these are higher in entrepreneurs than in the general population.

Cognitions and attitudes also play a crucial role in all phases of a corporation, these cognitive models include knowledge, practical intelligence, growth visions/goals, entrepreneurial passion, and self-efficacy, for example. Those factors play a profound role in entrepreneurial orientation, entrepreneurial development, and entrepreneurial success, although the individual entrepreneur is probably most important in the first phases, and his or her influence probably becomes weaker as the enterprise grows (Hambrick 2007). Table 1, shown below, summarizes the established entrepreneurial cognition and attitude and its role in business orientation and determination.

### **Social Entrepreneurship and Corporate Social Responsibility**

Entrepreneurs’ personality and cognition may also influence the types of business they conduct and whether or not they engage in, for example, prosocial behaviors and endeavors. According to D’Aprile (2013), for instance, corporate social behaviors (e.g., CSR) may be rooted in cognitive, affective, and behavioral elements of the key decision-makers in the organization.

The findings of recent theoretical and empirical research have assumed that specific psychological processes are involved in the activation of CSR in organizations (Cardona and Fireze 2000), especially in SMEs. Accordingly, through a qualitative and Grounded Theory-based study involving employers and employees in Italian SMEs, D’Aprile (2012b) found that cognitive and affective processes complemented the behavioral dimension of CSR.

The term “social entrepreneurship” is relatively new, considered as a sub-discipline of the entrepreneurship field (Steyaert, 2006), but it builds upon centuries of transformative leadership. Social entrepreneurs are people or organizations that use economic and technological innovation to achieve social goals. They use entrepreneurial skills to create organizations that, instead of seeking profit, pursue a more just and humane society. (Noya, 2009).

Many people may ask how social enterprises make money, or how a social enterprise is different from a business (or how it is different from a charity). It is useful to draw definitions to clarify the boundaries between these concepts. Typically, a business would prioritize profits or financial success over their corporate social responsibilities and consider corporate social responsibilities as an add-on to the core business agenda; a charity is viewed as a non-profit organization, generating no revenue. Nevertheless, social enterprise combines commercial and social goals, but with an emphasis on the latter one. The profits are reinvested in the company or community to expand their social impacts. (Brajević, 2015)

According to Miller et al. (2012), Social Entrepreneurship (Corporations took CSR) has emerged as a complex yet promising organizational form in which market-based are used to address seemingly intractable

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social issues, but its motivations remain untheorized. Therefore, the researcher looked for studies that could fill the gap in SE motivation theorization. People are motivated to engage in social entrepreneurship based on personal fulfillment, compassion, need for recognition (achievement orientation), and social recognition. The remaining part of the study focuses on the empirical evidence for investigating the relationship between cognitive factors and entrepreneurship undertaking corporate social responsibility.

Cognition or Attitude	Definition	Where/ How it affects business decision
<i>Knowledge</i>	<i>Cognitive and mental structures that determine how people perceive and integrate new information (Fiske &amp; Taylor, 1984).</i>	<i>Knowledge equips entrepreneurs with cognitive frameworks to interpret, comprehend, and analyze novel information (Fiske &amp; Taylor, 1984).</i>  <i>Diverse knowledge bases may result in varying interpretations among entrepreneurs, thereby leading to the identification of distinct business opportunities (Fiske &amp; Taylor, 1984).</i>
<i>Practical Intelligence</i>	<i>Experience-based skills, tacit knowledge and one's abilities to apply these skills and knowledge to accomplish tasks.</i>	<i>This construct can be thought of as "street smarts" (Baum &amp; Bird, 2010). Practical intelligence helps entrepreneurs to make fast and accurate decisions as it encompasses knowledge about ideas, processes, and operational paths.</i>  <i>Practical intelligence helps entrepreneurs to constantly perform actions to improve business in terms of process and product/service innovations. (Baum &amp; Bird, 2010)</i>
<i>Growth Vision/ Goal</i>	<i>Goal: A future state that people seek to achieve (Kirkpatrick &amp; Locke 1996).</i>  <i>Vision: Projected mental images of the future to strong values (Frese &amp; Gelnik 2014).</i>	<i>According to goal-setting theory (Locke &amp; Latham 2002), goals have important action-regulating functions. Establishing specific goals can enhance entrepreneurs' capacity to endure pressure and effectively lead their endeavors with greater persistence.</i>  <i>Entrepreneurs who set specific and challenging growth goals for their ventures achieved higher growth rates over periods of two and six years (Baum &amp; Locke 2004, Baum et al. 2001).</i>  <i>Visions improve performance as they arouse entrepreneurs' values and actions, directing them toward their visions.</i>

<p><i>Entrepreneurial Passion</i></p>	<p><i>An intense positive feeling toward entrepreneurial tasks and activities that are relevant to the entrepreneur's self-identity (Cardonet al. 2009).</i></p>	<p><i>Within Russell &amp; Carroll's (1999) two-dimensional structure of effect, passion is pleasant and activating. Experiencing pleasant, activating feelings creates action tendencies to move toward an object, and pleasant, activating feelings are linked to a physiological response that provides the energetic basis for making efforts (Elliot 2006).</i></p> <p><i>Entrepreneurial passion has a positive influence on entrepreneurial efforts by facilitating goal setting (Baum &amp; Locke, 2004; Cardon et al., 2009).</i></p>
<p><i>Entrepreneurial Self-Efficacy</i></p>	<p><i>An individual's belief in his/her capability to perform tasks and roles aimed at entrepreneurial outcomes (Chen, Greene, &amp; Crick, 1998).</i></p>	<p><i>Entrepreneurs with high self-efficacy tend to involve themselves in challenging projects. They believe they are capable of completing these tasks preeminently, leading to greater efforts in their entrepreneurship endeavors.</i></p>

**Table 1. Summary of Established Entrepreneurial Cognitions and Attitudes**

### III. METHODOLOGY

I conducted semi-structured interviews with 10 local entrepreneurs in different business sectors to understand their insights surrounding entrepreneurship, their personalities, and intentions for starting business ventures. More specifically, interview questions were intended to gauge the relationship between cognitions or values about entrepreneurship and entrepreneurs' orientation and action. Sample questions included: "Why are you interested in entrepreneurship and how long have you embarked on the path of starting a business venture?", "What are some obstacles you faced in the stage of establishing business, developing business, and sustaining business?", "As an entrepreneur, have you ever undertaken your part of corporate social responsibility (business practices that are carried out for social or environmental purposes and are voluntary as not prescribed by law) and what is your motivation for that?" The full interview schedule is available in Appendix A1.

Here are some possible limitations of data and analysis during the research process. Limitations of the data are (a) the sample size for the interview is limited, it may not generalize to all populations; and (b) bias may exist during the interview as respondents try to respond in a way that the investigator expects. Limitations of the analysis are (a) the cognitive factors model may take into account other missing factors that affect the intention and actions of entrepreneurship due to small sample studies.

Therefore, to mitigate these limitations during the research process, I utilized convenience sampling and interviewed entrepreneurs in Tianjin, the Northern region of China. To increase the sample's representativeness, I made sure to interview entrepreneurs from the ages of 27 to 54, as well as six men and four women. Throughout the interviews, utmost care was taken to ensure that the question sets were devoid of any emotional or biased language and did not incorporate any preconceived hypothesis. The collected data was thereafter, coded and thematically analyzed. All interviews were recorded with the interviewees' consent.

### IV. FINDINGS

Table 2, shown below, summarizes the personal and their corresponding corporations' information. Personal information includes gender, age, and years of entrepreneurial experience. Corporations' information encompasses the interviewees' business sector, description of their business content and obligation, and the number of employees. Among the local entrepreneurs invited to interview, there were 6 men and 4 women spanning various age groups. Moreover, each interviewee is engaged in a different industry, ranging from human resources management, engineering, retail, medicine, luxury management, coaching, real estate, hospitality management, hairdressing service to catering service. This ensures the generalizability of the study, allowing for the application of obtained results from the sample to a broader population scale. According to Dar, Ahmed, & Raziq (2017), SMEs are enterprises with less than 200 employees and annual net sales not exceeding 50 million forints. Therefore, These 10 corporations all belong to the SMEs (Small and medium-sized enterprises) category, and researching SMEs can be valuable as they are crucial for local economic development, playing a noteworthy role in job creation, poverty alleviation and economic growth. (Gherghina, Botezatu, Hosszu, & Simionescu, 2020).

Table 3 presents the core results for the research question- how cognitive factors promote entrepreneurs to do prosocial endeavors. Among them, this paper figures out three important conclusions and analyses based on the questions interviewed.

#### **Result 1: Classifications of Entrepreneurship Intention**

The second column listed in Table 2 provides insights into intentions for starting business ventures among ten local entrepreneurs. We can draw several interpretations from analyzing this information. The entrepreneurial intentions can be broadly divided into three types: (1). profit, (2). passion/ interest, (3). envision.

The first genre of intention is monetary gain presented by interviewees *1a*, *3c*, *8h* and *9i*. They mentioned the initial goal of entrepreneurship is to pursue profits to cover daily life expenditures. Quotes from interviewees *1a* and *3c* substantiate the thesis, "...I had no source of income. So, I decided to run a corporation by myself." and "When I arrived in Tianjin, I needed to do something to make a living."

The second type of entrepreneurial intention is one's passion or interest in a specific field. Interviewees *5e* and *7h* emphasized this point. They pursued business ventures based on personal hobbies and interests; concurrently, they acknowledged that while embarking on entrepreneurial endeavors aligned with their passions. The combination of interest and passion drives them to continuously operate and expand their scopes.

Lastly, four interviewees intended to reach their goal envisions through entrepreneurial activities. Their original intention can be comprehended as self-actualization according to Maslow's hierarchy of needs. For example, interviewee *2b* discussed his dream of producing state-of-the-art chip technology to benefit society and protect the environment by innovating new ways of manufacturing semiconductors. Although entrepreneurs in this category may not have an initial intention to actively promote social development or assume explicit social responsibility, their actions yield positive outcomes and indirectly contribute to societal improvement.

It is worth noting that the profit-oriented entrepreneur undergoes a gradual transformation into an entrepreneur driven by vision and passion during the course of their undertaking development. It can also be explained by Maslow's hierarchy of needs as they moved from physiological needs to esteem needs. They seek to obtain prestige and a feeling of achievement.

### **Result 2: Ways of Undertaking Corporate Social Responsibility**

90% percent of interviewees claimed they had undertaken corporate social responsibility. There are mainly three ways to conduct CSR: (1). Education, (2). Environment and Technology, and (3). Quality of people's lives.

Education is defined as the process of imparting new knowledge and skills in a specific field to individuals. A good education provides substantial benefits to individuals and, as individual benefits are aggregated throughout a community, creates broad social and economic benefits (Mitra, 2011). Interviewees 1a and 6f can be categorized within this domain. For instance, interviewee 1a provides human resources management courses to young people, equipping them with practical abilities that can be applied in real-world scenarios, thereby facilitating the development of numerous corporations. Interviewee 6f emphasizes the promotion of a coaching culture and prioritizes mental health support, while also contributing funds towards the establishment of libraries and schools in impoverished mountainous regions to facilitate educational opportunities for children.

Environment and technology fall under the purview of the second category of CSR. The role of technology in societal advancement is profound, and the preservation of the environment is crucial for human well-being. Interviewees 2b and 8h are committed to safeguarding the environment and advancing technological innovation through their entrepreneurial endeavors.

The final category of CSR pertains to the enhancement of individuals' well-being. Although this category appears broad, it elucidates the CSR practices adopted by five local entrepreneurs. The scope of improving people's quality of life encompasses various endeavors, such as facilitating convenience, promoting healthiness and contentment, or essentially augmenting the overall measure of happiness. Interviewee 9i claimed: *"My services help customers to feel confident about their appearances."* The aforementioned quote corroborates the notion that there is indeed a substantial enhancement in living standards through their efforts.

### **Result 3: Cognitive determinants influencing engagement in entrepreneurship and corporate social responsibility**

This section constitutes the core analysis of the study, examining the correlation between cognitive factors and CSR activities. The cognitive factors refer to the motivation driving entrepreneurs to be involved in prosocial endeavors. The cognitive factors can be classified into two major categories: intrinsic factors and extrinsic factors, each comprising numerous subcategories.

Intrinsic factors are driven solely by the entrepreneur and remain unaffected by external influences. Intrinsic factors include moral ethics, entrepreneurial passion, goal envision, and personality. Extrinsic factors, on the other hand, are affected by the environment, but have the same effect in motivating entrepreneurs to engage in CSR.

#### **Moral Ethics**

Moral ethics can be defined as a framework of moral principles that govern the decision-making and behavior of individuals or societies. While we do not delve into the formation of moral ethics, we do discuss its influence on individuals' choices regarding whether to engage in CSR activities. Quotes from interviewees 2b show how moral ethics affect their decisions; *"My family always tells me that I should make contributions to society and I believe it is my responsibility to benefit society..."* From his discourse, it impels individuals to adhere to its principles while evoking a sense of contentment or exhilaration.

#### **Entrepreneurial Passion**

Entrepreneurial passion is defined as an intense positive feeling toward entrepreneurial tasks and activities that are relevant to the entrepreneur's self-identity (Cardon et al. 2009). Other scholars have conceptualized entrepreneurial passion as the love of entrepreneurial work (Baum & Locke 2004). It encompasses a sense of excitement and eagerness to embark on business ventures or establish enterprises within their respective fields of interest. Three interviewees claimed in the interviews that they strongly feel this passion in their daily work. According to interviewee 6f, he expressed satisfaction in the collaborative process with his peers to expand their business scope and engage with their clientele: *"...This gives me the passion to consistently operate the community..."* Prominent entrepreneurs in contemporary society, such as Musk and Zuckerberg, epitomize the embodiment of entrepreneurial passion. Their entrepreneurial endeavors are propelled by inner passion, but goal envisioning also plays a pivotal role.

### **Goal Envisioning**

Goal envisioning refers to an individual's vision and aspirations for the future. For instance, consider an employee working in a foreign organization who aims to secure a promotion within the current year. To realize this vision, the employee establishes several objectives at the beginning of the year. This example highlights that goal envisioning serves as an intrinsic motivational force, driving individuals to exert voluntary efforts toward achieving their envisioned outcomes. Four interviews claimed goal envisioning is one of the forces driving them to be involved in CSR behaviors. A quote from 10j explained how goal envisioning affects his decision to initiate CSR activities. *"I tried to let more people know about Chongqing food, make Chongqing food and Chongqing food culture famous..."* Concurrently, interviewee 6f mentioned a similar point: *"...I can help clients realize their potential, guide them step by step to find the answer, and let more people self-actualize."*

### **Personality**

The most crucial attribute for entrepreneurs to engage in CSR behaviors is their personality, which can be defined as a set of characteristics that influence an individual's thoughts, actions, and behaviors. Personality is not a singular entity but rather encompasses various sub-divisional features. These traits all contribute to entrepreneurs engaging in prosocial endeavors.

Altruism refers to the ethical principle and practical application of prioritizing the well-being and/or happiness of other individuals over one's self-interest. Those entrepreneurs who possess this characteristic would do socially desirable behaviors and meaningful things for societal development. They perceive CSR as the primary factor when deciding on a choice.

Curiosity is a quality related to inquisitive thinking such as exploration, investigation, and learning. For an individual driven by curiosity, he would actively explore the world around them, seeking to comprehend the mechanisms, formations, and transformations of various phenomena. As exemplified by interviewee 2b's passion for delving into physics, particularly in the realm of electricity and magnetism, he embarked on a journey within the domain of microelectronics and initiated his entrepreneurial venture. Curiosity also motivates him to innovate the technology for chips, advancing societal development and undertaking CSR.

Conscientiousness is a personality that shows the quality of being in accord with the dictates of conscience. This feature holds significant relevance in the context of CSR behavior as it underscores entrepreneurs' cognizance and accountability towards society and the environment, prompting them to conscientiously consider the impact of their actions. Five interviewees claimed they are conscious of the environment, indicating the significance of conscientiousness.

According to Albert Bandura, self-efficacy is the belief in one's capabilities to organize and execute the courses of action required to manage prospective situations. Such beliefs play a role in determining how people think, behave, and feel. Many scholars have defined generalized self-efficacy as an individual's belief in their capabilities. The definition remains largely consistent. Here we need to make a distinction between generalized self-efficacy and entrepreneurial self-efficacy. Generalized self-efficacy represents a comprehensive construct. Conversely, entrepreneurial self-efficacy pertains specifically to all facets of entrepreneurial competence and constitutes a subcategory within the realm of generalized self-efficacy. Individuals exhibiting elevated levels of generalized self-efficacy typically demonstrate heightened entrepreneurial self-efficacy, thereby fostering entrepreneurial behavior (Frese & Gelnik 2014). Interviewee 4d mentioned that after successfully writing prescriptions for clients for the first time, she experienced a strong sense of eagerness to prescribe medication for more clients. She stated, *"Each instance of prescribing boosts my confidence as I gain valuable experience in treating numerous clients and witness improvement in my professional abilities."*

The concept of innovativeness refers to an individual's capacity to generate better ideas or inventions in practical contexts. The word "innovativeness" is similar to "creativity"-the ability to generate ideas that are new and unique but not the same. Innovativeness can be perceived as applied creativity, in which the spark of a new idea is turned into a novel solution or process. Quote from interviewee 2b shows the role of innovativeness in entrepreneurship: *"Innovation is an improvement under the existing business model or technology, with innovation, there are customers that can start a business."*

The need for personal achievement emerges as a pivotal catalyst propelling local entrepreneurs to actively engage in CSR. In line with the findings of this study, five interviewees concurred that this intrinsic motivation fosters their inclination towards prosocial initiatives, thereby instilling a sense of contentment and fulfillment derived from their prosocial actions. Quote from interviewee 9i implies how the factor impacts him in dealing with CSR: *"When a customer comes to my salon and is satisfied with their hair shape, I feel a sense of achievement."*

The need for personal growth entails the aspiration to acquire novel knowledge, amass fresh experiences or engage in meaningful endeavors. This encompasses any endeavor aimed at enhancing one's self or augmenting one's abilities. Quote from interviewee 1a discusses the role of this motivation encouraging CSR

behaviors: “ *Providing these free training helps me to improve my presentation skill, and I learnt how to effectively persuade and teach others...* ”

Passion/Interest is easily comprehensible, as we witness daily occurrences driven by passion and interest. From the establishment of a club to the organization of an event, the driving force behind it is rooted in interest, and nearly all companies are founded based on this motivation. In the early section, entrepreneurial passion, of the result, interviewee 6f mentioned passion incentives him to undertake CSR.

Risk preference is a distinctive personality trait that significantly influences entrepreneurship, as individuals exhibiting this characteristic demonstrate a willingness to embrace uncertainty and perceive it as an exhilarating experience. Consequently, engaging in entrepreneurial activities becomes an apt choice for them despite the inherent risk of potential bankruptcy. Conversely, this perception of risk and tension serves as a driving force for them to exert greater effort and adopt a more diligent approach toward their work.

### **Education**

The extent of education an entrepreneur perceives can affect his entrepreneurial intention. For example, individuals with only a secondary school education generally possess lower levels of professional knowledge and ability compared to those holding a university degree (with some exceptions, such as self-study), resulting in differing intentions towards entrepreneurship and fields of pursuit. The difference in the education system also leads to the difference in the perception of entrepreneurs, so as to decide whether to undertake CSR.

### **Family Influence**

Family influences play a significant role in the initiation of entrepreneurial ventures; 30% of local entrepreneurs interviewed cited family as one of the motivating factors behind their business establishment. A quote from interviewee 4d implies the underlying influence from family background: “*When I was very young, my parents taught me some knowledge of Chinese medicine, which is also the content of their business...*” While family can also one’ determination of taking CSR. Families that demonstrate willingness to provide assistance or engage in CSR are more inclined to expect their descendants to prioritize CSR when initiating entrepreneurial endeavors.

### **Financial Needs**

40% of the interviewees indicated that profitability is a primary motivation for embarking on entrepreneurial ventures. Simultaneously, these local entrepreneurs unanimously expressed their belief in the significantly higher income potential associated with entrepreneurship compared to average salaries earned as employees prior to establishing their own corporations. These profit-oriented entrepreneurs undergo a gradual transformation into entrepreneurs driven by vision and passion during the course of their undertaking development. A quote from interviewee 3c explains his initial thought in establishing the company: “*Upon relocating to Tianjin, I found myself without employment and in need of a sustainable source of income...*”

### **Market-Driven**

The market serves as a catalyst for entrepreneurial engagement, as it offers entrepreneurs the opportunity to capitalize on high demand and expand their business operations. Concurrently, market demand somehow serves as a motivating factor in incentivizing entrepreneurs to engage in CSR activities. A quote from interviewee 2b provides the insight: “*At the time, the market demanded a type of technology that is efficient and cost-saving. So I started to make some technological advances in chip technology to gain market share...*”

### **Social Appraisal**

Social appraisal serves as an external determinant influencing entrepreneurs' engagement in CSR. The public relations department of a company strategically considers how to effectively showcase the positive aspects of the organization to society and the general public, thereby fostering increased business opportunities. Consequently, adopting CSR practices becomes imperative, as it enables businesses to undertake actions that benefit society and subsequently garner favorable societal evaluations. A quote from interviewee 6f demonstrates how engaging in CSR can lead to enhanced social evaluation and influence decision-making processes associated with CSR: “*...Although our original intention is not to assume social responsibility for having a good social reputation, having a good social reputation can have more customers to realize our vision.*”

### **Social Resources & Network**

Social resources and networks encompass the accumulation of human capital, physical capital, and interpersonal relationships that individuals possess to support their business endeavors. This multifaceted factor is indispensable across various industries, ranging from manufacturing to services, as it facilitates the production

of goods through the utilization of both tangible assets and labor while also enabling business expansion and promotion through effective networking. Interviewee 2b mentioned social resources are necessary in every stage of his business and an inevitable factor to consider when making corporation decisions. Here presented the quote: *"The procedure to completely produce a semiconductor is sophisticated...We need the resources and money to run our business, and that's something to consider before you start a business."*

The finding suggests cognitive factors indeed affect entrepreneurial decisions and indicates three key themes: entrepreneurship intention, execution of CSR, and cognitive factors about entrepreneurship and CSR activities. Based on the result, we can clearly see the motivations behind starting a business and undertaking CSR. In the discussion section, I will recommend a set of actions to encourage future entrepreneurship and their roles in society by addressing the result.

Interviewee Serial Number (Random assigned)	Gender (F stands for female and M stands for male)	Age	Number of Years in Entrepreneurship	Primary Business Sector	Description for Primary Business Sector	Number of Employees
1a	F	43	7	Human Resources Management	Takeover projects from other corporations HR operations, such as payroll, onboarding and separation, and employer-employee relations.	36
2b	M	54	17	Engineering	As a chip supplier, manufacturing semiconductor chips, improving chip technology, and transporting chips.	47
3c	M	45	6	Retail	Provide retail goods to the local residents, responsible for importing goods from supermarket stock.	6
4d	F	34	3	Medicine	Operate a local apothecary that involves purchasing medicines from large pharmacies, writing prescriptions for clients, and modulating Chinese medicine.	9
5e	M	33	6	Luxury Management	Second-hand luxury goods trading, luxury refurbishment services, unused luxury goods recycling.	17
6f	F	29	9	Coaching	Deliver coaching services and conduct	179

					<i>instructional courses on consulting and coaching platforms.</i>	
7g	M	27	2	Real Estate	<i>Serve as an intermediary in the real estate industry, facilitating connections between consumers and property suppliers and advertising buildings owned by real estate companies in return for dividends.</i>	37
8h	F	49	16	Hospitality Management	<i>Operate a local folk hotel that involves providing reception check-in services, managing hotel room assignments, and preparing buffet meals.</i>	39
9i	M	47	13	Hairdressing Service	<i>Offer hairdressing services including haircutting, perming, dyeing; and provide courses on appearance design.</i>	13
10j	M	52	21	Catering Service	<i>Operates a restaurant serving Chongqing cuisine.</i>	16

**Table 2. Summary of Personal and Corporations' Information**

Interviewee Serial Number (Random assigned)	Entrepreneurship intention	Whether Undertake CSR (Claims from interviewees)	How	Cognitive Factors
1a	<i>Orientation transformed from gaining profits to reforming HR roles in modern enterprises and society.</i>	Yes	<i>Human resource management training is provided free of charge to newly graduates and postgraduates.</i>	<i>Intrinsic factors: Goal envision; Entrepreneurial passion; Personality: -Generalized self-efficacy -Innovativeness -Need for personal achievement -Need for personal growth -Passion/Interest  Extrinsic factors: Education;</i>

				<i>Financial needs</i>
2b	<i>Manufacturing national first-class high-tech semiconductor chips, committed to improving chip core technology and environmental sustainability</i>	<i>Yes</i>	<i>Reinvest a portion of the proceeds in chip technology to enhance chip efficiency and promote environmental sustainability.</i>	<p><i>Intrinsic factors:</i></p> <p><i>Goal envision;</i>  <i>Moral ethics;</i>  <i>Personality:</i>  <i>-Curiosity</i>  <i>-Conscientiousness</i>  <i>-Innovativeness</i></p> <p><i>Extrinsic factors:</i></p> <p><i>Market-driven;</i>  <i>Social resources &amp; network</i></p>
3c	<i>Orientation transformed from gaining profits to improving the way of life of the local community.</i>	<i>Yes</i>	<i>Constructing an online platform that facilitates local residents to procure more affordable retail goods at home.</i>	<p><i>Intrinsic factors:</i></p> <p><i>Personality:</i>  <i>-Altruism</i>  <i>-Need for personal achievement</i></p> <p><i>Extrinsic factors:</i></p> <p><i>Financial needs;</i>  <i>Market-driven;</i>  <i>Social resources &amp; networks</i></p>
4d	<i>Reinforce the application of medical expertise to enhance patient care and disseminate knowledge on health, hygiene, and medicine.</i>	<i>Yes</i>	<i>Writing prescriptions for clients and modulating Chinese medicine freely. (customers bring their own pharmaceutical raw materials)</i>	<p><i>Intrinsic factors:</i></p> <p><i>Moral ethics;</i>  <i>Personality:</i>  <i>-Conscientiousness</i>  <i>-Generalized self-efficacy</i>  <i>-Need for personal growth</i>  <i>-Passion/Interest</i></p> <p><i>Extrinsic factors:</i></p> <p><i>Education;</i>  <i>Financial needs</i></p>

5e	<i>Orientation transformed from interest in luxury management to promoting luxury culture.</i>	Yes	<i>Help customers to identify real or fake luxury goods and resist counterfeit luxury goods.</i>	<p><i>Intrinsic factors:</i></p> <p><i>Personality:</i></p> <ul style="list-style-type: none"> <li>-Need for personal achievement</li> <li>-Passion/Interest</li> </ul> <p><i>Extrinsic factors:</i></p> <p><i>Education;</i> <i>Family influence</i></p>
6f	<i>Developing coaching culture and use the emerging field of coaching to help people achieve personal growth and development, and reach one's potential.</i>	Yes	<i>Use the profits brought by coach training to donate to children in mountainous areas and treat people with mental disorders.</i>	<p><i>Intrinsic factors:</i></p> <p><i>Entrepreneurial passion;</i> <i>Goal Envision;</i></p> <p><i>Personality:</i></p> <ul style="list-style-type: none"> <li>-Altruism</li> <li>-Conscientiousness</li> <li>-Generalized self-efficacy</li> <li>-Innovativeness</li> <li>-Need for personal growth</li> <li>-Passion/Interest</li> </ul> <p><i>Extrinsic factors:</i></p> <p><i>Education;</i> <i>Social appraisal</i></p>
7h	<i>Apply the expertise and skills about real estate acquired from college to reality; feeling a sense of achievement when making a transaction.</i>	No	<i>No description</i>	<i>No description</i>
8h	<i>Promote the development of Tianjin's tourism industry, publicize intangible cultural heritage, and gain profits at the same time.</i>	Yes	<i>The items in the hotel are environmentally friendly materials, and tourists are encouraged to low-carbon travel to get a consumption coupon.</i>	<p><i>Intrinsic factors:</i></p> <p><i>Entrepreneurial passion;</i></p> <p><i>Personality:</i></p> <ul style="list-style-type: none"> <li>-Conscientiousness</li> <li>-Need for personal achievement</li> <li>-Passion/Interest</li> <li>-Risk preference</li> </ul> <p><i>Extrinsic factors:</i></p> <p><i>Education;</i> <i>Family influences;</i> <i>Market-driven</i></p>

9i	<i>Orientation transformed from profits to passion for this industry.</i>	<i>Yes</i>	<i>Help people feel satisfied about their appearance and gain confidence, improving overall happiness index.</i>	<i>Intrinsic factors:</i> <i>Entrepreneurial passion;</i> <i>Personality:</i> <i>-Generalized self-efficacy</i> <i>-Need for personal achievement</i> <i>-Passion/Interest</i>  <i>Extrinsic factors:</i>  <i>Education;</i> <i>Financial needs;</i> <i>Market-driven</i>
10j	<i>Aspired to let more metropolises know about Chongqing cuisine and promote their own hometown culture.</i>	<i>Yes</i>	<i>Free packed lunches for sanitation workers, people in need and the homeless.</i>	<i>Intrinsic factors:</i> <i>Goal Envisions;</i> <i>Moral ethics;</i> <i>Personality:</i> <i>-Altruism</i> <i>-Conscientiousness</i> <i>-Passion/Interest</i>  <i>Extrinsic factors:</i>  <i>Family influence;</i> <i>Market-driven</i>

**Table 3. Summary of Entrepreneurship Intention, CSR, and Cognitive Factors**

## V. DISCUSSION

The findings of the study suggest cognitive factors, can be categorized by intrinsic factors and extrinsic factors, indeed have profound impacts on entrepreneurs' thoughts and behaviors. Notwithstanding, there is one thing we should pay more attention to during the course of study, that is, the relationship between entrepreneurship intention and cognitive determinants in CSR related behaviors. In our previous analysis, we underscored the specific classification of entrepreneurial intention; however, we did not elucidate the significance of such specificity. This aspect necessitates further discussion to enhance our recommendations. According to Result 1, it is demonstrated that entrepreneurial intention can be broadly categorized into three dimensions, with the latter two dimensions overlapping with cognitive factors. In other words, cognitive factors serve as guiding principles for these entrepreneurs and play a decisive role in the initial stage of enterprises establishment. For profit-oriented entrepreneurs, cognitive factors act as catalysts for transformation: from their inception as profit-driven individuals to their subsequent engagement in CSR-related activities. Therefore, in Result 3, we analyzed the effects of cognitive factors on both establishment of corporations and CSR commitment.

Intrinsic factors, such as moral ethics and personality are hard to discuss as multifaceted factors lead to its formation. Therefore, the study only examines and proposes recommendations based on extrinsic factors. In contemporary society, an increasing number of people are directing their attention towards the realm of entrepreneurship; however, a majority lack an understanding of its essence and fail to exhibit entrepreneurial intentions in fostering technological advancements, driving economic growth, and enhancing societal lifestyles. To this end, the following recommendations are made:

The curriculum of students should be made to include and promote entrepreneurial activities. This will

help enlighten the students and make them get involved without much effort from external forces. It will also help make them know how to get involved in entrepreneurship that will benefit them and the society at large. This concurs with the work of Gamede & Uleanya (2018) who opine that the curriculum of an institution can largely affect students' entrepreneurial abilities and intentions, thus curriculum should be to include entrepreneurship-related courses.

The government should organize additional information sessions on family entrepreneurship, with the aim of enlightening parents about the significance of entrepreneurial endeavors and their societal benefits, as well as enabling them to instill accurate business values in their children. Furthermore, it is crucial to foster exposure of the younger generation to activities and challenges associated with entrepreneurship.

Private or government owned organizations (NGOs inclusive) should provide an initial fund or loan to those new generation entrepreneurs, who eagerly start their business venture but lack an initial fund, thus encouraging SMS enterprises. For example, in China, there are many emerging private organizations with the aim to invest in newly incubated business programs. Such programs should be encouraged to promote future entrepreneurship. Loans should be given to students upon completion of their programmes that are entrepreneurial oriented. This will help motivate the students towards becoming society-cared entrepreneurs.

The curriculum should be designed to encompass marketing and international current affairs, providing all students with opportunities to engage with the economy and foster their entrepreneurial mindset. The finding of the study also agrees with the work of Leibowitz & Bozalek (2014) who state that the orientation given to students go a long way to determine their level of awareness and decisions made in life.

The public policies and social evaluation system should be consistently utilized to direct entrepreneurs' orientation and offer affirmative feedback and public commendation for entrepreneurs who engage in CSR, thereby fostering the active participation of emerging enterprises in societal advancement. This corroborates with work of Folster (2000) and Kritikos (2014) who opine that policies and systems are important factors that can ensure the growth of entrepreneurship and its impacts on society. Additionally, it can provide these enterprises with ample exposure opportunities to enhance their visibility and facilitate effective publicity efforts.

Government institutions should establish more corporate foundations to give aspiring entrepreneurs with social development goals (technological innovation, economic development, environmental protection) social resources to support their entrepreneurial path, as well as the partnership between emerging corporations' founder and experienced, famous entrepreneurs within the community should be encouraged as it provides the essential social network to people This will enable members of such societies to become motivated to get involved in entrepreneurial and CSR activities.

## **VI. CONCLUSION**

Theoretically, in contrast with most studies investigating the start-up motives of entrepreneurs (Skokic et al., 2016). This study investigated the cognitive factors that drive individuals to engage in entrepreneurial activities and undertake corporate social responsibility (CSR) and identified three key themes. Additionally, cognitive factors can effectively guide and enhance the determination of entrepreneurs who aspire to pursue goal envisioning or interest-driven endeavors. To encourage future business creation and their roles in social responsibility, recommendations are therefore made to achieve this goal. However, this study-like any other research-has certain limitations. Firstly, only a few individuals from a specific geographical area are studied. Second, due to the study's exploratory design, the data were collected mainly through in-depth interviews with a small sample of operators. Thus, there are two avenues for future research. First, it is suggested that similar studies be conducted in different regions in other countries with larger sample numbers. Also, a qualitative method was adopted for this study, thus, quantitative or mixed methods can be adopted when conducting similar studies.

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**Appendix 1. Qualitative Interview Schedule**

**Interview Schedule: Motivations for Entrepreneurial Endeavors**

**Introduction and Role Clarification**

*Can you briefly introduce yourself and describe your business mode and day-to-day responsibilities?*

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**Personal Experience with Entrepreneurship**

*Why are you interested in entrepreneurship and how long have you embarked on the path of starting a business venture?*

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*What are some obstacles you faced in the stage of establishing business, developing business and sustaining business?*

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**Motivations to Help Others and Engage in Prosocial Business**

*When you first started your business, what was your intention, goal and envision?*

*Follow-up question: You mentioned... [developing society or gaining profit or achieving personal growth]*

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*As an entrepreneur, have you ever undertaken your part of corporation social responsibility (definition required) and what is your motivation for that?*

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*Do you consider that business/ entrepreneurs have a crucial role in developing society?*

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**Cognition on Business Decision**

What factors you might consider when making a business decision?

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*What is your definition towards entrepreneurship and why do you describe it in that way?*

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**Future Outlook and Closing**

*Based on your experiences as an entrepreneur/small business owner, what are some of the things you might get involved with in the next few years?*

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*Is there anything else you'd like to share about your experience or insights on your role in society or your business?*

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