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## Individual social capital and the implementation of entrepreneurial intentions: The case of Russia

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The current research hypothesized that individual social capital facilitates the implementation of one's intention to start a business. The research samples were drawn from a sample of 2061 adult respondents: a sub-sample of 269 adults who stated their intention to start their own business during the next two years ('intenders') and a matching sub-sample of 270 who said they did not intend to do so ('non-intenders'). The study shows that the 'intenders' possessed greater individual social capital. These resources had a positive indirect impact (through increased perceived behavioural control and attitude) on their intention to start their own business.

*Key words:* entrepreneurial intention, individual social capital, perceived behavioural control, social support, theory of planned behaviour.

### Introduction

This paper aims to examine and explain the psychological mechanism underlying the influence of individual social capital on the intention of individuals to open a new business and to implement this intention. Previous studies have demonstrated that individual social capital (including personal resources such as being embedded in one's personal networks) increases the likelihood a person will develop an existing business (Smallbone & Welter, 2001; Westlund & Bolton, 2003; Li, Wang, Huang & Bai, 2013). Personal networks serve as a resource for they help entrepreneurs overcome bureaucratic barriers, thus making their businesses more successful (Smallbone & Welter, 2001). Possessing many social networks improves access to information necessary for business development, which also encourages business development (Kwon & Arenius, 2010). However, the influence of individual social capital on one's *intention* to open one's own business and the implementation of this intention have not yet been examined. To address this gap, the following research questions were posed: (i) How is individual social capital related to the intention to start a new business and to the implementation of this intention? (ii) What are the possible psychological mechanisms that may explain this relationship?

### Social capital and entrepreneurship

Researchers in modern social sciences are paying increasing attention to non-economic factors that facilitate eco-

nomie progress (Altman, 2001; Harrison & Huntington, 2000). Social capital is one of the most important non-economic facilitators of progress (Fukuyama, 2002; Helliwell & Putnam, 1995; Knack & Keefer, 1997). Social capital increases productivity, creativity and promotes entrepreneurship and technological advances (Rizwan, Naseem & Farooq, 2011). Entrepreneurship is another key force of economic development (Raposo, Smallbone, Balaton & Hortovanyi, 2011; Sanyang & Huang, 2010). Country-level social capital in the form of trust provides more favourable conditions for entrepreneurship (Kwon & Arenius, 2010). The mechanisms of the relationships between social capital and entrepreneurial behaviour can be studied when considering social capital at the micro-level. Social capital influences both the individual (micro) and collective (macro) levels, and its quantification therefore relates to phenomena on both of these levels (Van Der Gaag & Snijders, 2004). Some scientists (Coleman, 1990; Putnam, 1995) have elaborated their theories on the macro-level. On the macro and meso levels, social capital is taken to represent norms, trust and social cohesion (Putnam, 1995). Other researchers (Bourdieu, 1986; Flap, Kumcu & Bulder, 2000; Lin, 2001) have focused on social capital as a source of different resources for the individual, which may be helpful to achieve a goal. Social capital at the micro level is called 'individual social capital' and it has a more direct effect on behaviour (Verhaeghe & Tampubolon, 2012). The concept of 'individual social capital' has recently become widespread in empirical studies (Chola & Alaba, 2013; Lamarca, Leal, Leao, Sheiham & Vettore, 2014; Van Der Gaag & Snijders, 2004; Verhaeghe & Tampubolon, 2012; Yang, 2007). In the present research, individual social capital is defined as a person's access to different resources based on social relations. A person may

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have access to necessary resources through close relations with friends and relatives who may assist them. In addition, one may be assisted through involvement in various associations, clubs and other groups whose members may provide additional support. Researchers studying individual social capital have used the following parameters: (i) resources (legal assistance, financial assistance, etc.) that can be obtained from informal networks by one's friends and family members (Häuberer, 2011; Lamarca *et al.*, 2014; Van Der Gaag & Sniijders, 2004; Verhaeghe & Tampubolon, 2012); and (ii) the size of one's formal networks (number of organizations that constitute the individual's formal network) (Chola & Alaba, 2013; Häuberer, 2011; Yang, 2007).

A number of studies have demonstrated a relationship between individual social capital and business success (Read, Song & Smit, 2009; Smallbone & Welter, 2001; Turner & Nguyen, 2005). There are also findings indicating how social capital plays an important role in opening a new business (for a review, see Westlund, Larsson & Olsson, 2014). However, social capital (as well as financial capital, such as money) has not only an economic function, but also a psychological role. Analyses of existing researches show that the psychological function of social capital while opening a new business has not yet been investigated. From the authors' point of view, individual social capital plays a dual role in starting one's own business. The first function of individual social capital is that it objectively widens access to various resources that are necessary to open a new business. The second function is psychological, whereby individual social capital serves as a facilitator, increasing perceived behavioural control, which in Fishbein and Ajzen's (2010) theory of planned behaviour is one of the factors (along with attitude and subjective norms) that influence behavioural intentions.

Individual social capital has been found to be related to social support. Even in virtual groups, social capital enhances a sense of community and thereby increases mutual social support (Tsai, Joe, Lin, Wang & Chang, 2012). Therefore, individual social capital also serves as a mediator, creating a buffer effect of social support, affecting the relationship between the intention to start one's own business and the implementation thereof. The essence of the buffer effect of social support is that the mere *knowledge* that one can rely on the support of others increases positive behaviour and enhances well being due to reduced levels of stress (Chay, 1993). The basic assumption of this research is that individual social capital will facilitate the intention to start a business through an increased sense of perceived behavioural control. Therefore, we assume that the effect of social capital is fully mediated by the variable of 'perceived behavioural control'. Intentions, according to the theory of planned behaviour, are associated with people's actual behaviour. Thus, people with greater individual social

capital are more likely to form concrete implementation intentions (Gollwitzer, 1999) and to start their own business compared to people with less individual social capital. This is the hypothesis examined in the current study.

### **Links between individual social capital and entrepreneurial behaviour**

Many studies have in fact shown the importance of individual social capital for business success. Individual social capital can be transformed into economic capital (Svendsen, Kjeldsenb & Noeb, 2010), and strong social capital creates successful entrepreneurs (Edgar, 2001). Stam, Arzlanian and Elfring (2014) conducted a meta-analysis of the link between entrepreneurs' personal networks and small firm performance. Their analyses of 61 independent samples indicate that the social capital–performance link is positive and significant ( $r = 0.211$ ). Social capital literature on entrepreneurship highlights that social capital can play a role in reducing transaction costs associated with searching for information and monitoring possible barriers (Svendsen *et al.*, 2010; Westlund & Bolton, 2003). Accordingly, it may be assumed that not only people who are successful in business have more individual social capital but also people who only intend to open a business will have more social capital than those who do not have such an intention. Moreover, individuals who have more social capital will most likely also have greater skills for cooperating with others, this being an important condition for opening and managing one's own business. Based on this reasoning, the following hypotheses were formulated:

Hypothesis 1. People who intend to start their own business have more individual social capital than people who do not intend to start their own business.

Why are people with more social capital more successful both in starting their own business and in the business itself? How does individual social capital influence the intention to start one's own business and the implementation thereof?

### **Psychological mechanisms underlying the relation between individual social capital and the intention to start one's own business**

Entrepreneurs' social capital provides them with access to resources and, most importantly, to social support. Social support is most often explained as a moderator (or buffer) between actions or factors that cause stress and individual behaviour (Fried & Tie, 1993; Lee, Koeske & Sales, 2004) and has long been considered an important factor influencing the experience of stress and strain at work (Cohen & Wills, 1985; Fried & Tie, 1993). Opening a new business

for the first time is undoubtedly stressful; however, an individual's social capital provides a greater sense of security. It is the authors' view that social capital facilitates an *individual's intention* to open their own business because individual social capital (i.e. social support) reduces various stresses that individuals experience when they open or prepare to open their own business. This occurs because individual social capital enhances *perceived behavioural control*, a positive attitude, and subjective norms, which affect behavioural intentions and, in turn, increase the likelihood of implementing one's intentions. Intentions are indications of a person's readiness to perform a specific behaviour (Fishbein & Ajzen, 2010). According to the theory of planned behaviour (TPB), the *attitude* towards a behaviour, together with *subjective norms* and *perceived behavioural control* lead to the formation of a *behavioural intention* (Ajzen, 2002; Fishbein & Ajzen, 2010). Gollwitzer (1999) argues that the step from one's intention to actual behaviour must be closely analyzed; to do so, he proposes a new concept called the 'implementation intention'. This refers to the concrete steps people plan to undertake to reach a goal and is closer to the evaluation of an individual's behaviour. Accordingly, in order to make the model more complete, questions were included to measure the concept of one's 'implementation intention'.

Several studies provide a basis for postulating hypotheses about the relationships between individual social capital and implementing entrepreneurial intentions. The current study views business partners as a form of individual social capital. Friends, acquaintances and relatives frequently become partners. Turner and Nguyen (2005) strongly support this idea in their study of entrepreneurial behaviour in a Vietnamese sample in Hanoi. Family members provide social resources, which help individuals to develop their own business, while also providing social support (Anderson & Miller, 2003; Powell & Eddleston, 2013). Therefore, family ties provide a feeling of support to the potential entrepreneur, thus affecting their sense of control.

Read *et al.* (2009) show that having business partners is very important for business success, and these partners are most often just friends. This further supports the notion that this component of individual social capital – business resources that can be obtained from friends – promotes the intention to open one's own business. Entrepreneurs who lack business resources can overcome this loss through their memberships in various organizations and clubs (Bauernschuster, Falck & Heblich, 2010).

Hypothesis 2. People who implement their intention to start their own business have more individual social capital than those who do not implement their intention.

Furthermore, it may be assumed that people who have a higher level of individual social capital when opening a new business or in the course thereof, will be more confident in

their success. A sense of support and confidence, which social capital provides, leads to a sense of control over one's behaviour and enhances the belief in starting one's own business.

Hypothesis 3. The more individual social capital a person has (resources that can be provided by family and friends, a broader and denser social network) the greater their perceived behavioural control regarding starting their own business.

## Method

The study was conducted in two waves.

### Sample (wave 1)

The total sample in the first wave included 2061 respondents. Interviews were conducted with representative samples of 1026 respondents from the Central Federal District of Russia, including Moscow, and 1035 respondents from the North Caucasian Federal District of Russia. The questionnaire included methods related to the assessment of individual social capital, entrepreneurial intentions and demographic variables. A more detailed description of the methodology of the study is presented below. In addition to these methods, the questionnaire included a filter question: 'Are you thinking about starting your own business within the forthcoming two years?' The possible answers were: 'Yes', 'Maybe/Not sure' and 'No'. Next, two subgroups of respondent from the entire sample were selected for further analysis. The first group ( $N = 269$ ) included the respondents who answered either 'Yes' or 'Maybe/Not sure' – they were labelled the 'intenders'. The number of people who did not plan to start a new business within the next two years was 1792. Further, a second group of 270 respondents was selected from this part of the representative sample, who matched the intenders in their socio-demographic characteristics ('non-intenders').

The distribution of respondents according to gender, age and education in both subsamples was equal: female – 42.4% (for 'intenders') and 44.4% (for 'non-intenders'); age (median) – 30 years old (for both groups). In both groups, most of the respondents had a specialized secondary education or higher education and were employed. Therefore, there were practically no differences between the two groups with respect to gender, age, education and distribution of their current occupations, which allowed testing of the hypotheses by comparing the groups.

### Measures (wave 1)

*Behavioural intention* ( $\alpha = 0.72$ ) was measured using a two-item questionnaire on a seven-point Likert scale,

similar to that used by Ajzen (2002). Example: 'How likely is it that you will start a business within the next two years?' with answers ranging from 'very unlikely' (-3) to 'very likely' (3).

*Behavioural attitude* ( $\alpha = 0.86$ ) was measured using two statements. Example: 'The idea of starting a business within the next two years is for me ...' with answers ranging on a seven-point Likert scale from 'very inappropriate' (-3) to 'very appropriate' (3).

*Subjective norms* ( $\alpha = 0.60$ ) were measured using two items. Example: 'Most people who are important to me think I should start my own business within the next two years'. For both statements answers ranged on a seven-point Likert scale from 'strongly disagree' (-3) to 'strongly agree' (3).

*Perceived behavioural control* ( $\alpha = 0.93$ ) was measured using two items. Example: 'For me to start a business within the next two years is ...' with answers ranging on a seven-point Likert scale from 'very difficult' (-3) to 'very easy' (3).

*Implementation intention* ( $\alpha = 0.73$ ) was measured using three items, following Gollwitzer's (1999) approach. For example: 'Are you currently saving money for your intention to start a business?' with answers ranging on a five-point Likert scale from 'No, I am not' (1) to 'I have been actively doing this/have already done this' (5).

Two aspects of *individual social capital* were measured:

- 1 Resources available from informal networks (friends and family). The wording from Häuberer (2011) was adapted where necessary to fit the Russian context. This method asks how many family members and how many friends the respondent has who are willing to 'advise him/her on legal or bureaucratic issues', 'help him/her find a job', 'have the possibility to hire employees', and 'can offer him/her advice on financial questions'. Cronbach's alphas were 0.70 for the scale entitled 'Resources available from family' and 0.78 for the scale entitled 'Resources available from friends'.
- 2 The size of one's formal networks: membership in organizations and associations (Häuberer, 2011). The individual's formal network of organizational memberships was measured by asking the respondents about their membership in political parties, trade unions, professional associations, charity organizations, public beneficial organizations, sport or other interest organizations, civic associations and non-governmental organizations (cf. Häuberer, 2011). Cronbach's alpha was 0.60 for this scale.

### Sample (wave 2)

One year later, the 'intenders' were re-interviewed by telephone. The purpose of this survey was to ascertain whether the respondents in fact opened their own business. Respondents who did not open a business were asked the

reason for this. One hundred sixty-three respondents (out of the original 269) were located and re-interviewed – 61% of the 'intenders'.

### Measures (wave 2)

During the second wave of the survey, respondents who expressed the intention to open their own business (during the first wave of the study) were asked the following question: 'Do you have your own business?' The possible answers were: 'Yes' and 'No'. Respondents were then given a questionnaire, identical to the one given to them during the first wave of the research (as described above) to evaluate their individual social capital.

## Results

### Differences in individual social capital between intenders and non-intenders

To test Hypothesis 1, t-tests were used to evaluate the statistical significance of the differences in the strength of various components of individual social capital between the group of 'intenders' and 'non-intenders'. A statistically significant difference between the two groups regarding their individual social capital was found (Table 1).

Table 1 shows that Hypothesis 1 was partly confirmed. 'Intenders' have significantly higher means on all the questions evaluating their resources attained from friends. This pattern is not apparent when evaluating similar resources attained from relatives. 'Intenders' are also more likely to participate in activities related to sports or other interest organizations and in activities related to civic associations and non-governmental organizations. The differences in the various kinds of help that can be received from family members are not very high between the two groups. It is important to consider the meaning of the word 'family' in the Russian language, since the survey was conducted in Russian. In Russian, the word family ('sem'ya') means: 'a group of people consisting of parents, children, grandchildren and close relatives living together' (Ushakov, 2013, p. 619). The average household size in Russia is 2.7 people. In the Central Federal district, the average household includes 2.6 people, while in the North Caucasian Federal district it is 3.1 people (All-Russian Population Census, 2010). When viewing the average values of the answers to questions in the category of 'How many members of your family ...' (Table 1), the mean values of the responses do not exceed the average household size. Based on the meaning of the word 'family' in the Russian language and a comparison of the respondents' answers with the average household size, it seems that respondents understood 'kin living together' as synonymous with 'family'.

**Table 1** Differences between intenders ( $N = 269$ ) and non-intenders ( $N = 270$ ) in aspects of individual social capital

Question on individual social capital	Mean/SD (intenders)	Mean/SD (non-intenders)	t
Resources available from family: <i>How many members of your family . . .</i>			
can advise you on legal or bureaucratic issues?	1.38/1.49	1.15/1.51	1.77
can help you find a job?	1.29/1.44	1.0/1.44	2.35*
have the possibility to hire employees?	0.58/0.88	0.43/0.78	2.02*
can offer you advice on financial questions?	1.09/1.44	0.75/1.06	1.77
Resources available from friends: <i>How many friends . . .</i>			
can advise you on legal or bureaucratic issues?	2.46/3.62	1.59/2.22	3.32***
can help you to find a job?	2.96/5.63	1.65/2.93	3.33***
have the possibility to hire employees?	1.51/3.00	0.94/2.27	2.47*
can offer you advice on financial questions?	1.84/2.27	1.29/3.53	2.12*
The size of formal networks and number of contacts with organizations inside network (five-point scale): <i>How often do you participate in the activities of:</i>			
political parties, trade unions or professional associations?	1.26/0.63	1.11/0.40	3.09**
sport or other interest organizations?	1.87/1.25	1.41/0.88	4.86***
civic associations or non-governmental organizations (NGOs)?	1.31/0.68	1.11/0.43	4.02***

\* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$ .

### **Implementation of entrepreneurial intentions and social capital of entrepreneurs**

Hypothesis 2 was that people who actually implemented their intention to open their own business had a higher level of individual social capital than those who did not carry out this intention. To test this hypothesis, data were used from the second wave of the study carried out one year later.

One year later, 163 respondents (out of the original 269) were located and re-interviewed – 61% of the ‘intenders’. Of these, 38 opened their own business. The remaining 106 respondents – 39% of the ‘intenders’ – either changed their contact details or refused to participate in the study a second time.

If the assumption about the facilitative effects of social capital on an individual’s intention to open their own business is correct, then the individual social capital of the respondents who opened their own business should be higher than that of the respondents who did not eventually open their own business. To test this hypothesis, individual social capital was compared using a t-test (Table 2).

Table 2 indicates a statistically significant difference between the groups of respondents only regarding resources which may be obtained from friends. These results resemble those of the previous comparison (Table 1), suggesting that resources from the family are not of great importance in opening a new business. Thus, it may be assumed that while implementing one’s intention of starting a business, the most important factors for the respondents were resources obtained from friends.

The results presented in Table 2 demonstrate that Hypothesis 2 was partly confirmed. Indeed, all indicators of

individual social capital were significantly higher in the group of respondents who implemented their intention one year later. These findings indicate that people who intend to start their own business have significantly more individual social capital than people who do not intend to open a business. In addition, the individual social capital of those who actually opened their own business one year later was significantly higher than that of people who did not implement their intention.

Consequently, it may be concluded that individual social capital is associated with the implementation of one’s intention to open a business and that this capital may facilitate that intention. However, the question remains as to how this facilitation is implemented. The next section presents an empirical examination of the psychological mechanisms by which individual social capital contributes to the intention of opening one’s own business.

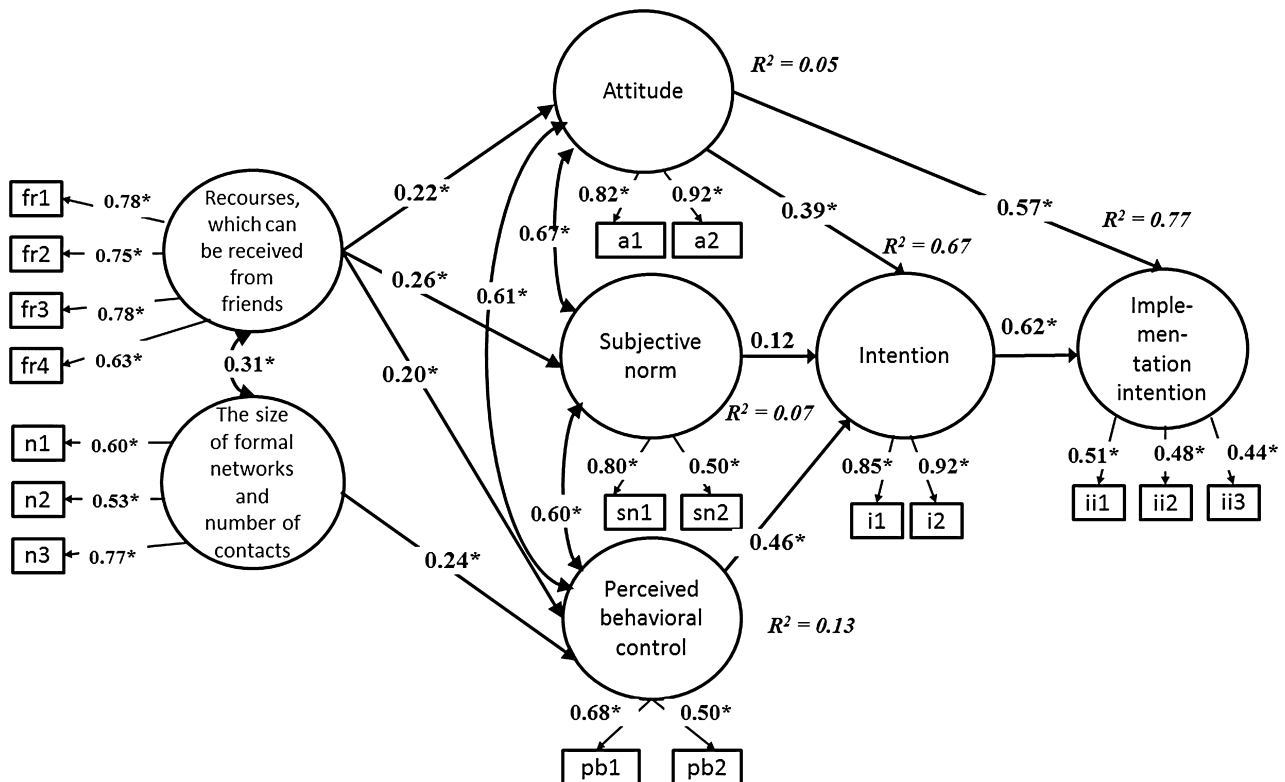
### **Testing the model, illustrating the psychological mechanisms underlying the relations between individual social capital and the intention to start one’s own business**

To test Hypothesis 3 – whether the effects of social capital on one’s intention and implementation intention are fully mediated by attitude, norms and perceived behavioural control – structural equation modelling was used. Figure 1 presents a model that describes the psychological mechanisms explaining the influence of individual social capital on the intention to start one’s own business. The overall model fit is perfect ( $\chi^2/df = 1.4$ ; CFI = 0.96; RMSEA = 0.043; PCLOSE = 0.765).

**Table 2** Significance of the differences in individual social capital between people who opened a business after one year ( $N = 38$ ) and those who did not ( $N = 125$ )

Question on individual social capital	Mean/SD 'began'	Mean/SD 'did not begin'	t
Resources available from family: <i>How many members of your family . . .</i>			
can advise you on legal or bureaucratic issues?	1.21/1.52	1.41/1.64	-0.61
can help you find a job?	1.76/2.01	1.31/1.42	1.41
have the possibility to hire employees?	0.76/0.87	0.52/0.80	1.34
can offer you advice on financial questions?	1.0/1.44	0.98/1.34	0.05
Resources available from friends: <i>How many friends . . .</i>			
can advise you on legal or bureaucratic issues?	3.48/3.42	1.92/2.19	3.06**
can help you find a job?	5.69/9.74	2.57/3.40	2.89**
have the possibility to hire employees?	1.96/2.24	1.15/1.70	2.12*
can offer you advice on financial questions?	2.50/2.93	1.46/1.73	2.46*
The size of formal networks and number of contacts with organizations inside network (five-point scale): <i>How often do you participate in the activities of . . .</i>			
political parties, trade unions or professional associations?	1.24/0.51	1.20/0.61	0.34
sports or other interest organizations?	1.97/1.47	1.74/1.18	0.89
civic associations or non-governmental organizations (NGOs)?	1.28/0.59	1.17/0.55	0.93

\* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$ .



**Figure 1** The structural model of the influence of individual social capital on the implementation intention ( $N = 269$ ). Notes:

- a) only standardized regression weights are presented;
  - b) the direct impact of subjective norms on the implementation intention is not significant;
  - c) the direct impact of individual social capital on the intention and implementation intention is not significant.
- \* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$ .



As shown in Figure 1, two components of individual social capital influence one's attitude, subjective norms and perceived behavioural control in different ways. The size of one's formal network has a positive impact only on perceived behavioural control. Resources that can be received from friends have a positive impact on attitude, subjective norms and perceived behavioural control. Two of these three psychological factors (attitude and perceived behavioural control) serve as mediators between individual social capital and the intention to start one's own business, as well as the implementation of this intention. When evaluating the direct effect of attitude, subjective norms and perceived behavioural control on the implementation intention, only attitude was found to be statistically significant. Thus, attitude affects the implementation intention both directly and through the intention itself. This contrasts with the full mediation hypothesis that also includes the effect of attitude on one's implementation intention. Subjective norms, although affected by resources which can be received from friends, do not directly influence either the intention or the implementation intention to open one's own business. Perceived behavioural control plays a mediating role: it is heavily influenced by individual social capital, but does not directly affect the intention of opening a business. It enhances the intention, which in turn affects the implementation intention. This model explains up to 67% of the intention variance and 77% of the variance of the implementation intention. Thus, Hypotheses 3 was confirmed.

Consequently, the findings suggest that perceived behavioural control serves as a mediator between individual social capital and the degree of the intention to start one's own business. Attitude serves only as a partial mediator. Subjective norms depend on one component of social capital (resources which can be received from friends), but they do not affect the intention to open a business and the implementation of this intention.

## Discussion

Almost all the hypotheses presented in this study were confirmed, but Hypotheses 1 and 2 were confirmed with some limitations. The first limitation is the fact that during the second wave of the study, only 163 out of the 269 'intenders' were located, of which only 38 actually opened their business a year later. Therefore, during the second wave of the research, individual social capital was compared between 125 (163 minus 38) and 38 respondents, which reduces the reliability of the results. However, although merely indicative, these results are important for the following reasons. First, the differences found follow the same logic as the differences found during the first wave

of the study (see Tables 1 and 2), which supports the notion that this is a real phenomenon. Second, the differences found between the respondents who opened and did not open their business, are statistically significant.

Another limitation of the study is that the results slightly differ from the hypotheses. The current findings reveal that the family and its social capital do not have a significant impact on the individual's intention to engage (himself/herself) in private business. We believe two factors may help to explain this phenomenon.

First, a tradition of business inheritance has not yet formed in Russia. Only 23 years have passed since the fall of the USSR, and there aren't yet many dynasties of entrepreneurs in Russia that can help their children develop their own businesses. The second reason relates to the so-called 'wild capitalism' which has reigned in Russia since 1992. Many businessmen accumulated their initial capital by all available means, including criminal means. There was great competition and the regulatory framework for entrepreneurship was not yet formed, which made doing business quite dangerous. Therefore, not all businessmen want their children or relatives to become involved in the business world. Sometimes, entrepreneurs even try to persuade their relatives and children to forego the idea of developing their own business in Russia.

Many studies demonstrate the importance of individual social capital for existing businesses (Anderson & Miller, 2003; Bauernschuster *et al.*, 2010; Powell & Eddleston, 2013) and for the opening of a new business (Fourati & Affes, 2011). The present study examines the psychological mechanism explaining the influence of individual social capital on the intention to open one's own business. The study shows that individual social capital plays a facilitating role by strengthening perceived behavioural control and increasing one's positive attitude towards the idea of opening a business. One component of individual social capital (resources that can be received from friends) had a statistically significant effect on subjective norms. However, this study found that in the Russian sample, subjective norms do not affect entrepreneurial intentions. Engle *et al.* (2010) found social norms to be an important predictor of entrepreneurial intentions across all the countries in their sample. This study suggests a very interesting phenomenon – individual social capital is associated with subjective norms; however, this relationship does not enhance the effect of subjective norms on one's intention to open a business.

The strongest association found in the study was that between individual social capital and perceived behavioural control. Intrinsically, perceived behavioural control instills confidence, encouraging risk-taking when necessary. Fourati and Affes (2011) show the important role of social capital and a risk-taking attitude in a sample of novice entrepreneurs in the USA.

Starting one's own business is always challenging; social support is an important resource for overcoming these difficulties. Lin, Woelfel and Light (1985) demonstrate the effectiveness of social support in helping one overcome difficult life situations. Based on the theory of social resources, the authors operationalize social support as the strength of one's social ties and the similar characteristics between an individual and the person helping them. They found that individuals showed an increased level of depressive symptoms if they experienced a significant and undesirable event, but that the effect was reduced when help came from strong (rather than weak) ties. Hence, social support can play an important role in providing support during critical moments of life (Lin *et al.*, 1985), and opening a business undoubtedly qualifies as an important event in an individual's life.

In the present research, support and its availability were related to perceived behavioural control, through a specific mechanism, which may be explained using the theory on the 'buffer effect of social support' borrowed from social psychology (Cohen & Wills, 1985; Fried & Tie, 1993). This does not necessarily mean that entrepreneurs will use their social resources; the perception that they are available is enough for the buffer effect of social support to occur (Cohen & Hoberman, 1983). Experimental studies on the buffer effect of social support show that people who are told they can ask for help from the experimenter, even if they do not take advantage of this opportunity, cope with a mental stress task better than those who do not have this help available (Sarason & Sarason, 1986). The psychological role of individual social capital is that it offers a sense of social support, which enhances the feeling that one is capable of implementing one's intentions. Thus, potential entrepreneurs gain a sense of control and as a result, they are more successful in real life due to their heightened subjective sense of social support from friends and formal social groups. The friends or other interest groups do not necessarily have to actually help the potential entrepreneurs. Perceived behavioural control is likely to increase the willingness to take risks, which is also necessary for the ability to implement one's intention to open a private business. Thus, an individual's social capital has a facilitative effect on the intention to open one's own business.

### Limitations and implications

The main limitation of the present study is its cultural specificity. The study involved only residents of Russia;

thus, the findings may not be generalizable to other cultures. Further studies should focus on additional cultures to assess whether these findings are cross-cultural or unique to Russian culture. Furthermore, it would be useful to collect longitudinal data and to employ an experimental design to study the underlying causal processes more rigorously. Another limitation is that the implementation of an intention to start one's own business may also be due to additional factors not studied in the present research. Accordingly, the results of the study may have additional or alternative explanations. For example, people who have a higher level of individual social capital may also have greater skills for cooperating with others, which is an important condition for opening one's own business.

Politicians may use the results of this study for designing policy interventions, which are not only top-down but also bottom-up. Based on the finding that entrepreneurs receive considerable support in opening their own business from their membership in various formal groups and associations, one practical implementation of these results is that local authorities should contribute to the creation of various organizations and associations. We suggest governmental support for individual initiatives to open such groups or associations. Support may take the form of providing accommodation for these organizations, supporting their registration process or direct financial assistance. These formal networks can provide both psychological and instrumental support to potential entrepreneurs.

Another implication of the findings of this study pertains to entrepreneurs. Owing to the great amount of time and energy necessary to open a new business, future entrepreneurs should focus their attention on their most important relationships, securing a social network that is supportive and able to assist them in their endeavours.

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## Supporting information

Additional Supporting Information may be found in the online version of this article at the publisher's web-site:

**Table S1** Distribution of respondents according to gender, age and education in both subsamples of 'intenders' ( $N = 269$ ) and 'non-intenders' ( $N = 270$ ).

**Appendix S1** Correlation matrix.