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Perceived Feasibility and Desirability of Entrepreneurship in Institutional Contexts in Transition

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Abstract:
We have scrutinized the role of regulative, normative and cognitive institutional environments on perceived desirability and feasibility of entrepreneurial action by applying the institutional framework to two types of Israel kibbutz cooperative communities. When combining convenient and snowball sampling, entrepreneurial drive indicators were identified among 253 community members in 2010. MANOVA analysis revealed that members of wage differential oriented kibbutzim perceived entrepreneurial action as more feasible but not more desirable than members of egalitarian kibbutzim. This reaffirms the importance of accounting for specific community characteristics when researching aspects of entrepreneurship.

Keywords: institutional theory, entrepreneurship, perceived desirability, perceived feasibility, cooperative communities

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1 Introduction

Entrepreneurship research increasingly acknowledges the need to understand contexts (Jennings et al. 2013; Lang, Fink, and Kibler 2014) and recognizes the importance of socio-cultural and economic processes (McKeever, Anderson, and Jack 2014). Our paper leans conceptually upon Welter's declaration that "there is a growing recognition in entrepreneurship research that economic behaviour can be better understood within its historical, temporal, institutional, spatial and social contexts" (Welter 2011, 165). To account for the impact of socio-cultural contexts on entrepreneurship, institutional theory has been applied and thoroughly discussed theoretically as well as being established empirically in many studies (for an overview, see Veciana and Urbano 2008). Since institutional theory encompasses the interrelationship between contexts and entrepreneurs, its conceptualization enables investigating similarities and differences of local institutional embeddedness of entrepreneurs (Bruton, Ahlstrom, and Li 2010; Jennings et al. 2013; Lang, Fink, and Kibler 2014).

Israeli kibbutz cooperative communities have undergone fundamental changes in the last twenty years. Two types of organizational culture have ensued: the traditional egalitarian kibbutzim and the changing kibbutz, moving towards wage-differentiation and a more individualistic organizational culture. (Dar 2002; Ben-Rafael 2011; Palgi and Reinarz 2011; Leviatan 2013; Russel, Hanneman, and Getz 2015). This structural and cultural dichotomy allows for the investigation of the impact of different institutional environments as antecedents of entrepreneurial intentions.

As it emerged in the 1990s, entrepreneurship in kibbutz communities insinuated personal, not community, activities aimed at initiation and implementation of new business ventures within a kibbutz (Samuel and Heilbrunn 2001). In the beginning, these semi-autonomous[1] ventures aimed to increase income while in parallel allow for the realization of personal desires and preferences amongst kibbutz members (Dar 2002). Numerous previous studies analysed kibbutz communal entrepreneurship and kibbutz entrepreneurs. Heilbrunn (2010) found an increase in the overall number of entrepreneurial ventures per kibbutz from 1997 to 2004. These ventures were predominately in service sectors and based upon existing infrastructure, thus utilizing local resources. Davidovich, Heilbrunn, and Polovin (2008) examined levels of operational risk amongst kibbutz entrepreneurial enterprises. They discovered an increased proportion of lower risk ventures together with a

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decreased proportion of medium risk ventures in kibbutzim that underwent privatization processes as opposed to egalitarian kibbutzim. They concluded that in egalitarian environments members were more willing to engage in risky ventures under the assumption that the entire community would equally share potential risk and probable failure. Heilbrunn (2010) found entrepreneurs in egalitarian kibbutzim were more intrinsically motivated while in the changing, differentiated kibbutzim, extrinsic motivation was stronger. The feeling was that this reflected the need for members in differentiated environments to take more personal responsibility for their families' income.

In this research, we investigated the impact of institutionally different environments on perceived feasibility and perceived desirability of kibbutz community members in terms of Scott's pillars (Scott 2001, 2010). To our knowledge, this is the first time the antecedents of entrepreneurial behaviour among kibbutz members rather than kibbutz entrepreneurs themselves or entrepreneurial activity of the kibbutz itself, was explored, thereby expanding the scope of understanding of the phenomenon of entrepreneurship in community settings such as the kibbutz. The second distinct aspect of this study is the application of an institutional approach for investigating effects of institutional environments on peoples' normative evaluation and cognitive perception of entrepreneurial behaviour. The unique kibbutz context allowed us to comply with Fayolle and Liñán's (2014, 664) call to account for the role of context and institutions on antecedents of entrepreneurial intentions.

This paper includes an outline of the theoretical foundation of the study, presents the research model, followed by an analysis of the results, and concludes with a discussion of the implications of the study.

1.1 Institutional Theory and Entrepreneurship

In order to account for the contextual embeddedness of entrepreneurship, institutional theory is generally applied (for a comprehensive overview see Bruton, Ahlstrom, and Li 2010). Accordingly studies have regarded social, cultural, and political arrangements as constraining or encouraging entrepreneurship (Shane 2003; Bruton and Ahlstrom 2003; Aldrich 2011; Stenholm, Acs, and Wuebker 2013), resource mobilization (Minniti and Levesque 2008; Greenman 2013; Muñoz and Kibler 2015), and motives, attitudes, norms and values (Xheneti and Bartlett 2012; Acs, Boardman, and McNeely 2013; Stenholm, Acs, and Wuebker 2013). The institutional environment also affects the entrepreneurial behaviour of individual actors (Estrin, Korosteleva, and Mickiewicz 2013; Autio, Pathak, and Wennberg 2013; Urbano and Alvarez 2014).

In this study, we utilized Scott's (2001 and 2010) institutional framework in terms of the *regulatory, normative* and *cognitive* pillars for outlining the community environments investigated. Several studies based on Scott's categorization demonstrated that when using these variances in the three pillars of the institutional configuration differences between countries in the rate of entrepreneurial activity (Bruton, Ahlstrom, and Li 2010) and in the development of entrepreneurial conditions (Peng and Zhou 2005; Aldrich 2011; Stenholm, Acs, and Wuebker 2013) could be identified.

The *regulatory pillar* refers to formal obligation, implementation and compliance to policies, rules, laws and sanctions (Scott 2001; 2010; Stenholm, Autio, and Acs 2010). Webb et al. (2009) found that regulatory institutions influence the legitimacy and acceptance of entrepreneurship and Zimmerman and Zeitz (2002) stated that legitimacy is an important resource for new venture growth.

The *normative pillar* concerns the underlying "rules of the game", values, and behavioural norms held by individuals and organizations, which may affect the social desirability of entrepreneurship as a career option (Busenitz, Gomez, and Spencer 2000; Welter and Smallbone 2003). Research has shown that the social propensity of entrepreneurship and the appraisal of entrepreneurial careers vary across countries and cultures (Tiessen 1997; Mitchell et al. 2000; Heilbrunn 2010).

The *cognitive pillar* concerns the nature of reality and cognitive frameworks – leading to individuals' frames of reference; the ways in which people comprehend a given situation (Scott 1995; Stenholm, Acs, and Wuebker 2013). Baron (2007) found that cognitive patterns influence one's ability to identify opportunities. The cognitive framework positively influences the degree to which individuals perceive that they are capable of starting a business, in other words the degree of perceived feasibility (Stenholm, Acs, and Wuebker 2013).

Regulative, normative and cognitive institutions influence directly and indirectly perceptions of desirability and feasibility (Shane 2008; Fayolle and Francisco 2014). Thus, following Powell and Colyvas' conclusions in the International Encyclopaedia of Organization Studies, (2008, 976); we maintain that "each of Scott's pillars offered a different rationale for legitimacy, either by virtue of being legally sanctioned, morally authorized, or culturally supported."

Whereas some studies emphasized the impact of the regulative pillar on entrepreneurial behaviour, relating to actual financial-economic and political decision making (Busenitz, Gomez, and Spencer 2000; Stenholm, Acs, and Wuebker 2013), other scholars stressed the importance of the normative and cognitive pillars (Thornton, Ribeiro-Soriano, and Urbano 2011; Welter and Smallbone 2011;). Shane (2003) for example, maintained that the

normative and cognitive pillars affect the level of desirability of entrepreneurship in a society and Welter and Smallbone (2008) stated that the normative and cognitive institutional environments influence the perception of entrepreneurship at the individual and societal levels.

1.2 Perceived Desirability and Feasibility

Two classical models deal with the antecedents of entrepreneurial intentions: Ajzen (1991) theory of planned behaviour and Shapero and Sokol (1982) conventionalization of the entrepreneurial event. Several studies discussed the similarities and differences between these models (Engle et al. 2010; Krueger, Reilly, and Carsrud 2000; Moriano et al. 2011; Saeed, Muffatto, and Yousafzai 2014) and found both models explaining entrepreneurial intentions in a similar way despite different underlying concepts. According to the theory of the "entrepreneurial event" (Shapero and Sokol 1982), individuals consider starting a business when they determine the entrepreneurial activity to be more desirable or feasible than other alternatives. The event model maintains that intentions are based on two perceptions: the *perceived desirability* of becoming an entrepreneur, meaning the attraction of individuals towards a specific behaviour, and the *perceived feasibility* of becoming an entrepreneur, that concerns the capacity to carry out a specific behaviour (Douglas and Shepherd 2002; Liñán and Santos 2007). Ajzen (1991) theory of "planned behaviour" maintains that intentions to perform a specific behaviour depend on personal attraction and perceived behavioural control or self-efficacy very much in the same sense as Shapero and Sokol (1982) perceived desirability and perceived feasibility. In addition, Ajzen (1991) model includes the perceived social pressure to conform to certain behaviours. That is, if individuals perceive that other people in their immediate environment agree to perform a behaviour, this contributes to a more favourable intention towards the performance of that behaviour in general. Overall, the literature reveals a consensus that perceived desirability and perceived feasibility are essential and fundamental to entrepreneurial intentions (Krueger, Reilly, and Carsrud 2000; Douglas and Shepherd 2002; Fitzsimmons and Douglas 2011; Liñán and Santos 2007; Saeed, Muffatto, and Yousafzai 2014).

In the following section, we contextualize perceived desirability and feasibility within the institutional framework by applying the three institutional pillars to the two types of communities, egalitarian and differential kibbutzim.

1.3 Contextualizing

Kibbutzim (plural of kibbutz) in Israel represent a particular type of collective community. The first kibbutz was established in 1910. Traditional kibbutz communities were characterized by four main principles: voluntariness, public ownership of means of production, direct democracy and rotation of office holders in society and economy, and last but not least the Marxian principle of equality "from each according to his ability to each according to his needs." These kibbutzim exemplified the community organization as an "extended household" characterized by "symbiosis of family and firm, or alternatively as a firm-cum-family organization" (Barkai 1977). Maintenance of members, rather than cash surplus, was their primary objective and economic success was not a value in itself but a means to realize social goals and values (Heilbrunn 2005).

Until the late 1980s, all kibbutzim were similar with regard to these main characteristics and principles. Since that time, the majority of kibbutzim have undergone fundamental changes in their levels of collectivism and equality and the ensuing way of life, institutional structure and self-perception of kibbutz members (Topol 1996; Getz 1998; Leviatan 2013). The major change relevant to our study is the linking between input and output of community members in terms of differentiated salaries. It is this change that divides the kibbutzim into two types of organizations: those retaining the more traditional egalitarian culture and those moving towards a new differential and more individualistic culture and privatization (Ben-Rafael and Topel 2011; Leviatan 2013; Russell, Hanneman, and Getz 2010). In 2010, 270 kibbutzim were still functioning and represented about 1.6 % of the Israeli population, i. e. approximately 140,000 members. However, only about 25 % remained equality oriented and about 75 % had changed to some form of differentiated organizational culture (Arbel 2013).

Using Scott's three pillars as a guide, we are able to elaborate on the two kibbutz structures in order to assess the influence of the institutional environment on perceived desirability and feasibility of entrepreneurial behaviour. In terms of the *regulative pillar*, referring to formal obligation, implementation and compliance to policies, rules, laws and sanctions (North 1990; Scott 2010), the Israel societal economic and legal arrangements constitute the regulatory environment for both types of kibbutz communities. The kibbutz movement, to which both types of kibbutzim belong, provides a tangible resource of "belonging to an organizational sector that has a presence in the Israeli society" (Ben-Rafael 2011, 98). We therefore assume that the regulative pillar similarly affects both types of kibbutzim.

The *normative pillar* refers to the underlying "rules of the game", namely values and behavioural norms held by individuals and organizations. Concerning entrepreneurship, we relate to the shift in the social perception of work, as described by Dar (2002). Historically, kibbutzim perceived work not as a means but rather as self-realization and as an end in itself. Dar clarifies the difference in the perception and social evaluation of work between egalitarian and differential kibbutzim in terms of input and output. He maintains that in valuing work input a shift occurred from regarding motivation related input (each according to his ability) to talent-related input (professional and managerial qualities) and in appreciating work output a shift occurred from regarding quantity (more egalitarian, effort oriented) to quality in terms of market value (less egalitarian and result oriented). Thus, the basic normative relation to work varied between the two types of kibbutzim. Additionally, change in values and norms are expressed in organizational terminology (Jacobs, Van Witteloostuijn, and Christe-Zeyse 2013). The organizational titles in traditional egalitarian kibbutzim reflect the political ideas of democracy and equality (i. e. secretary of the kibbutz, labour coordinator, branch, etc.) whereas in differential kibbutzim the titles for the same roles reflect market orientation and managerial capitalism (i. e. manager of the community, manager of human resource, business, etc.) (Russel, Hanneman, and Getz 2015, 91). Topol (2011) states that the change in terminology represents a shift towards dominance of technocrats *as opposed to* ideological leaders.

The *cognitive pillar* concerns the nature of reality and cognitive frameworks, namely individual frames of reference by which people explain a given situation. As recognized by the "Public Committee on the Issue of the Kibbutzim" [2] the most substantial and meaningful changes within kibbutzim are with regard to the allocation of income and ownership. Thus in egalitarian kibbutzim the remuneration of members is equal need-based and there is collective ownership of housing and other kibbutz assets. In differential kibbutzim, differentiated salaries were accepted and ownership of housing as well as of other kibbutz assets was transferred to individual members (Russel, Hanneman, and Getz 2015, 121). As a result, kibbutz members are required to take responsibility for their livelihood and for their family's income. Nevertheless, land and other agricultural and industrial means of production are still collectively owned also in differential kibbutzim – an important ingredient in keeping communality in the changing kibbutz structure. Table 1 summarizes the above and exposes the logic of this studies hypotheses development:

Table 1: Hypotheses development.

	Egalitarian Kibbutzim	**Differential Kibbutzim**	**Hypothesis**
Regulative Pillar	No differences		
Normative Pillar	✓ Collective Oriented ✓ Work as end in itself ✓ Community terminology	✓ Individual Orientated ✓ Work as means ✓ Business Terminology	Perceived desirability of entrepreneurship will be higher in differential Kibbutzim than in egalitarian Kibbutzim.
Cognitive Pillar	Communal responsibility for income	Individual responsibility for income	Perceived feasibility of entrepreneurship will be higher in differential Kibbutzim than in egalitarian Kibbutzim.

The *regulative* pillar, reflecting the legal institutional environment in terms of rule setting and sanctioning of Israeli society, affects both types of kibbutzim in the same way. The *normative pillar* corresponds to more profound and underlying values and beliefs containing an evaluative and obligatory dimension, thus encompassing the perceived desirability of entrepreneurship. The *normative pillar* concerns the extent to which kibbutz members evaluate entrepreneurship as appealing, attractive and desirable. Entrepreneurship is associated with individualism rather than with collectivism (Heilbrunn 2008; 2010; Davidovich, Heilbrunn, and Polovin 2008) and small business entrepreneurship has been encouraged in differential kibbutzim as a means of increasing income and meeting personal inclination and ambitions (Dar 2002). Furthermore, the notion of work has moved from being an end "in itself" to being a means for income and finally the organizational terminology altered from community terminology in egalitarian kibbutzim to business management terminology in differential kibbutzim. Therefore, perceived desirability of entrepreneurship was expected to be higher in differential than in collective kibbutzim (H1). The *cognitive pillar* refers to values and rules consistent with these values, which are embedded within organizational needs and customs (March and Olsen 1989; Scott 2001; Bruton, Ahlstrom, and Li 2010). It encompasses cultural/cognitive factors of shared conceptions and frames through which meaning evolves. The *cognitive pillar* is based on explicit knowledge and in the framework of the kibbutz context, refers to perceived feasibility of entrepreneurship: kibbutz members' believe that they are capable of performing as entrepreneurs. Differential kibbutzim shifted the responsibility of personal maintenance from the collective to the individual and introduced differentiated remuneration. Mitchell et al. (2002 and 2007) defined entrepreneurial

cognitions as "the knowledge structures that people use to make assessments, judgments or decisions involving opportunity evaluation and venture creation and growth" (Mitchell et al. 2002, 97; 2007, 2). Thus, in differential kibbutzim, due to processes of change as described above, entrepreneurial cognitions also changed. Therefore, it was expected that members of differential kibbutzim would score higher on perceived feasibility of entrepreneurial action than members of collective kibbutzim (H2).

2 Method

2.1 Operationalization of Variables

Leaning on the attitudes-intentions-behaviour model originally proposed by Ajzen (1991) (see Krueger 2000 for its application to entrepreneurship), Florin, Karri, and Rossiter (2007) maintain that the concept of entrepreneurial drive is composed of five dimensions:

a. *Preference for innovation* refers to a willingness and inclination towards experimentation and creativity in developing and introducing new products and services (Lumbkin and Dess 2001). Florin, Karri, and Rossiter (2007, 23) maintain that "individuals can channel their creativity towards adaptive innovations that follow accepted rules and procedures of the organization, or they can challenge the status quo and develop original innovations, reflecting their degree of conformity or nonconformity, respectively."

b. S*ocially desirable nonconformity* is the combination of challenging the status quo with innovation and creative ideas (McCarthy 2002).

c. *Proactive behaviour* relates to individual's initiative to improve or create entirely new circumstances. Proactive people initiate actions, seek opportunities, anticipate competition, and enjoy the challenge (Crant 2000; Lumbkin and Dess 2001). Preference for innovation, nonconformity and proactivity determine the level of perceived desirability of entrepreneurship.

d. *Self-efficacy* is the belief in one's capability (Bandura 1989) to attain a goal. Self-efficacy can predict entrepreneurial behaviour via individual persistence, initiative and performance (Chen, Greene, and Crick 1998). Studies addressing the relationship between achievement motivation and entrepreneurship showed that entrepreneurs are more achievement oriented than non-entrepreneurs (McClelland and Winter 1969; Hornaday 1982; Begley and Boyd 1987).

e. *Achievement motivation* with proactive disposition and self-efficacy determine the level of perceived feasibility of entrepreneurship.

Following Florin, Karri, and Rossiter (2007), we constructed the indices of both dependent variables as follows: *Perceived desirability* included preference for innovation, encompassing twelve questions such as "I enjoy being able to do things in new ways", "I usually seek out colleagues who are existed about exploring new ways of doing things", and I enjoy finding good solutions to problems that nobody has looked at yet' (Cronbach's alpha = 0.77).

Nonconformity included five questions such as "I always follow accepted practices in the dealings I have with others", "I feel best about my work when I know that I have followed accepted procedures", and "I believe that in order to succeed one must conform to accepted practices" (Cronbach's alpha = 0.75).

Proactive disposition included nine questions such as "I am always looking for better ways to do things", "if I see something I don't like, I fix it", and "I can spot a good opportunity long before others can" (Cronbach's alpha = 0.82).

Perceived feasibility included proactive disposition (the only antecedents defined by Florin, Karri, and Rossiter (2007) for both perceived desirability and perceived feasibility); in addition perceived feasibility concerns self-efficacy including eight questions such as "I often feel bad about the quality of work I do", "I feel self-conscious when I am with very successful people", and "I often put on a show to impress the people I work with" (Cronbach's alpha = 0.80).

Finally, achievement motivation, including seven questions such as "I believe it is important to analyse our own weaknesses", "I do every job as thoroughly as possible", and "I make a conscientious effort to get the most out of my available resources" (Cronbach's alpha 0.79).

2.2 The Questionnaire

The questionnaire was a Hebrew translation of Florin, Karri, and Rossiter (2007) questionnaire, including 42 items measuring components of perceived desirability and feasibility on a 5 point Likert scale from 1 (strongly disagree) to 5 (strongly agree). To ensure equivalence of meaning the Hebrew version was compared with

the original English one using a back-translation method and inspection by speakers fluent in both languages. A part of the questionnaire gleaned demographic characteristics of the respondents. The questionnaire was pretested on a sample of 30 individuals.

2.3 Sample and Data Collection

Data were collected in 2010 in a sample of 120 members of egalitarian and 135 members of differential kibbutzim. No participants were entrepreneurs at the time of the survey. In arranging the sample, we started by asking students living on kibbutzim to administer the questionnaire to family members. Then we proceeded with the snowball method, whereby family members of the students suggested names of friends and acquaintances, who were subsequently approached. Table 2 depicts the descriptive data of the sample population.

Table 2: Descriptive statistics of sample population.

	Egalitarian Kibbutzim	*Differential Kibbutzim*
No. of respondents	120	133
Gender (male)	42 %	47 %
Education (in years)	14.4 (3.0)	13.9 (2.9)
Age	42.3 (12.6)	41 (12.5)
No. of children	2.1 (1.4)	2.2 (1.8)
Working	90 %	89.5%

Note: There were no statistically significant differences with regard to the demographic characteristics of the surveyed members of the two types of kibbutzim.

3 Results

Table 3 depicts means and standard deviations of perceived desirability and feasibility of members by kibbutz type.

Table 3: Perceived desirability and feasibility by kibbutz type.

		Perceived desirability		*Perceived feasibility*	
Kibbutz Type	*N*	Mean	SD	Mean	SD
Egalitarian	120	3.18	0.33	3.28	0.26
Differential	135	3.26	0.29	3.48	0.30

In order to test the differences between the groups a multivariate analysis of variance (MANOVA) was applied. Prior to conducting MANOVA, Pearson correlation was tested between the dependent variables in order to see whether the dependent variables were correlated (Meyers, Gamst, and Guarino 2006). The moderate correlation between the DV, r (247) = 0.36, $p < 0.01$, indicate the appropriateness of a MANOVA. Additionally, the Box's M value of 4.86 was associated with a non-significant p value of 0.19, which was interpreted as non-significant based on Huberty and Petoskey (2000) guideline (i. e. $p < 0.005$). Thus, the covariance matrices between the groups were assumed equal for the purposes of MANOVA.

MANOVA indicated a significant multivariate effect for kibbutz type (Hotelling's Trace = 0.115, F (2, 246 (= 14.193, $p < 0.01$, $\eta_p{}^{\eta} = 0.103$), showing a moderate difference between egalitarian and differential kibbutzim. Given the significance of the overall test, significant univariate main effects were obtained for feasibility, (F (1, 247) = 28.452, $p < 0.001$, $\eta_p{}^{\eta} = 0.103$, $d = 0.677$) and desirability, (F (1,247) = 4.058, $p < 0.005$, $\eta_p{}^{\eta} = 0.016$, d = 0.258.). Thus showing that differential and egalitarian kibbutzim differ in both feasibility and desirability of entrepreneurship, while the effect size (d) of feasibility was moderate, the effect size (d) of desirability was relatively small. In addition, while the differences between kibbutz types explained 10.3 % of the variance in perceptions of feasibility, they only explained 1.6 % in the variance of desirability.

4 Discussion and Conclusion

In recent decades, the majority of kibbutzim have moved towards a less cooperative and less egalitarian system harnessing increased individualism. The resulting two types of kibbutzim, egalitarian and differential, are a useful laboratory for investigating effects of the institutional environment on perceived feasibility and desirability of entrepreneurship in community environments. Our analysis revealed that for the kibbutz communities under investigation, the institutional environment effected perceived feasibility but had an insignificant effect on perceived desirability.

Assuming that the regulative pillar is the same for both types of kibbutzim, the current kibbutz setting allowed for a concentration on the normative and cognitive pillars of Scott (2001) configuration of the institutional theory. In this changing framework of the kibbutz environment, institutional change in organizational culture did not significantly influence normative evaluation of entrepreneurial behaviour, suggesting that members of both types of kibbutzim rate similarly on the perceived desirability scale. This appears to indicate that despite changes in the normative sphere the differential kibbutzim retain collective traits to some degree, essentially remaining a community system.

Change did effect significantly the cognitive perception of capability, showing that in differential kibbutzim members perceived their capability to be entrepreneurial as greater than in egalitarian kibbutzim. Hence, it seems that introducing a more business oriented environment (in terms of the cognitive pillar) such as personal bank accounts, possibility to rent a shop and a general market orientation, combined with a free choice of occupation and legitimacy to realize personal economic ambitions, positions entrepreneurial options as approachable and therefore possible. Thus in line with former research (Davidovich, Heilbrunn, and Polovin 2008; Heilbrunn 2010), in more individualistic environments (such as the differential kibbutz), where collectivity is waning and people receive salaries related to their economic contribution; members perceive entrepreneurship as more feasible than members of egalitarian kibbutzim do. Theoretically elaborating on the findings of this study, one could appropriate the Marxist argumentation of basis and superstructure. Thus, where the economic reality changes (the basis – as in differential kibbutzim) people "adjust" cognitively and therefore perceive entrepreneurship as feasible. Business orientation in combination with personal responsibility for their own income, handling financial interactions and dealing with pension and insurance issues, reinforces their understanding that entrepreneurship has to be considered as an option. Thus, in order to avoid cognitive dissonance, they also perceive it as feasible. This line of argumentation would then explain why differences in perceived desirability of entrepreneurship between members of the two types of kibbutzim were not found. Desirability is concerned with norms (superstructure), and it appears that in a society as ideological as the Israeli kibbutz, norms change slower than the cognitive understanding of economic needs. Therefore, significant differences between the two types of kibbutzim with regard to perceived desirability were not found.

Future research should investigate the long-term processes and its impact on perceived desirability and feasibility of entrepreneurial intentions in the kibbutz context over time. A longitudinal study could investigate whether members of differential kibbutzim will increase their ranking of perceived desirability and perceived feasibility over time.

We believe that our study contributes to the understanding of community-based entrepreneurship and illustrates the importance of specific characteristics of communities when attempting to understand entrepreneurship in communities such as the Israeli kibbutz. As such, it complies with Powell and Colyvas (2008) statement that an important analytical task for institutional analysis is to pinpoint those factors that are of importance in particular organizational contexts. Additionally our findings imply that 'framework conditions' (Lyons et al. 2012) determine the interaction between entrepreneurship and the community – either in terms of intention or in terms of actual behaviour. These conditions include among others entrepreneurial opportunities, capacity and legitimacy. Our study showed that local norms and beliefs shape how people perceive entrepreneurship not less than cognitive mechanisms, but are often underestimated by policy makers.

Notes

[1]Semi-autonomous in the sense that at the beginning the kibbutz would provide space, marketing and financial services to the entrepreneurs and kibbutz office holders were heavily involved in decision making. In addition, the profits or losses of the ventures were allocated to the kibbutz as a whole and not to the individual entrepreneur.

[2]In February 2002 Israeli government decided to set up a public committee on the issue of kibbutzim which was chaired by Prof. Eliezer Ben-Raphael with the aim to define and name the emerging various forms of kibbutzim.

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