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BUILDING UP THE ENTREPRENEURIAL INTENTION CONSTRUCT AMONG FOREIGNERS IN KAZAKHSTAN

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ABSTRACT

Background. Entrepreneurship brings about innovation, economic development, social mobility, and job creation, therefore almost all governments prioritize it on their agenda [1]. Since the single best predictor of a business startup is entrepreneurial intention, hence investigating the influencing factors to intention can be viewed as the critical instrument to promote entrepreneurship [2]. Kazakhstan government has dedicated to the prosperity of entrepreneurship and SMEs as well, and among Central Asian countries, Kazakhstan accounts for more than 70% share of all attracted foreign direct investments (FDIs) in this region [3], thus foreign entrepreneurship in Kazakhstan has great potential to facilitate this country's economic growth and well-being.

Objectives. This research aims to suggest a conceptual entrepreneurial intention construct, which holds that there is positive and significant relationship between factors (entrepreneurial education, personality traits, and opportunity recognition) and entrepreneurial intentions among foreigners in Kazakhstan, and highlights the moderating role of government support. With the expected study findings, implications for the policy makers, academics, and potential foreign entrepreneurs will be recommended.

Methodology. This study further plans, applying quantitative and qualitative research method, to use a structured questionnaire to collect data from the foreigners who reside currently in major cities of Kazakhstan.

Keywords: entrepreneurship, entrepreneurial intentions, construct, government support, foreigners, Kazakhstan.

ҚАЗАҚСТАНДАҒЫ ШЕТЕЛДЕРДІҢ КӘСІПкерлік Қызметін Жүргізу

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АНДАТПА

Зерттеу өзектілігі. Кәсіпкерлік инновацияларға, экономикалық дамуға, әлеуметтік ұтқырлыққа және жұмыс орындарын құруға алып келеді, сондықтан барлық дерлік үкіметтер күн тәртібінде бұған басымдық береді [1]. Кәсіпті бастаудың жалғыз алдын-ала болжаушысы кәсіпкерлік ниет болғандықтан, ниетті қозғайтын факторларды зерттеу кәсіпкерлікті алға жылжытудың маңызды құралы ретінде қарастырылуы мүмкін [2]. Сондай-ақ, Қазақстан үкіметі кәсіпкерлік пен шағын және орта бизнестің өркендеуіне өз үлесін қосты және Орталық Азия елдері арасында Қазақстан осы аймаққа тартылған тікелей шетелдік инвестициялардың (ТШИ) 70 % -дан астамын құрайды [3], сондықтан Қазақстандағы шетелдік бизнес осы елдің экономикалық дамуын және әл-ауқатын жақсартуға мүмкіндік беретін үлкен әлеует.

Зерттеудің мақсаты. Бұл зерттеу Қазақстандағы шетелдіктер арасында кәсіпкерлік факторлар (кәсіпкерлік білім, жеке қасиеттер мен мүмкіндіктерді тану) мен ниеттер арасында оң және маңызды байланыс бар деп тұжырымдайтын кәсіпкерлік ниеттердің тұжырымдамалық тұжырымдамасын ұсынуға бағытталған және мемлекеттік қолдаудың тежейтін рөлін баса көрсетеді. Зерттеудің күтілетін нәтижелеріне сүйене отырып, саясаткерлер, ғалымдар және әлеуетті шетелдік кәсіпкерлер үшін салдары ұсынылады.

Зерттеудің әдіснамасы. Зерттеу қазіргі уақытта Қазақстанның ірі қалаларында тұратын шетелдіктерден деректерді жинау үшін құрылымдалған сауалнаманы қолдана отырып, сандық және сапалық зерттеу әдістерін қолдануға негізделген.

Түйін сөздер: кәсіпкерлік, кәсіпкерлік ниет, құрылыс, мемлекеттік қолдау, шетелдіктер, Қазақстан.

ОСУЩЕСТВЛЕНИЕ ПРЕДПРИНИМАТЕЛЬСКОГО НАМЕРЕНИЯ СРЕДИ ИНОСТРАНЦЕВ В КАЗАХСТАНЕ

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АННОТАЦИЯ

Актуальность исследования. Предпринимательство приводит к инновациям, экономическому развитию, социальной мобильности и созданию рабочих мест, поэтому почти все правительства отдают приоритет этому в своей повестке дня [1]. Поскольку единственным лучшим предиктором запуска бизнеса является предпринимательское намерение, следовательно, исследование факторов, влияющих на намерение, можно рассматривать как важнейший инструмент для продвижения предпринимательства [2]. Правительство Казахстана также посвятило себя процветанию предпринимательства и МСП, и среди стран Центральной Азии на долю Казахстана приходится более 70 % всех привлеченных прямых иностранных инвестиций (ПИИ) в этом регионе [3], таким образом, иностранное предпринимательство в Казахстане имеет большой потенциал для содействия экономическому росту и благосостоянию этой страны.

Цель исследования. Данное исследование направлено на то, чтобы предложить концептуальную концепцию предпринимательских намерений, которая утверждает, что между факторами (предпринимательское образование, личностные качества и признание возможностей) и предпринимательскими намерениями среди иностранцев в Казахстане существует положительная и значимая связь, и подчеркивает сдерживающую роль государственной поддержки. С учетом ожидаемых результатов исследования будут рекомендованы последствия для политиков, ученых и потенциальных иностранных предпринимателей.

Методология исследования. Исследования основывались на применении количественного и качественного методов исследования, использовании структурированной анкеты для сбора данных от иностранцев, которые в настоящее время проживают в крупных городах Казахстана.

Ключевые слова: предпринимательство, предпринимательские намерения, конструкт, государственная поддержка, иностранцы, Казахстан.

INTRODUCTION

Entrepreneurship brings innovation, creates jobs and improves the country's economic development [4]. Neace [5] notices that «long-term success in economic development, particularly in developing economies, depends to a significant degree on a growing network of small entrepreneurial enterprises». Moreover, theoretical and empirical research has revealed that entrepreneurship is an essential booster to innovation and technological advancement, and a driving force of high productivity and ultimately of economic growth [6].

In this study, entrepreneurship is examined as it takes place in small and medium size enterprises (SMEs). Previous research has indicated that the two concepts- SMEs and entrepreneurship, are found to be closely interchangeable. As Wennekers and Thurik [7] note: «Small firms are the vehicle in which entrepreneurship thrives». SMEs and entrepreneurship are considered to be the forces of innovation and development.

It is a common sense that where there is a high birth of new businesses, such a region, or country stands to gain more. They would have employment generation foundation, expand productivity, explore local natural and human resources, and stimulate and transform indigenous technology. They would also diversify economic activities, create and distribute values, reduce poverty, and contribute to government revenues. Also, they would create capital, mobilize savings, and provide a platform for backward, forward, and inter-industry linkages [8]. Thus, the levels of entrepreneurial activities among different societies and nations might not always be the same considering the differences in their politico-economic contexts.

Entrepreneurship in the context of Kazakhstan

State of Entrepreneurship Development. Kazakhstan is one of successfully developing countries since independence in the post-Soviet era. The country has made great steps forward in the transformation from a Soviet-command economy into a market-based economy [9]. The development of SMEs and entrepreneurship has been a vigorous contributor to this progress [9, 10]. As it was stated by the first President of Kazakhstan- N. A. Nazarbayev, in order to increase the competitiveness of the national economy, the country has to increase competitiveness of Kazakhstani enterprises. Highly competitive Kazakhstani enterprises are significant to the success of Kazakhstan [11].

Worldwide statistics show that the contribution of SMEs to gross domestic product (GDP) in high-income countries accounts for more than 50 %, in middle-income economies the share of SMEs' output in GDP is 40%, and in low-income countries – more than 15 % [9]. According to the World Bank [12] ranking in 2012, Kazakhstan is classified as an upper middle-income economy with gross national income (GNI) per capita equal to USD 7,440.00. However, the share of SMEs in GDP of Kazakhstan is 20.2 % which is similar to the level of low-income countries. This indicates that there are some loopholes in the entrepreneurial ecosystem in Kazakhstan. Kazakhstan is still to a large extent dependent on the extraction and sale of natural resources. Nowadays, the Kazakhstani economy is mostly represented by oil and gas, telecommunication and energy power sectors [13].

Role of Government Support. During the process of entrepreneurship, the role of government is really significant with the implementation of such strategies that can foster entrepreneurship capacity and intelligence among people in the society to lead the economic growth. Governments, irrespective of countries, are devoted to identify regional and local factors which affect entrepreneurship. This is because, in the current knowledge-based and information-based economy, entrepreneurship has become one of the most important drivers of sustainable economic development [14]. In recent years, governments have become increasingly active in designing policies to promote and support entrepreneurial efforts, because entrepreneurship is widely recognized as a crucial source of employment generation and economic growth [6].

The government of Kazakhstan has executed numerous supporting programs such as «Innovative Industrial Development Strategy for 2003-2015», long-term «Kazakhstan Strategy 2030» which was later expanded to «Kazakhstan Strategy 2050», the program «30 corporate leaders of Kazakhstan» and others, where the perspectives of non-oil and gas sector development, modernization of economy, government and business sector cooperation and many other important issues are being considered. One of the aims of the government strategy and solutions in connection with entrepreneurship and SMEs in Kazakhstan is the shaping of a middle class by establishing of the entrepreneurship toward high-quality and high-technological manufactures in the industrialization era [15].

Economic Prospects. In the World Bank's Doing Business rankings, Kazakhstan's successful economic reforms allowed it to stay at 36th place in 2017 and up to 28th place in 2018 [12, 16]. In the global ranking of entrepreneurial conditions, Kazakhstan took the position of 64 out of 137 countries [17]. Kazakhstan occupied the 74th place in 2018 with regard to the global innovation index (GIE) ranking [18].

Foreign Entrepreneurship. Kazakhstan holds tremendous prospects in its ability to contribute to the world economy and to eventually benefit its population through financial prosperity and economic stability.

Kazakhstan with its endowment of advantageous geopolitical location, its vast territory and rich natural resources, an educated workforce, political and economic stability [19], and strong government support, is surely drawing increasing attention on foreign investment and multinational entrepreneurs to start up businesses in Kazakhstan. As Kazakhstan Today [19] stated: «Today, investors are attracted by the country's investment potential, low investment risks, stable legal framework, key macroeconomic characteristics (rich natural resources, workforce, fixed assets, infrastructure, etc.), consumer demand, and other factors. Kazakhstan has the majority of the above features, which is why investment is growing at a significant pace».

Kazakhstan tops Central Asian countries in terms of attracted investments, accounting for more than 70 % of all foreign direct investments (FDIs) into the region. The volume of FDIs injected in the Kazakh economy rose by 15.4 % in six months, Minister for investments and development, Mr. Zhenis Kassymbek reported on October 23, 2018. The figure is estimated at USD12.3 billion compared to USD10.5 billion during the same period in 2017 [20].

Thus, this study focuses on potential «foreign entrepreneurs», which are defined by U.S. Department of Commerce as “minority entrepreneurs” who are not of the majority population.

Problem statement. Based on the above-mentioned background, it is undoubtful that fostering foreign investment and multinational entrepreneurs is of great importance for economic growth in the socio-political context of Kazakhstan. Considering that: on the one hand, entrepreneurs create entrepreneurship based on novel ideas and the new combination of the resources. Intentions play an important role for any individual to exhibit the behavior of certain type. Similarly, the entrepreneurial actions and behaviors of an individual are to a large extent inspired by the intentions of the entrepreneur; on the other hand, however, there is little research on foreign entrepreneurship and affecting factors on entrepreneurial intentions among foreigners in Kazakhstan to date; the current study hence fills the research gap by investigating the foreign entrepreneurial intentions in the context of Kazakhstan.

There are numerous prior studies on factors (also termed as determinants, motivators, antecedents, precursors, and stimulators, etc.) affecting entrepreneurial intentions. This research focuses on three factors – entrepreneurial education, personality traits, and opportunity recognition, which influence foreign entrepreneurial intentions in Kazakhstan, and highlights the moderating effect of one more studied factor – government support, to enhance the rate of foreign entrepreneurship in this country. Research questions are herein raised based on the four factors:

- 1) Does the entrepreneurial education have a positive effect on the entrepreneurial intentions of foreigners in Kazakhstan?
- 2) Does the personality traits influence foreigners to startup a business in Kazakhstan?
- 3) Does the opportunity recognition attract foreigners to invest and own a business in Kazakhstan?
- 4) Does the government support of Kazakhstan moderate the relationship between the factors (entrepreneurial education, personality traits, and opportunity recognition) and entrepreneurial intentions?

Organization of the study. The paper is organized as follows: the next section will present the literature review of entrepreneurship, entrepreneurship intentions, and affecting factors. Then a proposed entrepreneurial intention construct and conceptual model among foreigners in Kazakhstan are designed. Subsequently, the methodology for further research is briefly introduced. Afterwards, the implications of this and further research are discussed, and finally the whole paper ends with the summary and conclusion.

THE MAIN PART OF THE STUDY

LITERATURE REVIEW

Entrepreneurship. Entrepreneurship is probably one of the most ambiguous terms which is being discussed not only by economists and sociologists but also by psychologists. Entrepreneurship is the process of transforming ideas into business opportunities and creating added value to a combination of resources [21]. It entails time, strong intention, involving both considerable planning and a high degree of cognitive processing [22]. Similarly, Madrigal et al. [23] state that entrepreneurship requires the discovery of opportunities, the search of information, the acquisition of resources and the implementation of business strategies. Shane [24]

proposes a general definition of entrepreneurship which is «an activity that involves the discovery, evaluation, and exploitation of opportunities to introduce new goods and services, ways of organizing, markets, processes, and raw materials through organizing efforts that previously had not existed». Though there is not any uniform definition, all modern entrepreneurship interpretations emphasize invention, innovation, and creativity in the process of creating something new or better to the society [25].

Entrepreneurs are those who directly conduct the entrepreneurship activities by seeking opportunities and driving new ventures by doing of new things or the doing of things that are already being done in a new way which, in turn, is an important development determinant of the economy. They are characterized by having initiative and the passion to create a venture, making an original use of available resources, and accepting risk and the possibility of failure [26].

In the era of globalization, entrepreneurship and entrepreneurs have been declared to be highly essential. No doubt, entrepreneurship is the main catalyst for economic growth and contributes significantly to economy, society as well as human kind. It is a potential incubator for technological advancement, promoting products, services, and financial market at large, thus the development and expansion of an economy are dependent on the prosperity of entrepreneurship and innovation [27].

Similarly, entrepreneurship and small business development are essential in the economic transformation of Central Asian countries including Kazakhstan, from centrally planned economy to the market-oriented economy.

Entrepreneurial intention. According to Ajzen [28], intention refers to «the indication of how hard people are willing to try, of how much an effort they are planning to exert, in order to perform the behavior». Generally, the stronger the intention, the more likely that a person will perform a behavior. One of the most cited definitions of intention is that «Intentionality is a state of mind directing a person's attention (and therefore experience and action) toward a specific object (goal) or a path in order to achieve something (means)» [29].

Intentions have been found to be the best and unbiased predictor of action, even where time lags exist, for example in career choices. Existent research shows that intention explains approximately 30 % of the variance in behavior [30]. Besides, it is practical to examine intention to apprehend the behavior instead of directly studying the behavior because actual behavior is uneasy to be observed and measured in a research. Similarly, entrepreneurial intention has been empirically proved to be the most effective and reliable predictor of entrepreneurial behavior [31].

The term «entrepreneurial intention» has similar meanings with other frequently used terms, such as entrepreneurial awareness, entrepreneurial potential, aspiring entrepreneurs, entrepreneurial proclivity, entrepreneurial propensity, and entrepreneurial orientation, etc. among others. For example, Bird and Jellinek [32] employ the term «cognitive awareness» to describe entrepreneurial intention, which direct to set up a new business. Krueger and Carsrud [33] defined entrepreneurial intention as «individual commitment to commence a new business». Thompson [22] interpreted it as «a self-acknowledged conviction by a person that intends to set up a new business venture and consciously plan to do so at some point in the future». Entrepreneurial intention is seen as the product of an individual's self-efficacy, attitude and the subjective norms toward entrepreneurial behavior [34].

Based on the above arguments, entrepreneurial intentions are a decisive factor predicting the subsequent entrepreneurial behavior. Therefore, knowledge of the determinants of entrepreneurial intention can be applied in heightening the likelihood of the consequent behavior: new venture creation.

Factors influencing entrepreneurial intentions. Recognized as the key force which motivates people in the long lasting and complex process to become entrepreneurs, entrepreneurial intention has drawn the researchers' particular attention [2]. Previous literature has been focused strongly on the factors predicting entrepreneurial intentions, which have been studied from diverse perspectives by different scholars, and this gave the construct the multiple facets it possesses. Some of the main antecedents are categorized as below:

Demographic factors. Demographic factors encompass age, gender, education level, ethnic background (religion), nationality, geography and so on. Demographic characteristics have been proven to affect self-employment choice indirectly, through the impacts of those characteristics on attitudes, norms, and self-efficacy [35].

Personality factors. It is now well acknowledged that personality is an important predictor of entrepreneurship and continues to be an interesting topic in the domain of entrepreneurial research [36]. However, David and Kerry [37] questioned the predictive power of personality traits in their study of entrepreneurial psychology. The significance and influence of personality factors on entrepreneurial behavior are bound to be an ongoing debate among researchers.

Another important existing body of research relates intention to personal characteristics such as disposition (motivation) to achievement/need for achievement, capacity to generate networks, leadership, auto-efficacy (self-efficacy), and risk-taking propensity [38, 39].

Some other prominent personality psychological characteristics/traits include innovativeness/creativity, competitiveness, intelligence/talents, lifestyle, optimism, autonomy/need for independence, stress tolerance, tolerance of ambiguity, and locus of internal control [38, 40, 41].

Furthermore, personal characteristics such as technical professional ability, management capability, business expertise or experience in leadership and entrepreneurship seem to have an effect on entrepreneurial intention as well [42].

Situational factors. Situational factors could induce individuals to start contemplating a career of self-employment. These factors, also known as triggering events, may be the change in the person's life path (e.g., moving to a different city or country, losing a job and inheritance, a midlife crisis), or the perceived pressure (e.g., time constraints, job dissatisfaction, low income, and task difficulty), or the inspiration of ideas and opportunities, or the influence of other people through social pressure, and the like. The above exogenous factors are usually divided into «pull factors» (e.g., business opportunity recognition) and «push factors» (e.g., unemployment). In combination with the other main determinants of entrepreneurial intention, situational motivators do show a certain predictive power towards choosing an entrepreneurial career [43].

Cognitive factors. The term «cognitive style» is referred to certain kinds of processing information related to entrepreneurial behavior. Two main streams of research within the cognitive literature are characterized by the study of cognitive structures and the study of cognitive processes [44]. The former studies have attempted to identify the knowledge structures for entrepreneurs to make assessments, judgments or decisions, in the process of opportunities evaluation, and during the creation and growth of ventures [45]. The latter studies are focused on the cognitive processes through which individuals acquire, use and process to influence what the individual thinks, says or does [46]. The cognitive perspective indicates that entrepreneurs think and deal with information differently from non-entrepreneurs, hence by virtue of such differences, people who create or aim to establish businesses (entrepreneurs) are distinguished from people who do not create or will not create firms (non-entrepreneurs).

The main cognitive factors reflected in the existing literature in the field of entrepreneurship research, are classified into scripts/knowledge structures, cognitive styles, and decision making/heuristics [46].

Social factors. As Liñán and Chen [47] suggested, social discrepancies may influence perceptions of the entrepreneurship motivational factors. The bulk of empirical studies on entrepreneurial intentions has shed light on social factors (e.g., prior experiences, role models, educational support, business incubators, and the like), seen as the main determinants of entrepreneurial intentions [36, 48].

Environmental factors Environmental factors that impact entrepreneurial intentions are generally composed of cultural and social norms, social relations/networks, economic and political infrastructure, physical and institutional infrastructure, commercial and legal infrastructure, the entrepreneurial finance/access to capital, the government policy/support, research and development transfer, internal market dynamics, the entry regulation, and availability of information [49, 50, 51], etc. Specht [52] also made a list of five key environmental factors affecting organizational creation in a country, which are: social, economic, political, infrastructure development, and market emergence factors.

Combined factors. Though many researchers focus on a single factor or sole group of common factors as stated above respectively, many authors have proposed the method of combined factors or combined groups of factors influencing entrepreneurial decisions, and designed intention-based models accordingly [2].

Thu and Hieu [2] listed some examples of factors combination extracted from previous studies. Here are just a few of them:

- Parental influence and work experience.
- Psychological traits, background experiences, and situations favorable to entrepreneurship.
- Personality traits (risk-taking propensity, tolerance for ambiguity, internal locus of control, innovativeness, and independence), motivational factors (love for money, desire for security, and desire for status), and contextual factors.
- Personal traits (risk, and need for independence) and income potential.
- Internal factors (motivation and self-confidence) and external factors (perceived level of education, opportunities and support).
- Moral support, financial support, network support, government support, technology support, market support, social support, and environmental support.
- External factors (an unfavorable economic environment and a lack of regular employment options).
- Attitude, subjective norms, perceived behavior control, perceived risks, demographic factors (age, gender, family location, parent occupation, labor experience, and prior exposure), and entrepreneurship education programs.

Some typical models are established through combined factors or groups of factors. For instance, Ajzen [28] who proposed the Theory of Planned Behavior (TPB) model, considered that entrepreneurial intentions can be predicted by the individual attitudes towards behavior, by the subjective norms, and by the perception of behavioral control, which are all influenced by the different combination of factors in accordance with any specific research background. Instead, the Shapero's [36] model of Entrepreneurial Event (SEE) was focused on the perception of desirability, the propensity to act, and the perception of feasibility, which are also based on the selective affecting factors. Bird's [29] implementing entrepreneurial ideas model argues that entrepreneurial intentions are explained by a combination of both personal and contextual factors. Further advancement of the Bird's model was conducted by Boyd and Vozikis [53] to employ the concept of self-efficacy derived from the Social Learning Theory (SLT). An economic-psychological model proposed by Davidsson [54] suggested that entrepreneurial intentions can be affected by conviction, defined as general attitudes (change, compete, money, achievement, and autonomy), and domain attitudes (payoff, societal contribution, and know-how).

All above literature indicates that there are various approaches to studying determinants of entrepreneurial intentions but as many researchers suggest, given a specific context, different factors to build the corresponding models shall be selectively applied [55]. In the following part, we will propose a tailored entrepreneurial intention construct among foreigners in the specific researched context of Kazakhstan.

PROPOSED ENTREPRENEURIAL INTENTION CONSTRUCT AMONG FOREIGNERS IN KAZAKHSTAN

It is proven that the findings on determinants that predict entrepreneurial behavior vary across countries and cultures [2]. Thus, studies are indeed needed to consider the local setting in order to increase the relevancy and accuracy of the results. Hence, the current research also builds up a specific entrepreneurial intention construct among foreigners in the setting of Kazakhstan.

Besides, as demonstrated by the previous part and hinted by the current theory that research should focus more on various groups of affecting factors when considering the scale of entrepreneurial intentions, which will bring a multiple and comprehensive look for the research measuring mechanism [56], this paper therefore also aims for a combined-factors model. Drawing on the above-reviewed models, we attempt to integrate the relevant factors that we think of possessing high probability to affect entrepreneurial intentions of foreigners in Kazakhstan.

In line with these considerations, we extract each determinant from social factors, personality factors, situational factors, and environmental factors respectively, to form the construct model, namely (1) entrepreneurial education, (2) personality traits, (3) opportunity recognition, and (4) government support.

H1: Entrepreneurial education has a positive impact on entrepreneurial intentions among foreigners in Kazakhstan.

Personality traits and entrepreneurial intentions. Personality traits are constructs to explain regularities in human behavior and contribute to explain why different people act differently in the same situation. In this study we focus on four variables related to personality as the predictors of entrepreneurial intention: need for achievement [39], risk-taking propensity [38], locus of control [40], and innovativeness [41].

Need for Achievement. McClelland [39] introduced the concept of need for achievement (N-Ach) as one of psychological motivational variables. N-Ach was reckoned as an individual's desire for significant accomplishment, mastering of skills, control, or high standards. McClelland stated that the individuals with high achievement need to be called as «gamblers», who set challenging goals for themselves and took the risk to achieve those set goals. Such individuals looked for creative ways of performing work. They considered achievement of targets as a reward, and valued them more than a financial reward. The criteria listed in McClelland conform very well with the characteristics of entrepreneurs.

Risk-taking Propensity. Risk taking propensity has been defined by Sitkin and Pablo [59] as «the tendency of a decision maker either to take or to avoid risks». This is significant personality trait which encourages the individual while making any kind of decision. Cooper [60] found that an individual in different situations displays different risk propensities even if the individual's risk preferences do not change a great deal. Similarly, different individuals if put in the same situation can have different risk preferences.

Risk-taking propensity has been theoretically and empirically established through many previous studies like of McClelland [38], and others that these variables are positively correlated with entrepreneurship. Research findings also provide evidence that individuals with a higher level of risk acceptance have stronger entrepreneurial intentions. In other words, individuals with high inclination to take risk usually have high self-efficacy, which ultimately results in strong entrepreneurial intentions [61].

Locus of Control. The locus of control concept was first introduced by Rotter and Mulry [40], and arose in the theory of social learning, which admits that people's behavior begins with observation and imitation of other people's actions, and then can be adjusted in one direction or another depending on whether they are rewarded or punished for their actions.

It is believed that entrepreneurs, unlike other people, can have a stronger control over the results of their behavior. Entrepreneurs have been found to be people with an internal locus of control as they are initiators, they depend more on their skills and not on others and they take responsibility for their actions [26]. However, some other studies state that the relationship between the internal locus of control and entrepreneurial intentions is not so obvious [62].

Innovativeness. Innovativeness is the process of turning ideas and knowledge into new value through creative thinking. It is the ability and tendency of entrepreneurs to think innovatively and recognize opportunities to come up with novel and practical ideas, create new markets, introduce original products and services. Research findings have provided evidence that innovation is a primary motivator in starting a new venture and also has a significant effect on firm performance. Many authors argue that entrepreneurs have significantly higher levels of innovative characteristics than non-entrepreneurs [63].

Based on the above referred literature, we set forth the following hypotheses:

H2: Personality traits, such as need for achievement, risk-taking propensity, locus of control, and innovativeness have a positive impact on entrepreneurial intentions among foreigners in Kazakhstan.

H3: High score on “need for achievement” has a positive impact on entrepreneurial intentions among foreigners in Kazakhstan.

H4: High score on “risk-taking propensity” has a positive impact on entrepreneurial intentions among foreigners in Kazakhstan.

H5: High score on “locus of control” has a positive impact on entrepreneurial intentions among foreigners in Kazakhstan.

H6: High score on “innovativeness” has a positive impact on entrepreneurial intentions among foreigners in Kazakhstan.

Opportunity recognition and entrepreneurial intentions. Entrepreneurship is about seeing a crack or a flaw in the prevailing social reality and taking it as an opportunity to generate new ideas of what the world could and should look like. The idea and opportunity are important to actualize entrepreneurship. Evidence show that

the degree of individual's involvement in the opportunity and idea, the characteristics of the opportunity and the general business idea, cannot be overlooked as important elements for entrepreneurship [64].

According to Hunter [65], opportunity relies on an individual's recognition, discovery or constructing patterns, and concepts that can be turned into ideas. He further asserted that the resulting intuition, vision, insight, discovery, or creation is an idea which may upon assessment become an opportunity. According to Baron [66], there are three factors that play a decisive role in opportunity recognition: engaging in an active search for opportunities; alertness to opportunities (the capacity to recognize them when they emerge); and prior knowledge of a market, an industry, or customers as a basis for recognizing new opportunities in these areas.

Based on these arguments, the proposed hypothesis is made as follows:

H7: Opportunity recognition has a positive impact on entrepreneurial intentions among foreigners in Kazakhstan.

Government support and entrepreneurial intentions. It is undoubtful that fostering entrepreneurship is an absolutely significant role of any government concerned with the future economic development of its country. Audretsch et al. [51] state that policy-makers, to a large extent, lead the process of entrepreneurship, and that they undertake to design and implement proper rules and regulations to create a responsive environment which is favorable to induce the entrepreneurs to perform business.

Supports from the government can be in the forms of financial aid (credit, loan), tax reduction, educational programs (training), information provision, and other services. To fulfill the support, Kazakhstan government has joined with the U.S. Agency for International Development (USAID) to finance the project of Global Entrepreneurship Monitor (GEM) Kazakhstan to generate adequate and reliable information about business, conduct marketing analysis, assess findings with comparison to other countries, and provide suggestions to entrepreneurs to enhance their business activities [67].

Besides, government support may help entrepreneurs to acquire scarce resources, facilitate entrepreneurial startup and further growth, and create a sustainable position of entrepreneurship in a turbulent market. Although government support does not necessarily contribute to a firm's profitability, it is a significant driver for firm survival and success indeed [68].

In general, governments that are more supportive with favorable policies, are due to have more favorable rates in entrepreneurship. Then the current study formulates the following hypothesis:

H8: A favorable government policy will positively moderate the relationship between the factors (entrepreneurial education, personality traits, and opportunity recognition) and entrepreneurial intentions among foreigners in Kazakhstan.

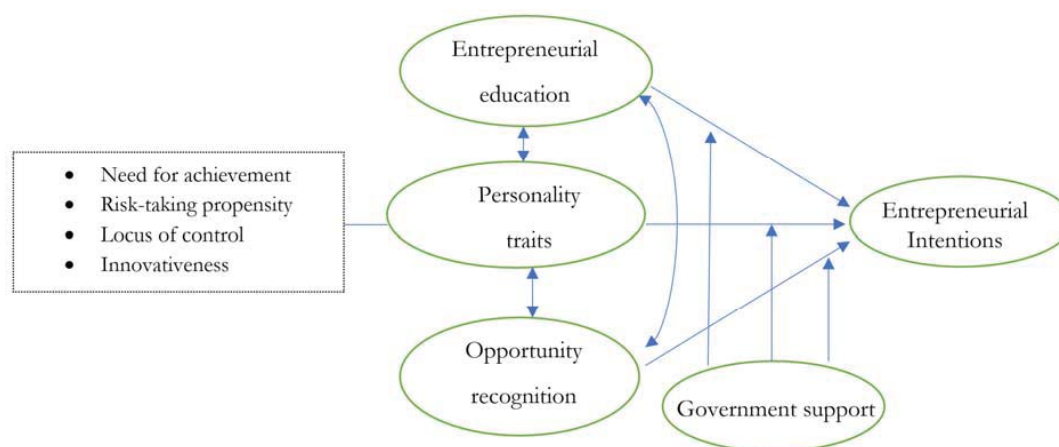


Figure 1 – Research Framework

Note – Created by the authors based on the proposed model

Research framework. Adopting four determinants of entrepreneurial intentions, our proposed entrepreneurial intention-based model (Figure 1) is depicted accordingly as below. In this model, the dependent variable of entrepreneurial intentions is hypothesized to be affected by three independent variables (entrepreneurial education, personality traits, and opportunity recognition), and moderated by the independent variable of government support.

Research methodology. In the future research, we will design the measuring item scales for each variable of the framework and get the data with structured questionnaires based on research sample of foreigners in Kazakhstan. Using different tools of data collection such as email, online SurveyMonkey, etc., the questionnaires will be distributed to the foreigners in major cities including Almaty, Nur-Sultan, Aktobe, Aktau, Atyrau, and Kyzylorda, etc. All efforts will be taken to achieve an acceptable number of responses. We plan to employ structural equation modeling (SEM) as the main method for data analysis.

The tests aim to measure entrepreneurial intention level of foreigners in Kazakhstan and affecting level of each determinant on the intentions.

Implications. The findings of this and further research could help policy makers and regulators know well what are the main factors influencing the intentions of self-employment among foreigners in Kazakhstan, which is conducive to design favorable policies for encouragement of entrepreneurship and SMEs in this country. This study is also beneficial for potential entrepreneurs to better understand the determinants of entrepreneurial intentions in Kazakhstan, to be more prepared by self-evaluation before going further to become a nascent entrepreneur. Foreigners who would like to start up a business in Kazakhstan may find this paper suggestive to make the final decision. Academics and researchers can further the study on entrepreneurial intentions among foreigners in Kazakhstan so as to offer a guideline for government bodies to improve the business conditions, and address the loopholes in the system of entrepreneurship in Kazakhstan.

CONCLUSION

Entrepreneurship is a dynamic process, which requires plenty of efforts and passion towards the transformation of original ideas and implementation of innovative solutions [69]. Behind entrepreneurial action are entrepreneurial intentions in the first place. The intentionality of potential entrepreneurs has therefore long been emphasized as a significant component in comprehending the formation of new business ventures. Therefore, the study of entrepreneurial intentions is indispensable as it offers a means to better explain as well as predict entrepreneurship.

In this paper, an exhaustive list of literature for a systematic analysis of miscellaneous factors affecting entrepreneurial intentions is reviewed by category. Based on the specific business dynamics, this paper has built up an entrepreneurial intention framework which will be applied to measure entrepreneurial intentions and its affecting factors in the specific context of Kazakhstan. Foreigners in Kazakhstan are the focus of research population as foreign entrepreneurship has tremendous prospects according to this country's foreign policy and development strategy.

This study posits that in the context of Kazakhstan, entrepreneurial education, personality traits (need for achievement, risk-taking propensity, locus of control, and innovativeness), and opportunity recognition influence positively foreigners to start a venture; and government support moderates the relationship between the above three factors and foreign entrepreneurial intentions.

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SUMMARY

This study identifies the factors influencing foreign entrepreneurial intentions in the context of Kazakhstan, and focuses on four determinants, i.e., entrepreneurial education, personality traits (need for achievement, risk-taking propensity, locus of control, and innovativeness), opportunity recognition, and government support. Government support is highlighted as the moderator between the above other three factors and foreign entrepreneurial intentions in the research context of Kazakhstan. A construct framework is designed based on the above variables.

ТҮЙІНДЕМЕ

Бұл зерттеу шетелдік кәсіпкерлердің Қазақстанға қатысты ниеттеріне әсер ететін факторларды анықтайды және кәсіпкерлік білім, жеке қасиеттер (жетістікке деген қажеттілік, тәуекелге тәбеті, бақылау және жаңашылдық локомотиві), мүмкіндіктерді тану және мемлекеттік қолдау сияқты

төрт факторға назар аударады. Мемлекеттік қолдау жоғарыда көрсетілген үш басқа факторлар мен Қазақстанның зерттеулері контекстінде шетелдік кәсіпкерлік ниеттер арасында модератор ретінде бөлінген. Құрылым дизайны жоғарыда көрсетілген айнымалыларға негізделген.

РЕЗЮМЕ

Это исследование определяет факторы, которые влияют на иностранные предпринимательские намерения в отношении Казахстана и фокусируется на четырех определяющих факторах, таких как предпринимательское образование, черты характера (потребность в достижениях, склонность к риску, locus контроля и новаторство), признание возможностей и государственная поддержка. Государственная поддержка выделяется в качестве модератора между тремя другими вышеуказанными факторами а также намерения иностранных предпринимателей в исследовательском контексте Казахстана. Конструкция структуры разработана на основе вышеуказанных переменных.

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