



## THE INFLUENCE OF CONTEXT SPECIFICITY ON ENTREPRENEURIAL BEHAVIOR MODALITIES

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### ABSTRACT

The pronounced multidimensionality and diversity of entrepreneurial behavior make it impossible to explain it on basis of a single, universally applicable model. Understanding the characteristics, dynamics, uniqueness, and limitations of different manifestations of entrepreneurial activity requires consideration of the specifics of the context in which it manifests itself. Based on a systematic review of the relevant literature, the paper defines and analyzes the role of context in researching the phenomenon of entrepreneurship, and then proposes a nomenclature of context dimensions in order to indicate the need to apply different perspectives. This is extremely important when defining problems, subjects and choosing the approach to research, as well as for generating alternative explanations and identifying unnoticed manifestations of entrepreneurship. After presenting the theoretical and pragmatic implications of the interdependence of entrepreneurial activities and different dimensions of the context, recommendations for future research are given.

### Introduction

The pragmatic manifestation of entrepreneurship is reflected in the different effects of entrepreneurial activities that form the essence of the entrepreneurial process visible in the form of entrepreneurial behavior. The research of entrepreneurship as a social (economic) phenomenon is focused on the empirical identification and analysis of various manifestations of entrepreneurial activities in their "natural" environment. Given that the conceptualization of the research domain of entrepreneurship is characterized by a high degree of generalization, research into the phenomenon of entrepreneurship enables the verification of research paradigms, as well as the improvement of existing and the development of new theoretical paradigms. This is important because practice often progresses faster than theory development, so it can have an advisory function in terms of pointing out not only "standardized, theoretically recognized" entrepreneurial behavior, but also the potential to introduce new entrepreneurial situations through experimentation. When new forms of entrepreneurial behavior are identified in real time and the environment, it is necessary that theoretical conceptions of the scientific domain of entrepreneurship have an open attitude towards different types of outcomes at different levels of analysis. In that way, the research of entrepreneurship as an economic phenomenon reduces the danger of tendentious selections and prejudices.

Research on entrepreneurial activity is characterized by a high degree of complexity due to its diversification and multidimensionality as a result of interaction with the heterogeneous context in which it manifests itself. Context refers to limiting or mitigating circumstances, conditions, situations, or environments that are associated with a specific phenomenon and exert a direct or indirect influence on it by encouraging certain behaviors (Welter, 2011, p. 167). On the other hand, entrepreneurial activities can

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also have implications for the context in which they occur, which is especially evident in e.g. radical entrepreneurial innovation. According to an approach that treats entrepreneurial opportunities as an integral part of objective reality, context is an *ex-ante* source of entrepreneurial opportunities, while according to the theory of social constructionism, context is a *post hoc* arbiter in the process of creating entrepreneurial opportunities (Carlsson et al., 2013). Despite this distinction, the goal of research into entrepreneurship as an economic phenomenon is to determine the interaction between context, on the one hand, and entrepreneurial behavior, choice, and performance, on the other.

Previous research on the phenomenon of entrepreneurship has largely neglected the importance of the context because it was assumed that entrepreneurial behavior is mainly characteristic of developed Western economies (the USA and Western Europe) and that its effects are manifested in the emergence of new business ventures characterized by rapid growth, high technologies, profit orientation and dominant representation of the male population in the ownership and management structure (Welter et al., 2018). Subsequent research has proven that this type of generalization is unacceptable, indicating e.g. that entrepreneurial behavior varies between individual countries and regions and between individual industries, that there are many more organizational forms (in addition to independent new ventures) and motives (in addition to profits) that drive the exploitation of entrepreneurial opportunities, as well as gender, age, education and the ethnic structure of the entrepreneurial population is very diverse (Donaldson et al., 2021). For this reason, there is a need to develop a systematized framework of contextual dimensions relevant to the study of entrepreneurship as an economic phenomenon. The most common framework of contextual dimensions that influence entrepreneurial behavior in the entrepreneurial literature includes: (1) temporal dimension of the context, (2) industrial dimension of the context, (3) the spatial and social dimension of the context, and (4) organizational, ownership and management dimension of the context (adapted according to Zahra et al., 2014).

The focus of research on the specific phenomenon of entrepreneurship is at the intersection of the selected level of analysis and attributes of one or more dimensions of the context. As each dimension of the context will be explained below, it should be noted that they are often combined in the research in order to achieve the most comprehensive insight.

### 1. Temporal dimension of the context

Consideration of the temporal dimension of the context is necessary for the sake of a pronounced dynamic nature of both the entrepreneurial process itself and the attributes of other contextual dimensions as a function of time. The temporal dimension implies a certain historical aspect (understanding what happened), the current situation (coordination of what is happening), and the potential emergence of uncertain and risky trends (predicting what could happen). Given that the exploitation of future entrepreneurial opportunities depends considerably on previous historical assumptions, choices, and outcomes, research should identify the starting point and logical order in the evolution or discontinuities of entrepreneurial behavior, ways to manage time, and different approaches to the temporal context (Lippmann & Aldrich, 2016).

*The linear approach to time* refers to the understanding of time as a chronological concept, which implies that one moment of time follows another creating continuity. This indicates the sequence of events that have happened, are happening, and are projected. A representative example of this approach is the life cycle theory which defines different modalities of entrepreneurial behavior depending on the stage of development of the observed phenomenon of entrepreneurship (Ucbasaran et al., 2001). Thus e.g. special research topics from the aspect of the individual - entrepreneur include:

1. potential entrepreneurs (individuals in the pre-initial phase of the development of an entrepreneurial venture who are considering whether to exploit a certain entrepreneurial opportunity),
2. new entrepreneurs (individuals without experience in the initial phase of entrepreneurial venture development who formally start exploiting entrepreneurial opportunities even though they have never established their own business venture before, nor have they acquired it through purchase, inheritance, etc.),
3. experienced entrepreneurs (individuals in the growth and maturity phase who own or have a share in the ownership of one or more business ventures, whether they are serial or portfolio entrepreneurs), and

4. entrepreneurs in the phase of exit or reorientation (individuals who leave the exploitation of entrepreneurial opportunities for various reasons - disinvestment, or seek to carry out reconstruction - redirection of activities) (adapted according to Ucbasaran et al., 2001).

These categories take into account the ownership of the venture as a manifestation of entrepreneurial behavior and differ significantly from each other in terms of entrepreneurial process and strategies. Each reflects the different challenges, limitations, and likelihood of achieving success and allows for the identification of the transformations the entrepreneur is going through. Also, they are closely related to the categories of stages of development of entrepreneurial endeavor (from generating entrepreneurial idea, through resource mobilization to the formal establishment of business), industry (emergence, growth, maturity and decline), economy (underdeveloped, developing, and developed), etc.

However, there are a number of cognitive, internal, and external influences that disrupt the linear evolution of the entrepreneurship phenomenon (which is the focus) making the temporal context of entrepreneurship much more complex. For this reason, various alternative approaches to the temporal dimension are proposed, such as: the nonlinear concept of time, the concept of denying universality, and the concept of uncertainty (Lippmann & Aldrich, 2016).

*The nonlinear concept of time* implies that, although in reality time takes place in a linear path, the time focus of entrepreneurs or members of the entrepreneurial team can be focused on different time moments in the past, present, or future, which is reflected in their current choices (Groves et al. 2011). Entrepreneurial cognitive attention related to the temporal context can be predominantly focused on the past so that decisions are made based on experience according to an established pattern regardless of actual or potential changes in internal and external circumstances. The consequences of this are reflected in the slowdown of the entrepreneurial process and the tendency towards less risky activities. The second modality is entrepreneurs "trapped in the present", which is characterized by a neglect of the importance of learning from experience, difficulty in setting goals or predicting the long-term effects of their own decisions, as well as reduced ability to project future events (De Vaujany & Aroles, 2019). In addition, entrepreneurs can "live in the future" which is a common characteristic of beginners whose attention is focused on the distant, optimistically projected future and may result in a greater propensity for risky behavior. If such entrepreneurs fail to establish a balance between current activities and potential future trends and ignore the effects of past events, the likelihood of failure is high.

In a nonlinear concept of time, the way in which entrepreneurs can use time as a strategic resource is particularly important, whether they apply a time compression approach or a time shift (Wadhvani et al., 2020). By time compression, entrepreneurs try to establish the compatibility of different time focuses of individual members of their team by assigning them tasks whose time focuses complement each other. Also, they can, at a certain strategic moment, slow down or accelerate the pace of the entrepreneurial process, in order to adjust their practice and time rhythm to the time frames of other systems (industry, technology, etc.) whose practices encourage or limit the patterns and pace of entrepreneurial activities.

*The concept of denying universality* refers to the existence of different time orientations in terms of past, present, and future between the participants in the entrepreneurial process (Lippmann & Aldrich, 2016). The time orientation of individuals can vary according to the degree of importance of urgency, i.e. the approach to deadlines and speed of action. It can be characterized by a simultaneous focus on the past, present, and future, as well as the ability to perform multiple activities simultaneously or skip individual phases of the process for the purpose of time compression. The diversity of time orientation of the members of the entrepreneurial team is a source of effectiveness and enables the realization of more complex processes.

Given that the entrepreneurial process takes place in conditions of inability to accurately predict or determine the probability of future events, *the concept of uncertainty* occupies a significant place in considering the temporal context of entrepreneurship (Brännback & Carsrud, 2017). The main cause of uncertainty (as opposed to calculative risk) is the lack of relevant information on basis of which the success of an entrepreneurial venture could be predicted with a certain degree of probability. For this reason, the ability to cope in situations of uncertainty is a key characteristic of successful entrepreneurs. Also, in addition to the passive (reactive) role in conditions of uncertainty, entrepreneurs can act in the direction of creating or increasing uncertainty in order to initiate events that will jeopardize the stability of other actors. In general, stable business conditions are not favorable for entrepreneurs who want to achieve a high

return on investment and resources, because uncertainty, whether caused by exogenous or endogenous shocks, is a source of entrepreneurial opportunities.

## 2. Industrial dimension of context

Identifying the industrial context of the phenomenon of entrepreneurship is important due to the existence of pronounced variations in the characteristics, scope, and dynamics of entrepreneurial opportunities between individual industries, as a direct competitive environment of economic participants. An industry includes a group of companies that use specific technology in the production of similar or interconnected products or services that are sold in a particular market (Đuričin et al., 2012). It is an institutionalized technological and social system that is partially homogeneous, as it implies the existence of common norms and cognitive constructions, common (recognizable) technology as a result of specific knowledge and competencies, as well as a specific social system that defines interactions between participants (Child et al., 2017).

The industrial context is a very generous and intriguing source of research topics related to a particular phenomenon of entrepreneurship. Thus, in the relevant literature, research on the same phenomenon of entrepreneurship in different industries or sectors can be observed. For example, manufacturing industries include: entrepreneurship in wood processing or entrepreneurship in ore exploitation (as relatively homogeneous and traditional industries), entrepreneurship in biotechnology or entrepreneurship in information technology (as highly innovative and fast-growing industries), entrepreneurship in the automotive or entrepreneurship in the aviation industry (as a highly concentrated industry), etc. On the other hand, within the service sectors we can distinguish: entrepreneurship in transport, entrepreneurship in tourism, entrepreneurship in health, entrepreneurship in insurance, etc.

The various standard classifications of industries that are applied within national economies generally classify economic entities into certain branches in accordance with their area of economic activity, i.e. types of products and services. The distinction between the manufacturing and service sectors is relevant, but these categories are very broad, so there is a need to establish a more detailed classification given the heterogeneity of the economic sectors that constitute them. For this purpose, the systemic characteristics of individual industries are identified, determining their specific structure, among which are most often: (1) phase in the evolution of the industry, (2) level of industrial concentration, (3) intensity of knowledge in the industry, (4) degree of internationalization, (5) the degree of globalization of the industry and (6) the availability of venture capital (Fernhaber et al., 2007).

The classification of industries according to the *phases* in their evolution implies the distinction between emerging industries, growing industries, mature industries, and declining industries (Đuričin et al., 2012, p. 332). Emerging industries are usually the main concern in researching the phenomenon of entrepreneurship. Their appearance is a consequence of entrepreneurial behavior that initiates significant changes in existing or creation of new industries due to technological innovations, creation of new needs and markets, application of new technological processes, alternative ways of using resources, etc. After establishing the legitimacy of the industry in terms of market sustainability and industry standards, a growth phase follows, which leaves entrepreneurs significant room for maneuver to experiment, as they can use riskier strategies with fewer negative consequences. The dominant entrepreneurial business regime is based on innovative capabilities or differentiation strategies. Mature industries are characterized by declining profits, cash flow, and stock value, unrealistic goals in terms of profitability growth and market share, standardization of cost-based competition, loss of managers with the greatest expertise, etc. This requires significant transformations so that the negative trend of declining business activities does not continue. If this negative trend continues, there will be a phase of decline in which due to the chronic decline in profits, investments, production programs, and the number of business partners with which the company cooperates are reduced. The main goal of the company at this stage is to achieve maximum cash flow until the final abandonment of the industry. The exit of the company from the industry can be difficult if the exit barriers are high, so it is necessary to prepare an adequate exit strategy (Ibidem, 2012, p. 332).

*The level of industrial concentration* is determined by the number of companies and the distribution of companies by size in a particular industry and is determined on basis of various measures - concentration ratios. Industries can be classified as highly concentrated (firmly consolidated), medium-concentrated, and low-concentrated industries (fragmented or atomistic industries) (Fernhaber et al., 2007). The level of industrial concentration requires different approaches to the phenomenon of entrepreneurship that is in

focus. Although business conditions in fragmented industries seem the most favorable, they correspond to less ambitious entrepreneurial ventures. Entry into such industries is not demanding because barriers to entry either do not exist or are very low. At the same time, the space for entrepreneurial activity, growth, and development is quite limited as low economies of scale allow only progress in smaller markets, while expanding the domicile market, and especially access to foreign markets is almost impossible. On the other hand, moderately concentrated industries offer a wider range of entrepreneurial opportunities and provide significant room for maneuver for entrepreneurial action. Also, consolidated industries should not be neglected, within which entrepreneurial behavior can be identified both among large companies with significant market share and in new entrepreneurial ventures that use alternative strategies (differentiation, local monopoly, market niches, etc.) due to the impossibility of applying on basis of low costs.

*Knowledge intensity* refers to the degree to which entrepreneurial ventures depend on the specificity of knowledge necessary for the implementation of business activities in a particular industry, and is reflected in the achievement of results and competitive advantage (De Meulenaere et al., 2021). The industry is characterized by unique technology (which incorporates specific knowledge and competencies). Depending on the level of technology development (as the most commonly used measures of knowledge intensity), low-tech and high-tech industries differ. The business of companies within low-tech industries (labor-intensive and capital-intensive industries) is based on the acquisition of others or low investments in the development of their own technology (Đuričin et al., 2012, p. 219). On the other hand, high intensity of knowledge is a feature of high-tech industries. Within these industries, the business of the company is predominantly based on the creation, application, and commercialization of new technologies and knowledge, and very often the very survival depends on the ability to mobilize and generate knowledge. Because of its uniqueness, transferability, and ability to combine with other, less mobile resources, the knowledge resource is ideal for entrepreneurial ventures. For this reason, high-tech business ventures are often used as a unit of analysis when researching the phenomenon of entrepreneurship. However, this does not mean that within industries with a low degree of knowledge intensity, there are no companies that use knowledge significantly, but that such an industrial context offers different preconditions for entrepreneurial activity.

*The internationalization* of the industrial sector is a determinant of the industrial structure that indicates the quantity and quality of international operations of a particular industry, as well as the modalities of internationalization of business activities of its actors. Although in a globalized world, internationalization is considered an inevitable industry, industries differ from each other in terms of the degree of internationalization. Industries that have developed international relations and whose export/import operations are related to the industrial supply and distribution chain are industries with a high degree of internationalization. The most common examples of these industries are the service and high-tech sectors. Explicitly, service industries tend to be more advanced than manufacturing industries in terms of international expansion because they are more willing to establish international relations due to more intensive contractual relations. In most cases, the provision and consumption of services are not separate processes, so in the case of internationalization, a direct presence in a foreign market is necessary. Also, it is considered that high-tech sectors have a high degree of internationalization precisely because they are based on the knowledge that has pronounced mobility and applicability in different foreign markets. The distinction between industries according to the degree of internationalization is important when researching a certain phenomenon of entrepreneurship due to the variation of the nature and scope of international entrepreneurial opportunities. Accelerated and intensive internationalization of business is a significant entrepreneurial opportunity that can be exploited in different ways depending on the degree of internationalization of a particular industry.

The degree to which industrial conditions require companies to integrate their business globally determines the industry level and the industry's propensity to globalize. Industries are rarely identical in terms of globalization-related characteristics, so the nature and *degree of globalization* vary significantly from industry to industry. Unlike the globalization of individual companies, the globalization of industry is a complex process. It does not refer only to the activities of one or more dominant companies, but also includes the globalization of the activities of all participants in the industrial value chain, such as, for instance, suppliers and distributors (Fernhaber et al., 2007). Taking into account the degree of globalization, industries can be classified in a spectrum from low-globalized industries to highly globalized industries,

where two forces are relevant: the forces of global integration (FGI) and the forces of local responsiveness (FLR) (Ghoshal & Nohria, 1993). The forces of global integration are putting downward pressure on prices, while the forces of local responsiveness are focused on differentiation. The results of the action of these forces in a particular industry are manifested in the form of the existence of strong or weak forces for global integration, with the simultaneous existence of strong or weak forces for local responsiveness. Depending on the strength and combination of these forces, there are four basic types of industrial environment: (1) international industry (where FGI and FLR are low), (2) global industry (where FGI is high and FLR is low), (3) multinational industry (where FGI are low and FLR are high) and (4) transnational industries (where FGI and FLR are high) (Ibidem, 1993). Research of a certain entrepreneurial phenomenon, and especially the phenomenon of international entrepreneurial ventures, requires determining the specificity of the industrial context from the aspect of the degree of globalization of a certain industry. Each of the mentioned industrial structures has unique entrepreneurial opportunities that are easier to identify and exploit if its characteristics are known. Thus e.g. in global industries, the source of entrepreneurial opportunities may be a lack of local adaptation to specific national markets, or it may be meeting the need for greater integration in multi-domestic industries.

Access to capital is one of the main obstacles to the emergence, growth, and intensity of entrepreneurial activities. Because pioneering entrepreneurial ventures do not have developed credibility with common external sources of funding (such as banks) or a market-verified business model, their ability to raise capital is very limited. On the other hand, proven entrepreneurial ventures are characterized by a high degree of ambition and aggression that is beyond the limits of their production and financial resources. In both cases, there is a strong need to find alternative sources of financing, such as *venture capital*. Industries differ significantly in terms of the availability of venture capital, as they are not all equally attractive to investors. The availability of venture capital in the industry refers to the potential and actual willingness of venture capital investors to make their financial resources available to entrepreneurs within a particular industry, with two characteristics being particularly important: (1) the development of knowledge and innovation protection systems and (2) the phase in the evolution of industry (Fernhaber et al., 2007). The development of knowledge and innovation protection systems represents the degree to which the intellectual property of a company within a certain industry can be protected from imitation or copying by competitors. It can be potential, which refers to the existence or absence of a relevant legal framework, or actual, which is related to the readiness and competencies of companies within the industry to take advantage of these legal opportunities. Industries can have a high level of development of knowledge protection and innovation systems, such as e.g. biotechnology, software industry, telecommunications industry, media, and advertising industry, etc., or poorly developed (e.g. consulting services) in which knowledge and innovation are almost impossible to protect (Djellal & Gallouj, 2001). Venture capital investors usually prefer investments in industries with a stricter system of knowledge and innovation protection, i.e. investments in technologies that are patented and have exclusivity, thus gaining confidence that all profits from innovation will be realized by the entrepreneurial venture in which they invest. The phase in the evolution of the industry is also important because venture capital owners believe that industries in the high growth phase offer more investment opportunities and less risk than industries in other phases (Fernhaber et al., 2007). The degree of availability of venture capital within a certain industry represents a significant entrepreneurial opportunity that needs to be considered when researching a certain phenomenon of entrepreneurship. Depending on the potential and actual availability of venture capital within a certain industry, entrepreneurial opportunities vary, which are related to financing and thus to the exploitation of the basic entrepreneurial idea.

### 3. Spatial and social dimension of context

The spatial context of the phenomenon of entrepreneurship refers at the same time to the location of entrepreneurial activities but also to the mobility of resources (capital flows, labor, information, etc.) and interactions related to the entrepreneurial process. The source of entrepreneurial opportunities can be the specifics of a certain locality, which due to their unique and unrepeatable characteristics firmly connect the entrepreneurial venture with that location. The second aspect involves the search for sources of entrepreneurial opportunities based on the advantages offered by certain geographical areas (e.g. sources of raw materials), and these may change over time, so the connection with this area is weaker and there is a tendency for resource mobility (Korsgaard et al., 2015).

The heterogeneity of different categories of geographical and social context affects the existence of significant variations of the observed phenomenon of entrepreneurship. Entrepreneurial behavior was once considered to be mainly characteristic of developed Western economies (USA and Western European countries) due to the stimulating/non-constraining institutional environment, while modern research on the phenomenon of entrepreneurship distinguishes between entrepreneurship in developed countries and entrepreneurship in developing countries. It is considered that entrepreneurial activities can be successfully implemented in all institutional contexts regardless of the level of their development with the application of an adequate entrepreneurial approach. From the aspect of resource mobility, the entry of entrepreneurial ventures from developed countries to developing countries is investigated, but also the reverse process - from developing countries to developed countries (Yamakawa, et al., 2008, pp. 70-74). Also, in addition to considering the spatial and social aspect of the phenomenon of entrepreneurship according to the specifics of the national economy, other levels of analysis are used, so the approach can be related to:

1. supranational research, e.g. entrepreneurship research in the European Union or comparison between American, European, and Asian entrepreneurship,
2. international research, i.e. comparison of entrepreneurial behavior between individual countries,
3. national research, i.e. research on entrepreneurial behavior within a particular national economy,
4. regional research, which can refer to the comparison of entrepreneurial behavior between regions within a national economy, research of entrepreneurial behavior in a particular national region, comparison of sub-regions within a larger region, as well as research of entrepreneurial behavior in large cities - metropolises and
5. local research, whose focus may be on researching entrepreneurial behavior in urban areas of large cities, in small towns, or rural areas, as well as comparisons between these areas within a particular national economy (adapted according to Trettin & Welter, 2011).

Regardless of the level of analysis, each of these categories takes into account the impact of spatial and social context on the observed phenomenon of entrepreneurship, as well as the effects of a particular phenomenon of entrepreneurship on the development of spatial and social whole in which it manifests itself. Thus, for example, *rural entrepreneurship* differs from *urban entrepreneurship* in terms of limitations and advantages related to population density, level of training and education of the workforce (as a significant attribute of the social context), labor costs and labor loyalty, infrastructure development (especially transport and communication), specificity of biodiversity, etc. (Korsgaard et al., 2015). Also, certain forms of entrepreneurship are predominantly, although not exclusively, related to the urban spatial context. Thus, as a special form of entrepreneurship in urban areas, there is *international entrepreneurship* based on the unequal dispersion of entrepreneurial opportunities around the world and the dynamic engagement of resources in accordance with the advantages and limitations of different national economies. Also, we should not ignore the negative trends, such as the growing economic dispersion and marginalization of certain categories of populations based on cultural, ethnic, and other attributes, which are sources of entrepreneurial opportunities in urban areas. In order to encourage the general social and economic development of certain urban areas, there are special aspects of entrepreneurial behavior such as: *technological entrepreneurship* (e.g. technological innovations to solve infrastructure problems), *social entrepreneurship* (application of market methods to solve social problems - poverty, hunger, illiteracy, etc.), as well as *immigrant/ethnic entrepreneurship* (entrepreneurial activities of certain minority ethnic and/or immigrant groups in order to meet their specific needs) (Osorio & Özkazanç-Pan, 2014).

#### **4. Organizational, ownership and management dimension of the context**

In the entrepreneurial literature, the organizational context most often means the characteristics that determine the organizational status of an economic entity, such as the size of the company and the length of the business period (Audretsch, 2012). These criteria were once considered sufficient to distinguish what is considered entrepreneurial in relation to conservative behavior. For example, enterprises below a certain size threshold (defined on basis of the number of employees, turnover, and/or asset value), such as micro, small, and (sometimes) medium-sized enterprises, were synonymous with entrepreneurship. A similar logic was applied to the age criterion of companies, where new companies, i.e. companies in the early stages of creation or in the phase of the life cycle that follows immediately after the establishment (start-up), were considered entrepreneurial, unlike those that in more mature stages. Thanks to the rich empirical and

theoretical research, it has been established that the organizational context (determined on basis of size or age) does not represent an elimination criterion in terms of manifestation of entrepreneurial behavior, i.e. that entrepreneurial activities and processes can be realized in different organizational contexts (Gray & Wert-Gray, 2016). This does not imply the irrelevance of the organizational context in the research of the phenomenon of entrepreneurship, but, on the contrary, emphasizes the importance of identifying its heterogeneity. More specifically, business entities may have different organizational goals (for-profit, non-profit, hybrid), available resources and capabilities, modalities for identifying entrepreneurial opportunities and their exploitation, etc., which determine the nature of the entrepreneurship process. A typical example is the different organizational contexts in which it is realized *individually versus corporate* entrepreneurship.

In addition, the heterogeneity of the forms in which entrepreneurship manifests itself is further enhanced by the inclusion in the consideration of the ownership and management context. Ownership can be institutional, individual, and combined, i.e. the owners can be different institutions (companies, banks, pension funds, humanitarian organizations, universities, insurance companies, investment funds, etc.) or sole proprietors/entrepreneurial teams, where their origin can be domicile or foreign. The complexity of the ownership context is further influenced by the degree of ownership dispersion (e.g. large number of small shareholders vs. several large shareholders), the status of founders and/or managers in the ownership structure, type, and combination of funding sources (private capital, state capital, venture capital, business angels). etc.), as well as the existence of transitional forms of ownership (e.g. partial or complete privatization of public enterprises; generational change in family enterprises).

Various ownership contexts are reflected in the relationship of ownership and control, i.e. they determine the management context as a complex network of relations between investors, executive directors, members of management boards, actors of regulatory state institutions, etc. It can range from overlapping ownership and management, through a partial share of management in ownership, to complete ownership separation from management (Naldi et al., 2007).

This is just a simplified illustration of the different categories of organizational, ownership, and management contexts, which in practice can manifest themselves in significantly more complex forms. Thus, in the entrepreneurial literature, examples of specific contextual hybrids include, for example, family entrepreneurship, public entrepreneurship, and academic entrepreneurship.

In terms of organizational, ownership, and management characteristics, *family entrepreneurship* is unique due to the combination of two sets of rules, values, and expectations: family and business. For this reason, the organizational context is characterized, in addition to profit-oriented goals, by non-economic, i.e. socio-emotional goals of the family. Members of the same family are both owners and managers, so the management context is informal, or possibly dual in nature. This implies the parallel existence of a board of directors, as a formal management system usually limited to an advisory function, and an informal management mechanism based on trust and close interaction of family members. Owners and managers belonging to the same family share a common family identity, nurture a cult of family loyalty and perform roles consistent with those they have within their primary social group (Ibidem, 2007). Therefore, the challenges of entrepreneurship in the context of family businesses are significantly different than is the case with companies that have a dispersed ownership structure to a number of institutional and individual owners, from the public or private sector.

Unlike private-sector entrepreneurship, *public entrepreneurship* is manifested in linking publicly proclaimed values and entrepreneurial behavior. The organizational context of public enterprises and institutions, as well as state and local administration, is characterized by a high degree of hierarchical, functional, and institutional complexity, so the management context is complex (Cabral et al., 2019). The entrepreneurial process is primarily based on the use of public resources in identifying and satisfying public interests, i.e. creating social value. The process of obtaining and using public funds, as well as the valorization of results differs significantly from entrepreneurial practice in the private sector. Namely, public sector entities are primarily financed from state or local budget revenues whose allocation is carried out in a complex social and political process. For this reason, they are under greater public scrutiny that requires transparency in the spending of public resources. However, unlike private entrepreneurial ventures that are exposed to strong market competition, public sector organizations, and institutions, as a rule, do not compete with each other, as their areas of activity are precisely defined in advance. The results of entrepreneurial activities in the public sector are not valorized on basis of market signals (economic profit or loss), but by measuring the degree of satisfaction of service users who may belong to different and structurally diverse social groups. The pronounced heterogeneity and comprehensiveness of public service

users require different entrepreneurial activities that can be manifested at several levels, such as: (1) introduction of innovations in the institutional environment, (2) establishment of a new public company, institution, or agency, (3) creative management of public resources and (4) cooperation with the private and academic sectors in the provision of public services (adapted according to Klein et al., 2010, p. 5).

A particularly interesting example is *academic entrepreneurship*, which has certain differential characteristics in relation to conventional forms of entrepreneurship in terms of the specifics of the organizational and managerial context within which entrepreneurial activities are initiated and implemented. The organizational context of academic institutions is characterized by a historically non-commercial orientation, so social interactions between its members (university teaching staff, researchers, administrative staff, and undergraduate and postgraduate students) are based on scientific norms, standards, and values (Siegel & Wright, 2015). In order to realize their three basic functions - educational, scientific research, and entrepreneurship, modern universities strive to build different, internal and external social networks to facilitate the process of scientific research (knowledge creation - academic publications and inventions), encourage knowledge transfer in the teaching process and commercialization of knowledge (innovations) in the form of patents, licenses, the establishment of university companies (spin-offs), etc (Nambisan et al., 2019). On the other hand, the external social networks that the academic community establishes with the private and public sectors are also important. University-industrial partnerships are reflected in the transfer of knowledge through the provision of consulting services and education of entrepreneurs, joint publications and student mentoring, joint implementation of research projects, and joint establishment of new companies. Social relations with the public and private sector are also useful for the academic community, because they provide access to additional sources of funding for scientific research activities and commercialization of knowledge, and can be in the form of grants, subsidies, venture capital, loans, and the like. Also, by connecting with the business sector, the academic community gains commercial experience and verify its scientific research and teaching process. In order to formally and institutionally support university-industrial cooperation, centers for small university companies, research institutes, research groups or quasi-companies, economic liaison offices, technology transfer offices, incubators, etc. are established within the university (Urbano & Guerrero, 2013), which significantly complicates their organizational and management structure. In this way, they try to reconcile the differences between the academic and business community, i.e. through networking to transfer knowledge from the academic sector to business, as well as the transfer of pragmatic experience from business to the academic sector (within the national economy, but also internationally).

## Conclusion

Contextualization in the research of the phenomenon of entrepreneurship is essential because it enables an understanding of the origin, form, functioning, and diversity of the outcomes of entrepreneurial activity. Identifying different dimensions of the context in which entrepreneurial behavior manifests has significant theoretical and pragmatic implications. The approach to consideration, as well as the analysis of a particular phenomenon of entrepreneurship, varies significantly depending on the time sequences and concepts, systemic characteristics of the industry, socio-spatial as well as organizational, ownership, and management context.

The research of the temporal dimension is important due to the dynamic nature of both entrepreneurial behavior and other dimensions of the context in order to harmonize the time rhythm of their development and discontinuity, as well as the application of an adequate time management approach. The industrial context, as a direct competitive environment of entrepreneurs, need to be considered from the perspective of phases in the evolution of the industry, levels of industrial concentration, the intensity of knowledge in the industry, degree of internationalization of industry, degree of industrial globalization and availability of venture capital. Specific combinations of natural, material, and demographic attributes together with the formal and informal system of social relations represent elements of the socio-spatial context which, due to their uniqueness, temporarily or permanently connect entrepreneurial ventures with a certain location. The goals of engagement and mobility of resources can be exclusively profit-oriented but also aimed at encouraging the general social and economic development of the geographical area. However, although the characteristics of the temporal, industrial, and socio-spatial context create the same or similar basic assumptions, the identification/creation and exploitation of entrepreneurial opportunities can be realized in different organizational, ownership, and management contexts.

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