
Parents As An Early Role Model

Parents are early role models of children in acquiring values, habits and attitudes of a society (Scherer et al. 1991b). Prior research suggests that having entrepreneurial parents causes higher entrepreneurial intentions (Scherer et al. 1989b; Hoffmann et al. 2015; Geldhof et al. 2014; Chlosta et al. 2012; Wang and Wong 2004; Boissin et al. 2011; Laspita et al. 2012; Mungai and Velamuri 2011; Koh 1995; Saeed et al. 2014; Criaco et al. 2017; Hussain et al. 2010).

Hickie (2011) finds that having entrepreneurial parents constitutes an advantage in developing relevant human capital but also provides access to values, knowledge and support of someone with more experience. In addition, the presence of a parental entrepreneurial role model has been found to be associated with higher education and training ambitions, task self-efficacy, and inclination for entrepreneurial careers (Scherer et al. 1989b).

Wyrwich (2015) suggests that self-employed parents influence the decision to become an entrepreneur disregarding of the existing conditions. Moreover, researchers investigated effects of different kinds of parental entrepreneurs on children. For example, Scherer et al. (1989b) shows that individuals with a parental entrepreneurial role model recognized to be a “high performer” had a considerably different belief about entrepreneurship in contrast to those individuals with a parental entrepreneurial role model perceived to be a “low performer” and from individuals without a parental role model. Geldhof et al. (2014) argued that having an entrepreneurial parent may be one step towards entrepreneurship, but having an entrepreneurial parent does not inevitably result in self-employment.

Although there is evidence that (successful) entrepreneurial parents act as positive role models for children (Carr and Sequeira 2007; Bosma et al. 2012), they can also be perceived as negative role models for entrepreneurship. Parental failure in entrepreneurship (Mungai and Velamuri 2011) is acknowledged as a negative entrepreneurial role model, and their children have been found to be less willing to start new ventures (Pablo-Lerchundi et al. 2015; Morales-Alonso et al. 2016).

In addition, Mungai and Velamuri (2011) emphasize that parental impact is more prominent when the child is a young adult (18-21 years) compared to adolescence (12-17 years) or late childhood (8-11 years). Furthermore, it has been found that individuals who take over the businesses of their parents, typically do this in the beginning of their career (Blumberg and Pfann 2016). In sum, researchers agree that self-employed parents strongly influence their children as ERMs but it is not yet clear, which factors moderate the link between parental entrepreneurship and their offspring’ entrepreneurial intentions (e.g., Schröder et al. 2011; Geldhof et al. 2014). Table 7 summarizes the research in this sub-category.