



Institutions and social entrepreneurship: a hierarchy of institutions to revisit institutional voids, support, and configurations

Ute Stephan¹ · Lorraine M. Uhlaner^{2,3} · Christopher Stride⁴

Received: 15 August 2025 / Revised: 19 October 2025 / Accepted: 23 October 2025
© The Author(s) 2025

Abstract

In this retrospective, we expand on theorizing about institutions and social entrepreneurship (SE) as presented in our Decade Award-winning 2015 article. Our 2015 paper developed the institutional configuration perspective, which considers joint and interaction effects of formal and informal institutions. It organized disagreement about how formal institutions shape SE, contrasting the institutional voids and institutional support perspectives. In this retrospective, we introduce a revised hierarchy of institutions as a ‘middle-ground’ approach to advance research on institutions in international business and entrepreneurship. This hierarchy integrates insights from different disciplines (institutional economics, sociology, political science, and cultural theory). It explicates the macro-level economic and microfoundational psychological effects of four layers of formal (government activism and constitutional institutions/rule of law) and informal institutions (cultural values and norms). The hierarchy progresses research on institutional voids by distinguishing four types of formal and informal institutional voids. It advances research on institutional configurations by highlighting new synergistic and compensatory configurations. It also offers new insights into institutional change. Finally, we advance research on institutions and SE by theorizing a new institutional paradox for SE that reconciles the institutional void versus support debate and by charting opportunities for how institutions shape the SE process from entry to exit.

Keywords Institutions · Institutional voids · Institutional configurations · Culture · Entrepreneurship · Social entrepreneurship · Social impact · Comparative entrepreneurship · International entrepreneurship

Accepted by Rosalie L. Tung, Editor-in-Chief, 23 October 2025.
This article has been with the authors for one revision and was single-blind reviewed.

✉ Ute Stephan
Ute.Stephani@kcl.ac.uk

Lorraine M. Uhlaner
lorraine.uhlaner@vse.cz

Christopher Stride
c.b.stride@sheffield.ac.uk

- ¹ King's Business School, Strategy, International Management, and Entrepreneurship Department, King's College London, Bush House, 30 Aldwych, London WC2B 4BG, UK
- ² Eastern Michigan University, Ypsilanti, USA
- ³ Department of Strategy, Faculty of Business Administration, Prague University of Economics and Business, nám. Winstona Churchilla 1938/4, 120 00 Praha 3-Žižkov, Czech Republic
- ⁴ Institute of Work Psychology, University of Sheffield Management School, Conduit Road, Sheffield S10 1FL, UK

Introduction

This retrospective expands theorizing on institutions first presented in the *JIBS* Decade Award article by Stephan, Uhlaner and Stride (2015). Our 2015 article theorized institutional antecedents of social entrepreneurship (SE), tested them through a multi-level cross-national study, and became a foundational source for scholars interested in understanding SE across contexts. As the award committee also noted, the 2015 article shaped thinking on institutions, institutional voids, and the configuration of formal and informal institutions in IB and comparative entrepreneurship research. The article was influential in organizing disagreement productively on the contrasting views derived from the institutional voids versus institutional support perspectives. It found support for the latter.

While institutions are a cornerstone of IB and comparative entrepreneurship research, existing research remains siloed and marked by largely separate streams of research, focusing on either formal or informal institutions. Moreover,



there are diverse theoretical and empirical approaches to studying formal institutions, ranging from considering overall ‘institutional quality’ to specific laws and regulations. Likewise, there are diverse approaches to informal institutions, although informal institutions are less well researched than formal institutions. Furthermore, key aspects of our understanding of institutions are still underdeveloped. This includes the mechanisms (microfoundations) through which institutions impact individual action and macro-level outcomes, the interplay of formal and informal institutions, and the rate and reasons for their change and stability. For SE in particular, the debate regarding whether SE is facilitated by ‘missing’ institutions (institutional voids) or by institutional support is still ongoing.

This retrospective aims to advance theorizing on institutions for IB and entrepreneurship research, and to specifically progress research on institutions and SE. To achieve this, we organize existing research on institutions and present a revised hierarchy of institutions framework based on a middle-ground approach to institutions as a new way of thinking about formal and informal institutions. This directs attention to four layers of formal and informal institutions of ‘middle’ specificity, including two formal institutional layers—government activism and constitutional institutions—and two informal institutional layers—normative (cultural norms) and cognitive (cultural values) institutions. The hierarchy of institutions offers guidance on the scope of institutions to consider in IB research, avoiding both over-generalization and excessive focus on specific institutions. By elaborating on both the economic and microfoundational effects for each institutional layer, we advance the understanding of the mechanisms through which institutions shape IB and entrepreneurship phenomena. Building on the hierarchy, we outline four types of formal and informal institutional voids. This introduces precision to the literature on institutional voids. The hierarchy also provides a scaffold to consider new institutional configurations (synergistic as well as compensatory) and offers new insight into institutional change for IB and entrepreneurship research. For empirical research, we suggest databases and indicators to capture each institutional layer in the Online Supplement. Finally, we advance research on institutions and SE by newly theorizing an institutional paradox for SE that reconciles the institutional void versus support debate. We also outline opportunities for research on institutions and SE along the process of SE from entry to exit.

As background to our discussion of institutions and SE, we start with a brief recap of Stephan et al. (2015), including the ‘institutional puzzle’ that motivated the paper, key concepts, findings, and contributions, as well as its impact on subsequent research. The second part of the retrospective advances institutional theorizing by introducing the revised

hierarchy of institutions. In the third part we sketch new avenues for comparative and international SE research.

Motivation, findings, and impact of the 2015 paper

Motivation and theoretical framework

Social entrepreneurship (SE) refers to individuals, alone or with others, starting organizations and working for their account and risk to benefit people other than the entrepreneur(s); that is, SE prioritizes prosocial goals and societal wealth generation over economic wealth generation (Stephan et al., 2015: 309). SE was still a novel phenomenon when the 2015 paper was published. There had been a growing interest in SE (Dacin, Dacin & Matear, 2010; Mair & Marti, 2006; Zahra, Gedajlovic, Neubaum, & Shulman, 2009), conceptual debates and case research (for reviews, Teasdale, Bellazzecca, Bruin de, & Roy, 2023; Vedula, Doblinger, Pacheco, York, Bacq, Russo, & Dean, 2022), but quantitative research to understand how and why SE differed across countries was lacking. Existing research focused primarily on formal institutions that support individuals in maximizing economic wealth to investigate country-level differences in commercial entrepreneurship. However, such theorizing could not fully explain country differences in SE that aims to generate societal wealth. Researchers needed to rethink what effective institutions look like if market actors seek to benefit society rather than themselves.

SE research presented an ‘institutional puzzle.’ On the one hand, the institutional voids perspective, as applied to SE, tied weak and inefficient formal institutions to greater social need and demand for SE. Such arguments were echoed in ‘austerity’ politics, whereby governments cut funding for welfare and other essential state services (education, health, policing) to control national debts incurred in the wake of the 2008 Financial Crisis. The political rhetoric at the time suggested that rolling back the (welfare) state could unleash a wave of social entrepreneurs who would act on social needs and deliver formerly public services. However, this view was supported by little empirical evidence and ignored the role of informal institutions. On the other hand, research in political science and development economics suggested synergies such that supportive formal and informal institutions can crowd in private social action (Skocpol, 2008; Woolcock & Narayan, 2000). Similar synergies were emphasized by social entrepreneurs themselves (e.g., support from government and a culture where people help each other out). In sum, the ‘institutional puzzle’ of SE led us to elaborate theorizing on institutional voids and institutional support as contrasting perspectives that highlight demand *or* resource support by active governments as drivers of SE. It



also led us to consider configurations of formal and informal institutions, as potential entrepreneurs make choices and act in contexts marked by both at any given time.

In Stephan et al. (2015), we built on institutional economics and sociology to consider institutions as the deep aspects of social structure that guide and constrain behavior (North, 1991; Scott, 2001). Formal institutions capture “the objective constraints and incentives arising from government regulation of individual and organizational actions ... [and] ... informal institutions refer to more implicit, slowly changing, culturally transmitted, and socially constructed institutions” (Stephan et al., 2015: 310). The institutional configurations perspective emphasizes that formal and informal institutions jointly shape behavior (Stephan et al., 2015). Our paper used Scott’s (2001) institutional pillars (regulatory, cognitive, and normative) to integrate theorizing on institutions from new institutional economics, sociology, political science, and cultural theory. Specifically, it considered the joint effects of formal regulatory, informal cognitive, and informal normative institutions on SE. For formal regulatory institutions, it contrasted theoretical propositions from the institutional voids and institutional support perspectives. We measured these through *government activism*, which reflects the extent to which a nation’s formal institutions redistribute economic wealth through progressive taxation and spending to work for the welfare of its citizens, provide public goods, and address social issues (Stephan et al., 2015: 311). We drew on cultural theory (House, Hanges, Javidan, Dorfman, & Gupta, 2004; Stephan & Uhlaner, 2010) to map informal cognitive and normative institutions to cultural value and cultural norms, respectively. Specifically, cognitive institutions reflect culturally shared understandings of what is good or bad in society and therefore map onto cultural values. We investigated *postmaterialist cultural values* (henceforth postmaterialism) as values that combine intrinsic motivations for autonomy with pro-sociality (Inglehart, 1997; Wilson, 2005), which align with the key motivations underpinning SE (Stephan & Drencheva, 2017). Finally, normative institutions describe shared expectations about appropriate actions based on common behaviors and practices in a culture. We investigated *socially supportive cultural norms* (henceforth socially supportive culture), a form of weak-tie social capital that encourages interaction and cooperation even among strangers (also Fukuyama, 2001). Such norms are particularly relevant for supporting SE, which relies on collaboration with diverse stakeholders.

Findings and impact

Stephan et al. (2015) tested the theoretical framework in a multilevel study of 106,484 individuals in 26 nations with extensive robustness checks. We found that SE benefits from jointly supportive formal and informal institutions, including

formal regulatory (government activism), informal cognitive (postmaterialism), and informal normative (socially supportive culture) institutions. The results highlighted the importance of institutional configurations (joint and interactive effects of formal and informal institutions) and of the institutional support (rather than the voids) perspective. SE thrives in a national context marked by resource support from both formal and informal institutions (high government activism and socially supportive culture) and supported by motivational supply-side influences (postmaterialism).

The 2015 paper was one of the first empirical multilevel studies to theorize and test why and how context shapes SE. It made three contributions to the IB and comparative entrepreneurship literatures. It introduced the institutional configuration perspective, which helps integrate the largely separate streams of research on formal and informal institutions. It productively organized disagreement in the literature by elaborating on competing perspectives—institutional voids versus institutional support—regarding how formal institutions stimulate SE. Our findings backed the institutional support perspective for both formal and informal institutions. They qualified the view that institutional voids spur SE and instead showed that supply-side mechanisms of motivation and resource support are decisive. In turn, viewing institutions as stimulants of motivation and providers of resource support broadens our understanding of institutions and the mechanisms through which they affect actors. Specifically, it broadens the view of institutions beyond easing transaction costs to realize personal self-interest in economic institutional theory, and beyond sources of isomorphic normative pressures in sociological institutional theory. Finally, the paper highlighted the need for original theorizing on institutions to understand SE. The effects of government activism and postmaterialism for SE are opposite to those that facilitate commercial entrepreneurship. This has implications for IB research on social impact and sustainability initiatives by IB actors such as multinational enterprises. A focus on demand-side institutional influences (e.g., social need) should be complemented, if not replaced, by considering supply-side motivation and resource support through which institutions energize and enable individuals and firms to act.

As of fall 2025, Stephan et al. (2015) had been cited over 1000 times in Google Scholar and over 500 times in Web of Science Core Collection. We include a more detailed citation analysis in the Online Supplement. These analyses indicate that our work had the biggest impact on theorizing institutions in IB and comparative entrepreneurship research. It has shaped the institutional voids and institutional support literature, became a key paper for research on SE across contexts, and influenced research on institutions and SE in IB and entrepreneurship, as well as neighboring disciplines.



Our paper was also influential in terms of its methodology, use of data sources, and institutional indicators.

A revised hierarchy of institutions as a middle-ground approach

Scholars researching institutions make choices about what kind of institutions they study. This includes choices about the type of institution (formal or informal) and its scope or level of specificity (e.g., to study government activism or specific start-up subsidies). In this section, we present a revised hierarchy of institutions, distinguishing between two layers of formal and two layers of informal institutions. We discuss the theoretical anchoring of these layers, which integrates seminal disciplinary theorizing on institutions. We explicate the macro-level economic effects and the often-overlooked microfoundational effects of each layer. Next, we theorize four types of formal and informal institutional voids based on the hierarchy of institutions to advance research on institutional voids. We further outline how the hierarchy aids new research on institutional configuration and on institutional change. We start by clarifying the scope of our institutional analyses as a middle-ground approach. This approach was implicit in Stephan et al. (2015). We elaborate on it here to illustrate its value for studying IB and entrepreneurship phenomena across contexts.

A middle-ground approach to institutions

Table 1 situates our middle-ground approach to institutions relative to so-called “thin” de-contextualized approaches to institutions, on the one hand, and to “thick” over-contextualized approaches to institutions, on the other hand (building on Jackson & Deeg, 2019). We position the middle ground approach as complementing but not replacing thin and thick approaches.

Thin approaches are often anchored in economic institutional theory, especially new institutional economics (North, 1991; Williamson, 2000). They typically consider single indicators that are meant to reflect overall formal ‘institutional quality’ (Ault, 2016; Fuentelsaz, González, & González, 2025) or consider a few selected formal institutions (Amorós, Ciravegna, Mandakovic, & Stenholm, 2019; Young, Welter, & Conger, 2018). A parallel line of research takes a thin approach to informal institutions and culture, investigating one or more informal institutions/culture dimensions without considering formal institutions (e.g., Kleinhempel, Beugelsdijk, & Klasing, 2022; Stephan, 2022, for a review). In general, while thin approaches to formal institutions sidestep informal institutions or mention them as ‘residual’ explanations to be explored in future research, thin approaches to informal institutions likewise sidestep

Table 1 Approaches to institutions: situating the ‘middle ground’ approach

‘Thin’ approaches	Middle ground approach	‘Thick’ approaches
Typically consider single indicators of overall formal institutional quality	Considers <i>joint</i> and <i>interactive</i> effects of formal <i>and</i> informal institutions	Consider multiple specific indicators of formal institutions (e.g., Hall & Soskice, 2001) or multiple specific indicators of formal and informal institutions (e.g., Whitley, 1994)
Rooted in new institutional economics (North, 1991; Williamson, 2000), focus on transaction costs	Focuses on a limited number of formal and informal institutions, building on and integrating seminal theorizing on institutions across disciplines: sociology (Scott, 2001), economics (Williamson, 2000), and cultural theory (House et al., 2004)	Often rooted in sociological theory
Informal institutions treated as residuals. Separately, research on informal institutions/culture commonly considers one or few indicators of informal institutions/culture, often ignoring formal institutions.		Consider joint (but not interactive effects), or develop context-specific typologies
‘De-contextualized’/‘under-socialized’: ignores joint and interactive effects of formal and informal institutions.	Allows for generalization (as do ‘thin’ approaches) while also considering the interplay of formal and informal institutions (as do ‘thick’ approaches).	‘Over-contextualized’/‘over-socialized’: can be difficult to generate generalizable insights

Note. For example studies, see text. There is a spectrum from thin to thinner, and thick to thicker approaches as outlined by Jackson and Deeg (2019).



formal institutions or suggest that future research explore them. Thus, they do not consider configurations of formal and informal institutions. Nevertheless, thin approaches can provide valuable evidence on the institutions they study.

Thick approaches are typically anchored in sociological theorizing and include numerous specific indicators of formal and sometimes informal institutions. For instance, research on Varieties of Capitalism (Hall & Soskice, 2001) considers multiple specific indicators of formal institutions; research on National Business Systems (Whitley, 1994) and on entrepreneurial ecosystems (Stam & van de Ven, 2021) considers joint but not interactive effects of multiple specific formal and informal institutions. Thick approaches often distill specific institutional indicators (e.g., industrial relations, firm-level governance, interfirm relations, vocational training, education) into typologies that describe groups of Western economies, such as liberal market and coordinated market economies (Hall & Soskice, 2001). Fuzzy set Qualitative Comparative Analysis (Ragin, 2009) is increasingly used to derive context-specific typologies of institutional configurations (Decker, Estrin, & Mickiewicz, 2020; Fainshmidt, Smith, & Aguilera, 2022). However, typologies can be difficult to generalize across geographical contexts and over time. This makes it difficult to derive policy recommendations. For instance, the original Varieties of Capitalism typology does not fit non-Western economies (Witt & Redding, 2013). It also needed updating in light of crises (Heyes, Lewis, & Clark, 2012) and changes in specific regulations (Hall, 2018). In response, new typologies and subtypes based on an increasing number of specific institutional

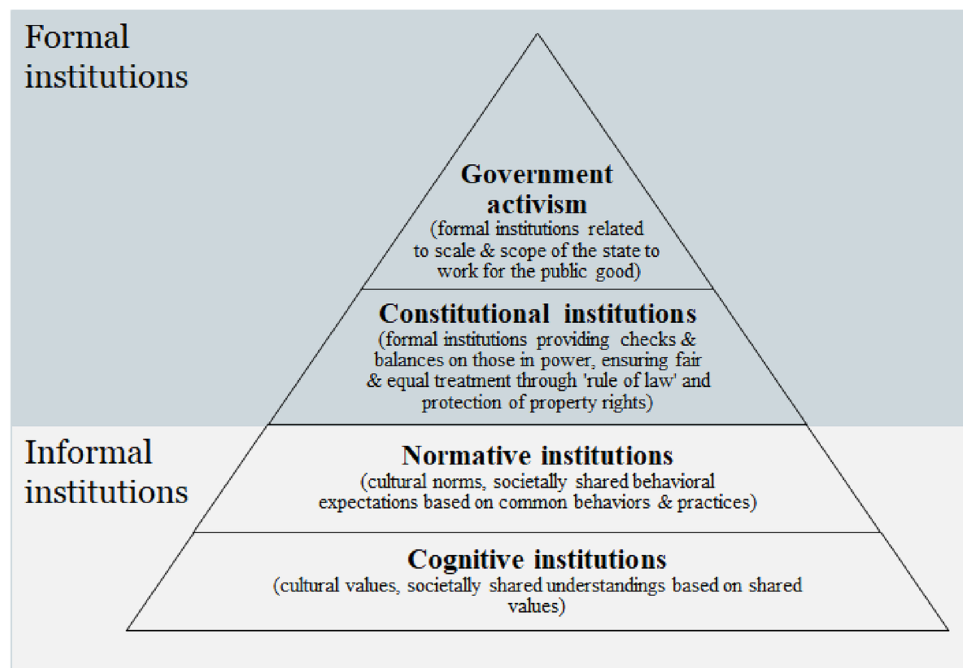
configurations were introduced (Fainshmidt, Judge, Aguilera, & Smith, 2018), resulting in even ‘thicker’ descriptions.

The *middle-ground approach* bridges and integrates formerly separate lines of theorizing on formal and informal institutions across disciplines. Specifically, it considers both formal and informal institutions, including their *joint* and *interactive* effects in line with the institutional configuration perspective developed in Stephan et al. (2015). Thus, the middle-ground approach recognizes that at any given point in time, IB actors and entrepreneurs act in the context of both formal and informal institutions. It guides attention to a medium-range scope of institutions that allows for generalization and takes context seriously without either over- or undergeneralizing, thus addressing limitations of both thin and thick approaches.

Which institutions? A revised hierarchy of institutions

The middle-ground approach provides a theoretical scaffold—the revised hierarchy of institutions—to guide research on which institutions to consider and why. It integrates institutional theory from sociology (Scott, 2001), economics (Williamson, 2000), and cultural theory (House et al., 2004) to propose four formal and informal institutions as ‘layers’ of a hierarchy. Figure 1 depicts the revised hierarchy of institutions. The notion of a ‘hierarchy’ of institutions comes from Williamson’s work, where stable informal institutions at the base underpin formal institutions at the top (Figure 1). Scott (2001) calls attention to three pillars of institutions: regulatory, cognitive, and normative. Aligned

Fig. 1 Hierarchy of institutions: formal and informal institutional layers



with Williamson and comparative entrepreneurship research (e.g., Estrin, Korosteleva, et al., 2013; Estrin, Mickiewicz, et al., 2013), we divide the regulatory pillar of formal institutions into two layers. Government activism, defined earlier, and constitutional institutions that include the rule of law and property rights. Regarding informal institutions, we draw on cultural theory (House et al., 2004) to map Scott's (2001) cognitive and normative institutions to cultural values as shared understandings in society and cultural norms as perceived common practices, respectively (as in Stephan et al., 2015).

Inspired by work on social mechanisms and microfoundations (Coleman, 1990; Felin, Foss, & Ployhart, 2015), we develop the hierarchy of institutions as a multilevel framework. Specifically, we are concerned with the first part of 'Coleman's bathtub' (Coleman, 1990), which clarifies the causal mechanisms of 'how' and 'why' macro-level institutions shape individual actors' thoughts, feelings, actions, and interactions (Fig. 2). A multilevel framework of institutions recognizes that higher-level entities (e.g., countries) consist of individuals. Therefore, to understand macro-relationships at the country-level, we need to consider the microfoundational, psychological effects of institutions on how individuals think, feel, act, and interact. Consider, for example, the country-level cultural value of postmaterialism, which is positively related to a higher country-level rate of SE (macro-level association; Fig. 2). This relationship is explained by the economic effects of postmaterialism, which enhance the supply of potential social entrepreneurs. Critically, these economic effects are mediated at the micro-level by individuals valuing prosociality and autonomy, motivations that drive them to set up social enterprises. Thus, macro-level institutions such as postmaterialism affect the conditions of individual actions, which, through action-formation mechanisms, lead to actions by individuals (Fig. 2). By outlining the microfoundational mechanisms of how institutions impact individual IB actors, we advance theorizing on institutions, enable future research on mechanisms,

and respond to calls for attention to microfoundations in IB (Santangelo, Phene, Coviello, Tung, & Felin, 2025).

Next, we describe the four layers in the proposed hierarchy of institutions in detail, starting at the top with the formal institutional layers of government activism and constitutional institutions. We then turn to the two informal institutional layers of cognitive and normative institutions. Table 2 summarizes the economic and microfoundational effects of each layer discussed below. Table A1 in the online supplement includes an overview of indicators for each layer to facilitate empirical research.

Formal institutions

We identify two layers of formal institutions drawing on new institutional economics (Williamson, 2000) and comparative entrepreneurship research (e.g., Bylund & McCaffrey, 2017; Estrin, Korosteleva, et al., 2013; Estrin, Mickiewicz, et al., 2013; Estrin, Mickiewicz, Stephan, & Wright, 2018). *Government activism* is related to the 'play of the game,' and refers to government choices about the scale and scope of the state in working for the public good. *Constitutional institutions* determine the 'formal rules of the game,' and broadly refer to the rule of law and property rights. Our focus in 2015 was on government activism and its interactive effect with informal institutions. We controlled for constitutional institutions in a robustness check. Other comparative research makes a similar distinction between government activism and constitutional institutions, although using different labels and not necessarily considering both together (e.g., Autio & Acs, 2010; Autio & Fu, 2015).

Frequently, research uses measures of so-called 'overall institutional quality' (such as economic freedom) (e.g., Cuervo-Cazurra, Gaur, & Singh, 2019; Fuentelsaz et al., 2025) which, in fact, combine heterogeneous institutional indicators. Past empirical work demonstrates that at least two dimensions (related to government activism and constitutional institutions) underpin indices such as the economic freedom index created by think tanks like the Heritage

Fig. 2 Multi-level framework of institutions; framework drawing from Coleman (1990) and Felin et al. (2015). Macro-level associations represent economic effects of institutions. Micro-foundational, psychological effects in Table 2 refer to the combined effects of *black arrows* in the figure (effects from institutions to individual actions via conditions of individual action).

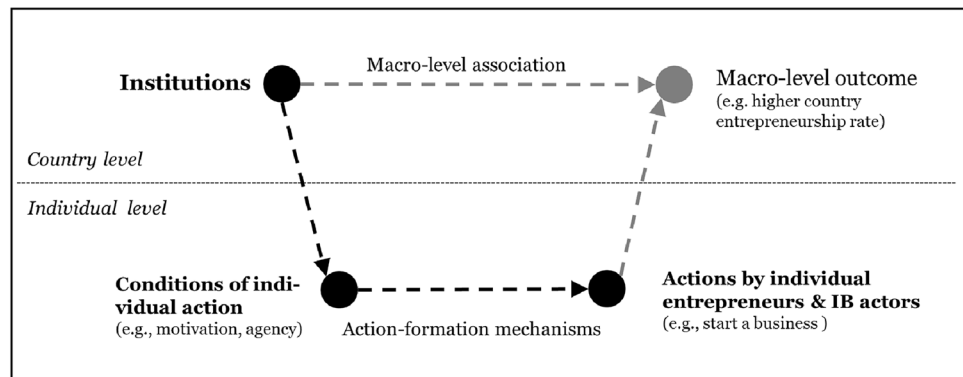


Table 2 Hierarchy of institutions: formal and informal institutional layers, their macro-level economic, and microfoundational psychological effects

Institutional layer	Macro-level, economic effects	Microfoundational, psychological effects
Formal institution of government activism	<p>High government activism ('institutional support'):</p> <ul style="list-style-type: none"> - Resources and legitimacy for public good-related activities - Productive human capital, infrastructure, and innovation capabilities <p>Low government activism ('institutional voids'):</p> <ul style="list-style-type: none"> - No/limited support for public-good activities - Human capital voids, infrastructure voids, and innovation voids 	<p>High government activism ('institutional support'):</p> <ul style="list-style-type: none"> - Consideration of other- (vs. self-) interest, social needs as collective responsibility ('it is good to care') - Limited incentives for financial wealth-generating activities¹ <p>Low government activism ('institutional voids'):</p> <ul style="list-style-type: none"> - Focus on self-reliance ('fend for yourself') reinforces self-interest - Potential for exclusion and radicalization
Formal constitutional institutions	<p>Strong constitutional institutions ('institutional support'):</p> <ul style="list-style-type: none"> - Low transaction costs - More inclusive markets <p>Weak constitutional institutions ('institutional voids'):</p> <ul style="list-style-type: none"> - High transaction costs - Exclusion of certain groups from market access & participation 	<p>Strong constitutional institutions ('institutional support'):</p> <ul style="list-style-type: none"> - Predictability enables individual agency and ambition - Expectation of appropriating rewards resulting from one's own action <p>Weak constitutional institutions ('institutional voids'):</p> <ul style="list-style-type: none"> - Uncertainty and unpredictability undermine individual agency and ambition - Expectations of unfair market exchanges, fear of expropriation, and distrust ('being taken advantage')
Informal normative institutions (cultural norms)	<p>Economic effects depend on the type of cultural norm.</p> <p><i>Example:</i></p> <p>High socially supportive culture ('institutional support'):</p> <ul style="list-style-type: none"> - Low transaction costs <p>Low socially supportive culture ('institutional voids'):</p> <ul style="list-style-type: none"> - High transaction costs 	<p>Psychological effects depend on the type of cultural norm.</p> <p><i>Example:</i></p> <p>High socially supportive culture ('institutional support'), support</p> <ul style="list-style-type: none"> - Willingness to take risks and experiment (psychological safety) - Self-efficacy, agency, and inclusion <p>Low socially supportive culture ('institutional voids'):</p> <ul style="list-style-type: none"> - Reluctance to experiment (psychologically unsafe environment) - Undermine self-efficacy, agency, and facilitate exclusion
Informal cognitive institutions (cultural values)	<p>Economic effects depend on the type of cultural values.</p> <p><i>Example:</i> Postmaterialist–materialist cultural values</p> <p>High: postmaterialism</p> <ul style="list-style-type: none"> - High supply of individuals motivated to help others and seek autonomy <p>Low: materialism</p> <ul style="list-style-type: none"> - High supply of self-interested individuals sensitive and motivated to avoid threats and novelty 	<p>Psychological effects depend on the type of cultural values.</p> <p><i>Example:</i> Postmaterialist–materialist cultural values</p> <p>High: postmaterialism reflects intrinsic motivations for action:</p> <ul style="list-style-type: none"> - Prosocial motivations to support others and autonomy motivation (openness to new ideas) - Perceived moral legitimacy of prosocial and autonomy motivated action <p>Low: materialism reflects extrinsic motivations for action:</p> <ul style="list-style-type: none"> - Self-interest motivation and conservation motivation (act on threats, preserve status quo, avoid novelty) - Perceived moral legitimacy of self-interest and conservation motivated action

Note: ¹ Wealth-seeking is not typically the primary motivation of entrepreneurs, rather they seek autonomy/fulfilment, income and challenges (see text)

Foundation (Aidis, Estrin, & Mickiewicz, 2012). We replicate these findings and two dimensions with data from

the Heritage Foundation and the Fraser Institute for the two most recent years (Online Supplement, Table A2). There, we



also reflect on the fact that, just like in Aidis et al. (2012), regulations cluster together with constitutional institutions. Treating government activism and constitutional institutions as separate institutional layers and indices has important theoretical implications: when researchers use the aggregate index of economic freedom, government activism is automatically negatively weighted, thus implying that ‘freedom from government’ is a positive attribute and government activism a negative one. This assumption prevents research from accurately exploring the role of government activism in the economy and society.

Government activism, as defined earlier, indicates a government’s ability “to address social issues and provide public goods” based on redistributing economic wealth (Stephan et al., 2015: 311). Low government activism creates greater social need and demand for SE. More active governments can supply tangible (e.g., financial) and intangible (e.g., legitimacy) resources to social entrepreneurs. Hoogenboom (2016) replicated our finding that nations with more active governments exhibit higher levels of SE. Beyond SE, comparative entrepreneurship research often reports negative associations of government activism with commercial entrepreneurship, arguing that higher, progressive tax rates and redistribution reduce incentives for individuals to start businesses by limiting returns from entrepreneurial activity (Aidis et al., 2012; Estrin, et al., 2018; Estrin, Korosteleva, et al., 2013).

Such discussions of government activism focused on incentives can sideline government activism’s important, longer-term positive economic effects. Active governments arguably ensure the foundations of a productive economy by putting the ‘basic requirements’ in place for entrepreneurs and firms in at least three ways. First, effective public services from education to health care enhance the productivity of an economy’s human capital and workforce by strengthening its skill base and ability to work productively. This enhances the potential for more high-quality entrepreneurship, that is, entrepreneurs who innovate, export, and add jobs. Similarly, active governments enhance population health, which, through enhancing workers’ productivity, can drive economic growth (Bloom & Canning, 2000; Fumagalli, Pinna Pintor, & Suhrcke, 2024). Population health is likely to benefit entrepreneurship through a similar mechanism, as it provides a larger pool of productive individuals capable of undertaking the demanding work of starting a business. Second, active governments ensure that a reliable physical and digital infrastructure is in place, from transport links to the supply of energy, water, and the internet. In turn, entrepreneurs and firms benefit from enhanced connectivity and do not need to create infrastructure themselves (Audretsch, Heger, & Veith, 2015; Schade & Schuhmacher, 2022). Third, active governments are also important for a nation’s innovation capabilities. The state often patiently

finances high-risk blue-sky technologies, which entrepreneurs later commercialize by incorporating them into their products. For instance, technology successfully commercialized by entrepreneurs, such as the iPhone (featuring touchscreen, GPS, and Siri), was funded by US taxpayers as part of mission-focused research by state agencies (Mazucato, 2015). In contrast, when government activism is low, entrepreneurs and multinational enterprises face extra costs and need to create strategies to navigate human capital, infrastructure, and innovation voids (Doh, Rodrigues, Saka-Helmhout, & Makhija, 2017). While these voids might be opportunities for some actors (Mair, Marti, & Ventresca, 2012), they will incur additional costs for most actors.

The microfoundational, psychological effects of government activism link it in distinct ways to different types of entrepreneurship. High government activism is likely to reinforce and role-model that ‘it is good to care,’ thereby supporting SE, and potentially sustainability and social impact activities by multinational enterprises. As we argued in Stephan et al. (2015), an active state addressing social needs and offering effective public services conveys that social needs are a collective responsibility and reinforces the consideration of regard for others, i.e., of other- (rather than self-) interest. Conversely, when government activism is low and social needs are widespread, individuals are forced to be self-reliant because public services are not available or accessible. It also means more potential threats to individuals’ own and their families’ well-being (e.g., not being able to access healthcare or due to ineffective control of crime), all of which reinforces self-interest and materialism (Bruner & Goodman, 1947; Zhang, Tian, Lei, Yu, & Liu, 2015). These conditions likely drive necessity entrepreneurship. Thus, the negative relationship between high government activism and commercial entrepreneurship (e.g., Aidis et al., 2012) might be due to both increased necessity entrepreneurship under low government activism and negative incentives for financial wealth-focused entrepreneurship under high government activism. Less explored are the effects of low government activism on supporting the psychological conditions for exclusion and radicalization, for instance, through repeated experiences of neglect and deprivation (e.g., inability to access healthcare or education, lack of welfare support), and widespread precarious work (Selenko, Schilbach, Brieger, Van Hootegeem, & De Witte, 2025; van den Bos, 2020). These can undermine productive forms of entrepreneurship (SE, opportunity, growth-oriented entrepreneurship) and lead to destructive actions by entrepreneurs and firms that harm others.

Constitutional institutions provide ‘checks and balances’ constraining the power of the executive branch of government to prevent corruption and expropriation, and ensure fair and equal treatment of all citizens (‘rule of law’), including in markets through the protection of property rights.



Constitutional institutions are critical for economic growth and investment (Acemoglu & Johnson, 2005; Acemoglu & Robinson, 2012). Effective constitutional institutions control corruption, are a cornerstone of democracy, and support entrepreneurship (Mickiewicz, Stephan, & Shami, 2021). Research documents that strong constitutional institutions relate positively to the quantity and quality of entrepreneurship, including different types of commercial entrepreneurship, such as opportunity, international, and high-growth entrepreneurship, as well as SE; conversely, weak constitutional institutions are associated with higher levels of necessity entrepreneurship (Amoros et al., 2019; Brieger, Chowdhury, Hechavarría, Muralidharan, Pathak, & Lam, 2022; Estrin, Mickiewicz, & Stephan, 2016; Estrin, Korosteleva, et al., 2013; Estrin, Mickiewicz, et al., 2013; Hoogendorn, 2016).

Economically, the key function of strong constitutional institutions is that they lower transaction costs; that is, they facilitate market exchanges (Williamson, 2000). Transactions, such as buying and selling goods, are cheaper and more predictable when constitutional institutions are strong rather than weak, as there are no corrupt officials diverting profits. Moreover, the legal system (rule of law) ensures recourse for issues such as late payment, misleading advertising, inferior product/service quality, and crime. The literature on institutional voids and entrepreneurship (Mair & Marti, 2009; Mair et al., 2012) implies that strong constitutional institutions can also make markets more inclusive by mitigating the exclusion of minorities and women, thereby enabling more and diverse individuals to access and participate in markets.

The microfoundational psychological effects of strong constitutional institutions include enhancing predictability and fairness, which in turn strengthen an individual's sense of agency, efficacy, and ambition. Agency broadly refers to an individual's capacity to act in a self-determined manner, requiring a belief in their own efficacy that they can execute actions required to achieve certain goals (Bandura, 2001). When constitutional institutions are weak, there is little predictability about whether actions lead to the intended results because whether or not a business will grow, provide family income, wealth, or help beneficiaries is not only due to the entrepreneurs' action but may be curtailed by others in positions of power who appropriate profits or aid (Estrin, Mickiewicz, et al., 2013; Kistruck, Webb, Sutter, & Bailey, 2015). A psychological consequence of continued exposure to unpredictability is learned helplessness—the belief that one's actions cannot produce intended outcomes (Abramson, Seligman, & Teasdale, 1978). This, in turn, undermines individuals' ambitions, for instance, to grow their businesses (Duflo & Banerjee, 2011; Estrin, Korosteleva, et al., 2013), even if they found themselves in a situation where they could take steps to grow their business (e.g., because of a new

support program). Likewise, SE benefits from strong constitutional institutions (Estrin, et al., 2016), which help enhance predictability for these more complex entrepreneurial projects and prevent corrupt government from shutting them down when they are seen as being too effective in delivering social change (e.g., consider the threats that Muhammad Yunus and Grameen Bank faced; Burke, 2011).

Informal institutions

Stephan et al. (2015) mapped Scott's (2001) cognitive institutions, which reflect shared understandings in society, to cultural values and Scott's normative institutions, which capture social expectations about appropriate actions to cultural norms. Considering cultural values and norms as informal institutions is consistent with a long line of research on culture (e.g., Holmes, Miller, Hitt, & Salmador, 2013; Javidan, House, Dorfman, Hanges, & Sully De Luque, 2006; Kirkman, Lowe, & Gibson, 2017), though not all scholars share this view (Dau, Chacar, Lyles, & Li, 2022).

Normative institutions are aligned with the concept of *cultural practices* (also referred to as *cultural descriptive norms* or *cultural norms* for short; Stephan & Uhlaner, 2010). Cultural norms are distinct from cultural values (House et al., 2004). They reflect a view that culture is located 'around' a person (rather than 'in' a person, like cultural values; Stephan, 2022). Specifically, cultural norms arise from observing common and characteristic patterns of behavior and practices displayed by most people within a culture (Stephan & Uhlaner, 2010). They represent societally shared expectations to exhibit certain actions and align closely with the understanding of informal institutions as "the typically unwritten but socially shared rules and constraints that generate social behavior expectations." (Dau et al., 2022: 986). In Stephan et al. (2015), we focused specifically on socially supportive culture, i.e., norms that encourage cooperation based on "repeated experiences of friendliness, supportiveness, cooperation, and helpfulness" (Stephan & Uhlaner, 2010, p. 1351). Such norms indicate weak-tie social capital practices that promote cooperation (Fukuyama, 2001). Socially supportive culture relates positively to SE (Brownell, Hechavarría, Robb, & Kickul, 2025; Deng, Liang, Fan, & Cui, 2020; Gimenez-Jimenez, Edelman, Dawson, & Calabrò, 2022) and to commercial entrepreneurship, including innovative, independence-motivated, and informal entrepreneurship (Autio, Pathak, & Wennberg, 2013; Stephan & Uhlaner, 2010; Thai & Turkina, 2014). Outside of entrepreneurship, socially supportive culture has been studied in relation to firms' corporate social responsibility (CSR) activities across countries. For instance, in countries with a more socially supportive culture, investors appear to view CSR activities by firms more positively, and, therefore, CSR activities are associated with higher firm



valuations (Wang & Li, 2025). A more socially supportive culture is also positively related to environmental disclosures by firms across countries (Sambharya & Goll, 2024). This suggests that these cultural norms are useful explanations for IB research on sustainability, CSR, and social impact.

A more socially supportive culture has economic effects similar to those of constitutional institutions. That is, it lowers transaction costs by making it easier for individuals to exchange information and to access new information, opportunities, and resources through informal collaboration (Stephan & Uhlaner, 2010). While entrepreneurs are often depicted as lone heroes, most of the world's entrepreneurs rely on informal interactions and the help of others to launch their businesses (Drencheva, Stephan, & Patterson, 2024; Stephan & Uhlaner, 2010). When a socially supportive culture is weak, interpersonal interactions become assertive and competitive rather than friendly and cooperative, making it more difficult to collaborate or access information, opportunities, and resources.

In terms of microfoundational, psychological effects, a socially supportive culture should create environments in which it is easier for actors to take risks and experiment (so-called psychological safety climate, Baer & Frese, 2003; Edmondson & Bransby, 2023) because others are friendly and supportive rather than assertive and competitive. These microfoundational effects of supporting risk-taking and experimenting are consistent with findings that a socially supportive culture mitigates the stigma of business failure (Lee, Simmons, Amezcua, Lee, & Lumpkin, 2020) and is associated with entrepreneurs' use of experimentation and effectual decision-making (Laskovaia et al., 2017). For similar reasons, a socially supportive culture should enhance an actor's sense of self-efficacy and agency, as it is easier to act and receive positive feedback in supportive environments, which helps develop self-efficacy. Similarly, a socially supportive culture should foster inclusion by empowering individuals from diverse backgrounds, who often possess limited agency, self-efficacy, and resources, to participate in entrepreneurship.

Research on informal institutions often cites the difficulty of measuring them as a hindrance (Dau et al., 2022). However, this should not serve as a barrier (Online Supplement Table A1 and Reuber et al., 2022 for qualitative research). Data on socially supportive culture and other cultural norms are available from the Global Leadership and Organizational Behavior effectiveness (GLOBE) Project (House, 2004) (soon to be updated) and have been successfully used by Stephan et al. (2015) and others to study entrepreneurship. We caution that although social trust appears to be a related indicator, socially supportive culture is a more direct measure of weak-tie social capital and does not correlate substantially with social trust (Online Supplement, Table A1). Other cultural descriptive norms exist that future research

could explore, drawing on the hierarchy of institutions. For instance, performance-based cultural norms (Stephan & Uhlaner, 2010) appear to support long-term planning and formal entrepreneurship (Laskovaia et al., 2017; Thai & Turkina, 2014), and cultural norms of tightness–looseness (Gelfand, Raver, Nishii, Leslie, Lun, Lim, Duan, Almaliach, Ang, Arnadottir, Aycan, Boehnke, Boski, Cabecinhas, Chan, Chhokar, D'Amato, Ferrer, Fischlmayr, & Yamaguchi, 2011) relate to innovation (e.g., Chua, Huang, & Jin, 2019; for a review Stephan, 2022). Finally, religious norms frequently reinforce prosocial actions and serve as sources of guidance for many people worldwide (Norenzayan, 2013). In sum, different concepts and measures (Online Supplement, Table A1) of cultural norms remain underutilized in IB and entrepreneurship research.

Cultural values as cognitive institutions represent a specific view of culture as residing 'in' people (in contrast to 'around' people as in the concept of cultural norms; Stephan, 2022). They are typically measured as the aggregated values of a country's citizens, i.e., as the aggregate importance of broad life goals that a country's citizens hold. Cultural values as societally shared understandings provide moral legitimacy—a shared view of what is 'good' and 'bad'—and motivate value-congruent choices and actions. That is, cultural value-congruent actions are more likely to be undertaken by individuals because others around them morally approve of these actions and because there is a greater supply of individuals motivated to engage in these actions. Thus, legitimacy and motivation are the key microfoundational mechanisms through which values shape individual action. Economically, this manifests as a greater supply of individuals motivated to take certain actions.

In Stephan et al. (2015), we specifically considered post-materialist cultural values (Inglehart, 1997) because psychologically, they capture the motivation underpinning SE related to prosociality and autonomy. We found that postmaterialism is an important supply-side motivational explanation for SE, which was subsequently replicated by others for the same and related values with SE and environmental entrepreneurship (Deng et al., 2020; Hechavarría, 2016; Hechavarría, Terjesen, Ingram, Renko, Justo, & Elam, 2017; Hoogendoorn, 2016; Hoogendoorn, Uhlaner, Zwan van der, & Stephan, 2024; Shui, Korosteleva, & Nguyen, 2025). Hechavarría and Reynolds (2009) find postmaterialism facilitates more opportunity-motivated commercial entrepreneurship, suggesting a possible link between postmaterialism and innovation. Indeed, postmaterialism psychologically reflects openness to new ideas and autonomy, which should support innovation, innovative entrepreneurship, and opportunity entrepreneurship. Specifically, contexts marked by higher postmaterialism may facilitate a focus on developing innovations that are useful to others (Grant & Berry, 2011), and which can be easier to commercialize successfully (Stephan,

Andries, & Daou, 2019). Postmaterialism may also support engagement in sustainability, CSR, and the social impact strategies of multinational enterprises. In contrast, materialist cultural values (i.e., low postmaterialism) motivate and legitimize a focus on self-interest, transactions, and threats, and therefore align with seeking to preserve the status quo (Inglehart, 1997). Research finds that entrepreneurs are more likely to prioritize economic goals in cultures marked by materialism (Hechavarría et al., 2017; Hoogendoorn et al., 2024). This aligns with earlier research that found postmaterialism to be negatively related to entrepreneurship (Uhlener & Thurik, 2007), and suggests that most entrepreneurship is pursued to satisfy economic motivations (to provide an income) rather than prosocial motivation (to help others).

Past research linking diverse cultural values (e.g., using the Hofstede and Schwartz theories) to commercial entrepreneurship (Stephan, 2022, for a review) has found fewer consistent relationships than research on postmaterialism. Our 2015 study explains these inconsistent findings: the content of cultural values needs to be matched to the nature of motivation driving entrepreneurship as proxied by the type of entrepreneurship (e.g., postmaterialism matches with SE). However, commercial entrepreneurship can be driven by heterogeneous motivations such as seeking autonomy, fulfillment, purpose, and income (Wach, Stephan, & Gorgievski, 2016). Future research could explore how cultural values may provide new explanations of IB phenomena based on mechanisms of motivation and moral legitimacy. For instance, Schwartz's (2006) value theory has strong theoretical foundations and allows for a multifaceted assessment of motivation. It remains underutilized in IB and comparative entrepreneurship research (Stephan, 2022), despite data being available (Online Supplement, Table A1). Finally, religious values might stimulate specific forms of SE and social impact activities consistent with the emphasis in most religions on prosociality and conservation values (Rietveld & Hoogendoorn, 2022).

Types of institutional voids

In this section, we outline how the hierarchy of institutions can offer new insights into research on institutional voids. In IB research, institutional voids generally refer to absent or underdeveloped formal institutions that support markets and business operations (Palepu & Khanna, 1998). Such voids increase transaction costs, making it difficult or expensive for businesses to trade, and they are deemed to be widespread in emerging market economies (Palepu & Khanna, 1998). The dominant view and measure of institutional voids in IB research are voids in constitutional institutions that shape transaction costs.

Recent reviews call for IB research to move beyond a 'thin' understanding of voids that focuses on single

indicators of overall institutional quality to a more nuanced understanding of voids (Dieleman, Markus, Rajwani, & White, 2022; Doh et al., 2017). Responding to such calls, the hierarchy of institutions (Figure 1) proposes a middle-range approach to institutional voids and a theoretical basis to differentiate types of formal and informal institutional voids. First, it draws attention to *two types of voids in formal institutions*: voids in constitutional institutions and government activism. *Constitutional institutional voids* relate to the absence or weakness of the rule of law and property rights. They are the voids typically considered in the IB and strategic management literatures (Carney, Essen Van, Estrin, & Shapiro, 2018). In addition to raising transaction costs, constitutional institutional voids also lead to the exclusion of certain groups (e.g., minorities or women) from participating in markets altogether (see Table 2, row 2). *Voids in government activism* ('government voids' for short) describe the missing or limited role of government in providing for its citizens' social needs. They are typically considered in the SE literature (Li & Bosma, 2025) and were the focus of Stephan et al. (2015). Government voids may also fundamentally weaken the productivity of economies by undermining the quality and productivity of a nation's human capital, infrastructure, and innovation capabilities (see Table 2, row 1).

Second, the hierarchy of institutions helps to conceptualize *voids in informal institutions* (as called for by IB scholars, Dieleman et al., 2022; Doh et al., 2017). Differentiating voids related to cultural values and norms offers important nuance to the emerging views on informal institutional voids (Webb, Khoury, & Hitt, 2019). Voids in *normative* institutions describe the absence of norms that facilitate cooperation, which undermines markets and business operations. Like constitutional institutional voids, normative institutional voids can inhibit and undermine markets and business operations by increasing transaction costs. They can also lead to exclusion of certain groups from markets by undermining their agency (Table 2, row 3). For instance, in socially *unsupportive* cultures, people typically interact in an assertive and tough manner. In these cultures, individuals who doubt their abilities and rely on support are less likely to pursue entrepreneurship. Voids in *cognitive* institutions are conceptually different. They result in different forms of market participation rather than stalling markets altogether. Recall that postmaterialism supports social and opportunity entrepreneurship, but materialist cultural values support (necessity) entrepreneurship. Thus, different endpoints of the same cultural value dimension (e.g., post-materialism and materialism, or collectivism and individualism) likely support different types of market activity (Table 2, row 4).

In sum, the hierarchy of institutions contributes to research on institutional voids by mapping different types of voids and the distinct ways they undermine markets and



business activity. Voids in constitutional institutions increase transaction costs and lead to exclusionary markets in which certain groups are marginalized. Government voids undermine public-good activities and the productivity of nations' assets (human capital, infrastructure, innovation capacity). Whereas different cognitive institutions redirect business activity rather than stall it altogether, voids in normative institutions create outright barriers for businesses and market participation. In contrast to the institutional voids perspective, the institutional support perspective considers how institutions can facilitate market transactions and business activity. Table 2 (column 2) also describes institutional support for each layer of the institutional hierarchy.

Institutional configurations

The hierarchy of institutions can also inspire new research on institutional configurations. An institutional configuration perspective "... recognizes that human behavior is shaped *jointly* by the constraints, incentives, and resources provided by formal and informal institutions, which can be more or less compatible with each other." (Stephan et al., 2015: 309). While past research has discussed and theorized joint effects of formal and informal institutions (Helmke & Levitsky, 2004; Scott, 2001; Whitley, 1994), empirical research remains scarce.

The institutional configuration perspective distinguishes *joint* and *interactive* effects of formal and informal institutions (Stephan et al., 2015). First, formal and informal institutions should be examined jointly to prevent incorrectly attributing the effects of one type to the other, particularly since they can produce similar economic and microfoundational effects (Table 2). Second, we call for future research to explore *diverse* interactive effects of formal and informal institutions including both compensation and synergies. This opens new avenues for IB research, which, to date, principally considers a specific type of compensation, namely, that formal constitutional institutional voids will be 'filled' by normative institutions (Dau et al., 2022). Dau et al. (2022) note that viewing informal institutions as gap-fillers compensating for formal institutions restricts a fuller exploration of informal institutions. We agree and illustrate other types of configurations next.

The hierarchy of institutions facilitates theorizing institutional configurations by clarifying economic and microfoundational effects and by drawing attention to relevant formal and informal institutions (Table 2). For instance, two types of synergies between formal and informal institutions are particularly relevant for IB and comparative entrepreneurship research. First, consider synergies between strong constitutional institutions and normative institutions (e.g., socially supportive culture). Their similar economic and microfoundational effects should reinforce each other,

leading to positive synergies. They both lower transaction costs, alleviate uncertainty, and help with inclusion. Thus, they enable individual agency, which is essential for more complex entrepreneurial projects such as highly innovative (social) enterprises, high-tech, and growth-oriented entrepreneurship. Future research could also consider synergistic institutional configurations across scale levels (Mair & Rathert, 2021), such as synergies between regional normative institutions and national constitutional institutions.

Second, in our 2015 paper, we found positive synergies between government activism and socially supportive culture. Synergies emerge because both institutions make it easier for social entrepreneurs to access resources. As an extension, one could also theorize negative synergies using the institutional configuration perspective. For instance, a lack of local government activism in regions suffering from industrial decline, combined with a lack of socially supportive culture, may lead to discontent and radicalization. This occurs as residents feel isolated and forgotten by both the state and their fellow citizens. Regional inequalities in government activism likely exacerbate this situation, as residents feel that the government caters to most of the country while neglecting their home region.

Finally, beyond synergies, the hierarchy of institutions and our 2015 findings suggest a new compensatory role for cognitive institutions (cultural values) with formal institutions of government activism. Doing so extends the notion of compensation to new types of informal and formal institutions (beyond normative institutions filling gaps in constitutional institutions). Specifically, our 2015 findings suggest that cultural values have important motivational effects, which can compensate for a lack of resources (low government activism). While this configuration seems to attract individuals into SE, to build an operating social enterprise requires not just motivation but also resource support from the government and normative institutions. Thus, the types of institutional configurations that support entrepreneurship may shift across the phases of the entrepreneurial process.

Researching institutional configurations comes with *methodological challenges*, including multicollinearity and endogeneity concerns. In Stephan et al. (2015), we employed a multi-level analytical modeling approach and moderation analysis to test the interactive effects between formal and informal institutions. A constraint of such an approach is the potential for multicollinearity among institutional indicators and with control variables. The hierarchy of institutions provides useful guidance on the scope and type of institutions to include to avoid multicollinearity. A challenge with adding control variables is that they can introduce variance that suppresses or creates spurious effects among the main variables (Aguinis, Cascio, & Ramani, 2017). This is especially true at the country level where sample size is typically limited. We controlled for the level of development and conducted

specific robustness checks to rule out further alternative explanations. This avoided collinearity and biases. Endogeneity is a methodological concern raised in research that considers formal and informal institutions together. It often refers to path dependencies, for instance, informal institutions potentially shape formal institutions. Yet, at any given moment, actors are exposed to both formal and informal institutions in their environment. It is this context that shapes actors' decisions and actions, such as starting a business, irrespective of whether, over time, one institutional layer shaped the other.

Institutional stability, change, and ruptures

Institutions are viewed as stable and slow to change. Therefore, institutional change is under-researched in IB and entrepreneurship. Both geopolitical events and emerging evidence from various disciplinary fields challenge our understanding of how quickly, why, and when different institutions may change. We first discuss the timescales over which the layers in the hierarchy of institutions may change and then turn to the sources of change.

Timescales of institutional change

Williamson (2000) suggested that institutions related to government may change over 1–10 years as the government's executive shapes the scale and scope of the state to implement their political program. In turn, constitutional institutions may change over the course of 10–100 years, and informal institutions may change over 100–1,000 years (Williamson, 2000). However, a recent study found changes in constitutional institutions (rule of law, democracy) over the short term (1 and 5 years). It showed that even 1-year deteriorations in constitutional institutions suppressed entrepreneurial entry in a multilevel study across 69 countries over 15 years (Mickiewicz et al., 2021).

Time scales of change are more difficult to establish for informal institutions. Normative institutions, such as cultural norms, are relatively more open to change than cognitive institutions, such as cultural values (Gelfand, Gavrillets, & Nunn, 2024; Stephan, 2022). This is because cultural norms rest on shared perceptions of common patterns of behaviors and practices in a culture. Therefore, when common behaviors shift, cultural norms can shift. Such a shift can be temporary, as illustrated by changes in acceptable interpersonal distance and interaction during the COVID-19 pandemic, or it can be more long-lasting (e.g., in parts of Asia that have undergone repeated pandemics of respiratory viruses, including SARS and COVID-19). Cultural values, i.e., cognitive institutions, are more stable. Change in cultural values occurs over the course of generations, related to economic development (Egri & Ralston, 2004; Inglehart, 1997), but,

even then, the trajectory of change is influenced by country-specific historical patterns (Beugelsdijk & Welzel, 2018).

Sources of institutional change and stability

We differentiate between ongoing slow institutional change and more rapid changes that we refer to as institutional ruptures. In terms of *slow and gradual change*, the hierarchy of institutions implies that informal institutions shape formal institutions. Put differently, countries create their formal institutions in line with their national culture (for evidence, Holmes et al., 2013; Stephan & Uhlaner, 2010).

However, formal and informal institutions may be configured in such a way that they are misaligned or discordant with each other, which can be a source of tension and ultimately institutional change (Mair & Rathert, 2021). Institutional misalignment might also persist because of the stability of informal institutions even when formal institutions change permanently. For instance, democracy proved difficult to implement in many post-communist countries after the fall of the Berlin Wall in 1989, in part because new formal institutions were misaligned with the persisting cognitive institutions. Cultural values of conservatism and hierarchy enabled adaptation to the communist regimes, which suppressed cultural values of autonomy that align with democracy (Schwartz & Bardi, 1997). In another example, Minbaeva, Ledeneva, Muratbekova-Touron and Horak (2023) highlight how informal networks stabilize normative institutions, which therefore can persistently misalign with formal institutions.

Research in economics suggests that formal institutions may also lead to changes in informal institutions. For instance, government policies based on models of human behavior driven by self-interest have been found to lead to more self-interested attitudes and behaviors among citizens (Bowles, 2008). This suggests that reductions in government activism can, over time, change socially supportive culture from friendly and collaborative to more aggressive and transactional norms. Thus, changes in formal institutions can undermine the informal institutions that are important for business, entrepreneurship, and the well-being of citizens (Helliwell & Wang, 2011).

Entrepreneurs and social entrepreneurs are an underappreciated source of bottom-up, slow, and gradual institutional change. For instance, in their study of the crab industry, Alvarez, Young and Woolley (2015) document that entrepreneurs change regulation through co-creation processes over decades. Other research suggests that SE can change both formal and informal institutions. A systematic review documents the levers and mechanisms through which organizations, such as social enterprises, instigate bottom-up positive social change processes (Stephan, Patterson, Kelly, & Mair, 2016). These processes unfold slowly



over time through empowerment, inclusion, and co-creation, leading to lasting social impacts that are difficult to undo. For instance, in a longitudinal qualitative study, Mair, Wolf and Seelos (2016) chart such processes through which a non-government organization transformed societal patterns of inequality.

Finally, institutional change can also be swift, especially in response to *institutional ruptures*, i.e., rapid and profound changes in formal or informal institutions. These changes may be induced by regime change (e.g., recent examples include populist governments reconfiguring the welfare state and introducing regressive taxation benefitting those with high wealth) or in response to crises (e.g., so-called austerity politics in response to the 2008 Financial Crisis). Notably, crises may be actual (e.g., the COVID-19 pandemic) or perceived (e.g., created through political rhetoric). Populist leaders use the latter as a tool to alter institutions, particularly constitutional institutions of the rule of law, which constrain their power (Corina, Hartwell, & Carballo, 2025).

New avenues for comparative and international SE research

In this section of the retrospective, we consider unresolved issues and opportunities for research on institutions and SE. We first revisit the institutional voids versus support debate for SE. Then, we map opportunities related to institutional influences along the SE process from entry to exit.

Reconciling the institutional voids versus support perspectives: an institutional paradox

In Stephan et al. (2015), we tested the institutional voids versus support perspectives for SE, finding support for the latter (specifically, high government activism). However, the debate about whether SE thrives in response to institutional voids or due to institutional support continues to date. We seek to reconcile this debate through introducing an institutional paradox of SE. We first elaborate on the paradox for government activism and then for constitutional institutions.

Government activism: an institutional paradox of SE

Regarding government activism, the institutional support perspective emphasizes resource support to SE. In contrast, the institutional voids perspective for SE highlights the social need arising from an inactive government, creating demand for SE. Our 2015 paper corroborated the institutional support perspective. However, studies continue to find support for both the institutional voids and support views related to government activism. Accordingly, Li and Bosma (2025: 547) conclude their review with a challenge

for researchers “... [to] further explore how these two seemingly contradictory perspectives [institutional support and voids] might play a joint role in influencing SE activity.” Before we offer a reconciliation through what we term an ‘institutional paradox of SE’, we first consider the type of research that supports each perspective.

Support for the institutional support perspective comes primarily from comparative, quantitative research. For instance, researchers related elements of higher government activism to SE (Hoogendoorn, 2016) and found SE to be more prevalent in contexts marked by resource abundance instead of social need and resource scarcity (Brieger & De Clercq, 2019; Teasdale et al., 2023; Terjesen, Bosma, & Stam, 2016). Similarly, a study in Chile found no association for social need but positive associations of federal and local investment support with engagement in SE (Kimmit, Mandakovic, & Muñoz, 2022). Qualitative research in Western contexts also describes synergies in service provision between the state and social enterprises in health care (Calò, Teasdale, Donaldson, Roy, & Baglioni, 2018; Vickers, Lyon, Sepulveda, & McMullin, 2017), and between the state and community groups during the COVID-19 pandemic (Rendall et al., 2022). A systematic review of the role of government for SE (Bozhikin, Macke, & Costa da, 2019)—across developed and developing economies—summarizes mechanisms through which governments can support SE relating to financial resources, partnerships, and different ways of providing legitimacy to social enterprises. This research helps to develop a more in-depth, thicker understanding of government activism for SE.

In contrast, support for the institutional voids perspective for SE comes primarily from qualitative research in countries marked by challenging institutional environments. It highlights how social entrepreneurs engage in institutional work to address the institutional challenges and voids they face (e.g., Bhatt, Qureshi, & Riaz, 2019; Chandra & Teasdale, 2025). Yet, even in challenging institutional contexts marked by institutional voids, social enterprises engage with the state to obtain support and legitimacy (Busch & Barkema, 2022; Fu & Yan, 2024; Turker & Vural, 2017). This engagement for support and legitimacy becomes necessary because, in more autocratically governed countries, the state is typically seen (or wants to be seen) as the provider of welfare and public goods. The state thus acts as the arbiter of the types of social causes worth addressing. There is also research highlighting how institutional voids limit (social) entrepreneurial activity to be more incremental and less innovative (Tantawy, Amankwah-Amoah, & Puthusserry, 2025; Turker & Vural, 2017).

We believe that both the analytical lenses of institutional voids and institutional support are valuable. We propose that existing findings are consistent with an ‘*institutional paradox of SE*’: SE is needed most where institutional voids are



deepest, but these are the contexts least conducive to SE. In contexts marked by government voids, running a social enterprise is most difficult due to a lack of institutional support. Consequently, overall, fewer people engage in SE, and social enterprises are more difficult to launch and operate in institutional contexts marked by government voids. But even in contexts marked by such voids, some entrepreneurs use voids as opportunity spaces for action (Bhatt et al., 2019; Mair et al., 2012) and manage to effect social change (Mair et al., 2016). At the same time and consistent with the institutional support perspective, the limited support in these contexts undermines the sustained engagement of more people in SE and creates challenges for those who operate social enterprises (Busch & Barkema, 2022; Fu & Yan, 2024). Those who manage to launch social enterprises in challenging contexts provide intriguing case studies for how entrepreneurial agency can help to create a more inclusive and sustainable society.

The institutional paradox for SE and constitutional institutions

Research on constitutional institutions and SE suggests a similar institutional paradox as the one we have just outlined for government activism. While SE is needed most in contexts where constitutional institution voids are deepest, it is also most difficult to create and operate a social enterprise in such a context. Specifically, research finds that contexts characterized by weak constitutional institutions ('voids') deter social enterprises, while contexts with strong constitutional institutions support them, resulting in more people starting and operating social enterprises. This is for the reasons (mechanisms) outlined in Table 2: lower transaction costs, higher predictability, and greater inclusion in markets. The precise labels and indicators used to capture constitutional institutions voids vary.¹ For instance, studies show that stronger constitutional institutions benefit SE just as they benefit commercial entrepreneurship, including high-growth entrepreneurship (Autio & Acs, 2010; Estrin, Mickiewicz, et al., 2013; Hoogendoorn, 2016). Stronger constitutional institutions also strengthen the positive effect of individual-level human capital on entry in SE (Estrin, et al., 2016). Furthermore, stronger constitutional institutions mitigate the risk of mission drift and social-financial trade-offs in microfinance organizations, a type of social enterprise (Ault, 2016; Wry & Zhao, 2018), and enhance the flow of commercial and public finance to microfinance organizations (Zhao & Lounsbury, 2016). Thus, the pattern

of findings indicates that institutional support for (social) entrepreneurship also comes from constitutional institutions, resulting in higher levels of SE and greater ease of operating a social enterprise in a context marked by strong constitutional institutions.

New avenues for research on institutions and the SE process

SE research has made great strides over the past decade, expanding our knowledge of institutions and SE (Li & Bosma, 2025). Yet, important questions remain unanswered about the role of institutions in shaping the SE process (from entry to organizing social ventures, their social impact and economic performance, to exit and failure). These questions present opportunities for future research.

Regarding *entry* into SE, we know which formal and informal national institutions increase the overall number of social entrepreneurs in a country. First, opportunities remain to enhance theorizing on government activism, which is still less well understood than constitutional institutions. For instance, theorizing on government activism could be enriched by drawing on work in political science and sociology on the nature of the welfare state and the importance of public support for the welfare state and democracy (Roosma, Oorschot van, & Gelissen, 2014; Rothstein, 1998). How and when institutions support individuals to engage in SE may also be contingent on demand-side shocks or campaigns that enhance issue salience and heighten public pressures to act on social issues (Mair & Rathert, 2021). Such shocks might stimulate SE, especially in contexts marked by high government activism where resources can be more easily deployed to support public good-related efforts. Second, while nation-level institutions have been the primary focus of existing research, SE is often described as embedded in communities (Lumpkin, Bacq, & Pidduck, 2018; Seelos et al., 2011), which calls for research to pay attention to within-country regional variation. Such research could draw inspiration from IB research that points to within-country variation in formal and informal institutions (Tung, 2008), from regional entrepreneurship research (Fritsch & Storey, 2014), and from research on community cultures (Hopp & Stephan, 2012).

Third, SE is considered a more inclusive form of entrepreneurship because it is more gender-balanced than commercial entrepreneurship (Hechavarría et al., 2017; Hoogendoorn et al., 2024). Yet emerging research suggests that individuals from affluent and privileged backgrounds find it easier to create and sustain a social enterprise, whereas those who are less privileged and experience social issues directly find it more difficult to create impactful ventures (Barki, Campos de, Lenz, Kimmitt, Stephan, & Naigeborin, 2020). To understand the inclusiveness of SE entry, institutional theorizing could be integrated with insights from

¹ Examples are: rule of law, state strength versus fragility, market logic, pro-market institutions (Ault, 2016; Estrin, et al., 2016; Hoogendoorn, 2016; Zhao & Lounsbury, 2016).



entrepreneurship research on poverty and social class (Brändle, Rönnert, Moergen, & Zhao, 2025; Sutter, Bruton, & Chen, 2019). We outlined how constitutional and normative institutions impact inclusion and individuals' agency (Table 2). Therefore, these institutions may lead individuals with more diverse characteristics and psychological profiles to self-select into SE. Fourth, normative institutions have been related to the allocation of entrepreneurial talent from business start-up to intrapreneurship, i.e., entrepreneurial careers within large organizations, where a stable salary and employment come with opportunities to pursue independent projects (Liebrechts, Rigtering, & Bosma, 2025). Therefore, institutions might also influence whether individuals with the potential to create social enterprises prefer to become social change agents within large organizations, where they can leverage corporate resources for their social change efforts (Heucher, Alt, Soderstrom, Scully, & Glavas, 2024) and assume fewer personal risks compared to creating a social enterprise. Weak constitutional institutions and the lack of cooperation and resources from the government and other citizens (weak government activism and low socially supportive culture) likely skew the allocation of social entrepreneurial talent towards social intrapreneurship. This is because it is harder and riskier to create a social enterprise in such contexts.

Regarding how social enterprises are *organizing*, institutions may shape the nature of the organizations social entrepreneurs create, including the organizational forms, business models, and impact models that they adopt. Descriptive research observes important variations in such organizational features across countries (Huysentruyt et al., 2016b), but institutional lenses to explain them are largely missing. For instance, weak formal constitutional institutions open social enterprises up to corruption, which may be easier to mitigate through nonprofit rather than for-profit forms of organizing, as the former signal that no profits are available to be extracted. The organizing choices that are particularly relevant to IB scholarship include internationalizing, engaging in exporting, and ventures that operate across multiple countries from inception (Reuber, Knight, Liesch, & Zhou, 2018). These are largely unexplored for SE (Zahra, Newey, & Li, 2014) and empirical research is lacking. Such research requires attention to both home and host-country institutions. On the one hand, global social enterprises may take the form of franchising models (e.g., Impact Hub), international joint ventures (e.g., Grameen Danone), or leverage digital platforms for global operations (e.g., Kiva microfinance). On the other hand, the embeddedness of social ventures in their communities (Lumpkin et al., 2018; Seelos et al., 2011), might create a unique 'liability of localness' potentially deterring many, if not most, social enterprises from internationalizing (also Reuber & Fischer, in press).

The creation of *social impact* is arguably the purpose of SE. Social impact results from positive social change processes that transform individuals and institutions towards beneficial outcomes for individuals, communities, organizations, society, and the environment (Stephan et al., 2016). How such transformation processes unfold is likely shaped by where social enterprises operate (also Reuber & Fischer, in press). Yet, comparative research relating institutions to social enterprise performance and impact is scarce, despite repeated calls for greater attention to these outcomes of SE (Stephan et al., 2016; Vedula et al., 2022). The social impacts of different social enterprises are typically not comparable, and there is currently no common metric to assess impact, which prevents systematic comparative research on social impact. For instance, depending on the sector social enterprises operate in, social impacts can range from habitat or cultural preservation, emissions saved, and improved access to health care and education, to changed perceptions of marginalized individuals, employment created for disadvantaged groups, and new laws being created for more sustainable trading standards or to mitigate modern slavery (e.g., Huysentruyt et al., 2016a). This lack of a common social impact metric means that existing research focuses on specific sectors. For instance, Ault (2016) observes that higher-quality constitutional institutions may mitigate the risk of mission drift and support microfinance organizations to create inclusive markets.

One overlooked common metric for capturing social impact systematically and comparably across contexts is psychological well-being (also Kroeger & Weber, 2014). Psychological well-being is a metric that reflects a summary appraisal of the experience and quality of life (Diener, Lucas, & Oishi, 2018). When assessed over time, it can provide information on whether a social enterprise has a positive social impact by improving the lives of those it seeks to support. Psychological well-being can be measured directly (by surveying beneficiaries), and reliable secondary data are available from large-scale studies such as the World Happiness Survey² and increasingly national statistical agencies. What is more, entrepreneurs use their own well-being and fulfillment as a yardstick of their success (Stephan, 2018). If they fall short, they may exit from (social) entrepreneurship. Thus, social entrepreneurs' well-being may be an important indicator for the human sustainability of the social enterprises (see Ashoka's Wellbeing Project³ for social entrepreneur testimonies about their low well-being and subsequent exits).

The *economic performance* of social enterprises in terms of metrics such as revenue and employment growth, level of

² www.worldhappiness.report.

³ <https://wellbeing-project.org/>.



surplus, or innovation has been rarely considered in (comparative) SE research. Unlike social impact, these metrics are more readily available and comparable across social enterprises, contexts, and commercial enterprises. Studying the economic performance of social enterprises can offer important insights into where, when, and why (shaped by which institutions) social enterprises perform well or have difficulty sustaining themselves financially. Such research could also chart how institutions shape performance differences between social and commercial enterprises. This could offer more general insight into institutions shaping the performance liabilities and advantages of pursuing social missions in IB.

Research has only very recently started to consider social enterprise *exits and failures* (Bacq, Janssen, Sabbatucci, & Guillaume, 2025; Drencheva, Au, & Li Yew, 2023). SE is arguably more complex, uncertain, and demanding than commercial entrepreneurship, and it comes with the ‘weight’ of responsibility for more stakeholders (in particular, beneficiaries). These conditions make it difficult for entrepreneurs to recognize their social impact (Drencheva et al., 2023), and can lead to low well-being and burnout (Stephan, 2018; Stephan et al., 2016), which, in turn, may lead social entrepreneurs to exit and discontinue their social enterprise. Research on commercial entrepreneurs’ well-being suggests that strong constitutional institutions have an important role in ameliorating such negative effects, broadly by reducing uncertainty (Stephan, Rauch, & Hatak, 2023). Comparative research on how institutions shape the personal costs and benefits of SE for the social entrepreneurs seems timely and important. Aside from personal ‘failure,’ failure in SE often relates to well-meaning but culturally inappropriate solutions to social problems. International entrepreneurship appears to be especially susceptible to this type of failure (Koehne, Woodward, & Honig, 2022) when ‘solutions’ are exported or designed top-down without involving local actors or considering local institutions (Stephan et al., 2016). Constitutional and informal institutions related to socially supportive culture and egalitarian norms (instead of hierarchical and patriarchal norms) may aid bottom-up co-creation. Thus, as social enterprises reflect on location choices, host countries with these informal institutions might be good locations for early internationalization to enable learning and subsequently to internationalize to countries marked by more exclusionary (in)formal institutions.

Finally, institutions may shape the broader *societal benefits of SE* and SE’s role in enhancing the inclusiveness of business and the economy. First, SE can generate positive spillover effects, creating more commercial entrepreneurship. Research across 47 countries found that higher SE levels were associated with increased entry into commercial entrepreneurship (Estrin, Mickiewicz, et al., 2013). The authors suggest that this occurs because SE enhances

socially supportive culture and social capital through collaboration, care for others, and creating connections among diverse economic actors, benefiting commercial entrepreneurship. Second, SE attracts more diverse talent to commercial entrepreneurship, thereby making business more inclusive. SE attracts a different demographic compared to commercial entrepreneurship, including more women, individuals from both younger and older age groups, and minorities (e.g., Hoogendoorn et al., 2024). Once individuals are social entrepreneurs, they are likely to create other social as well as commercial enterprises, because of the entrepreneurial skills and confidence gained through being social entrepreneurs (Estrin, Mickiewicz, et al., 2013, 2016). Future research could study the institutions that facilitate these and potentially other societal benefits of SE.

Conclusion

We are grateful to receive the *JIBS* 2025 Decade Award for our work on Institutions and SE. In this retrospective, we build on our 2015 paper and outline a revised hierarchy of institutions as a middle-ground approach to institutions. The hierarchy, with its four layers of formal and informal institutions and the articulation of economic and micro-foundational mechanisms, helps stimulate future research on institutions. It guides researchers toward which types of institutions to examine and why. Based on the hierarchy of institutions, we distinguish different types of institutional voids. This introduces precision to research on institutional voids, as previous IB research has called for. We outlined how the hierarchy of institutions also opens new possibilities for studying how institutions work together in configurations (both synergistically and compensatory), and how and why different types of institutions change over time or remain stable. Our approach acknowledges that IB actors and entrepreneurs operate within contexts shaped by both formal and informal institutions, at any given time, and that these institutional contexts are evolving. We illustrate how theorizing about institutions and SE can enrich research in IB. Specifically, our retrospective highlights how active governments and informal institutions play crucial—yet often overlooked—roles in creating the foundational conditions that allow multinational enterprises and entrepreneurs to flourish. We call for greater attention to how formal and informal institutions can promote inclusion, creating environments where all talent—regardless of gender, ethnicity, or social background—can contribute productively to the economy. Looking specifically at SE, we reconcile the ongoing debate between institutional voids and support through the institutional paradox of SE. Finally, we outline future research directions on how institutions influence the entire social entrepreneurial process, from entry and organizing



through social impact and economic performance, to exit and broader societal benefits.

Supplementary Information The online version contains supplementary material available at <https://doi.org/10.1057/s41267-025-00829-4>.

Acknowledgements We are grateful to the *JIBS* Decade Award Committee—Torben Pedersen, Catherine Welch, Sri Zaheer, Anthea Zhan, chaired by Yadong Luo—and the *JIBS* Editor-in-Chief, Rosalie Tung, for selecting our 2015 *JIBS* article, “Institutions and social entrepreneurship: The role of institutional voids, institutional support, and institutional configurations,” for the 2025 *JIBS* Decade Award. We thank the three reviewers and the *JIBS* editor, David C. Thomas, who worked with us over multiple rounds to develop our 2015 paper. We are also grateful to the two reviewers and Rosalie Tung for constructive comments on our retrospective. We thank Jakob Neumair for excellent research assistance in preparing the citation analysis for this retrospective.

Data availability Not applicable as this is a conceptual paper.

Open Access This article is licensed under a Creative Commons Attribution 4.0 International License, which permits use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons licence, and indicate if changes were made. The images or other third party material in this article are included in the article's Creative Commons licence, unless indicated otherwise in a credit line to the material. If material is not included in the article's Creative Commons licence and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder. To view a copy of this licence, visit <http://creativecommons.org/licenses/by/4.0/>.

References

- Abramson, L. Y., Seligman, M. E., & Teasdale, J. D. (1978). Learned helplessness in humans: Critique and reformulation. *Journal of Abnormal Psychology*, 87, 49–74.
- Acemoglu, D., & Johnson, S. (2005). Unbundling institutions. *Journal of Political Economy*, 113(5), 949–995.
- Acemoglu, D., & Robinson, J. A. (2012). *Why nations fail*. Crown.
- Aguinis, H., Cascio, W. F., & Ramani, R. S. (2017). Science's reproducibility and replicability crisis: International business is not immune. *Journal of International Business Studies*, 48(6), 653–663.
- Aidis, R., Estrin, S., & Mickiewicz, T. M. (2012). Size matters: Entrepreneurial entry and government. *Small Business Economics*, 39(1), 119–139.
- Alvarez, S. A., Young, S. L., & Woolley, J. L. (2015). Opportunities and institutions: A co-creation story of the king crab industry. *Journal of Business Venturing*, 30(1), 95–112.
- Amorós, J. E., Ciravegna, L., Mandakovic, V., & Stenholm, P. (2019). Necessity or opportunity? The effects of state fragility and economic development on entrepreneurial efforts. *Entrepreneurship Theory & Practice*, 43(4), 725–750.
- Audretsch, D. B., Heger, D., & Veith, T. (2015). Infrastructure and entrepreneurship. *Small Business Economics*, 44(2), 219–230.
- Ault, J. K. (2016). An institutional perspective on the social outcome of entrepreneurship: Commercial microfinance and inclusive markets. *Journal of International Business Studies*, 47(8), 951–967.
- Autio, E., & Acs, Z. (2010). Intellectual property protection and the formation of entrepreneurial growth aspirations. *Strategic Entrepreneurship Journal*, 4(3), 234–251.
- Autio, E., & Fu, K. (2015). Economic and political institutions and entry into formal and informal entrepreneurship. *Asia Pacific Journal of Management*, 32(1), 67–94.
- Autio, E., Pathak, S., & Wennberg, K. (2013). Consequences of cultural practices for entrepreneurial behaviors. *Journal of International Business Studies*, 44(4), 334–362.
- Bacq, S., Janssen, F., Sabbatucci, A.-S., & Wuillaume, A. (2025). The dark side of doing good: a guiding framework for advancing research on the negative outcomes of social entrepreneurship. *Small Business Economics*. <https://doi.org/10.1007/s11187-025-01094-3>
- Baer, M., & Frese, M. (2003). Innovation is not enough: Climates for initiative and psychological safety, process innovations, and firm performance. *Journal of Organizational Behavior*, 24(1), 45–68.
- Bandura, A. (2001). Social cognitive theory: An agentic perspective. *Annual Review of Psychology*, 52, 1–26.
- Barki, E., de Campos, J. G. F., Lenz, A.-K., Kimmitt, J., Stephan, U., & Naigeborin, V. (2020). Support for social entrepreneurs from disadvantaged areas navigating crisis: Insights from Brazil. *Journal of Business Venturing Insights*, 14, Article e00205.
- Beugelsdijk, S., & Welzel, C. (2018). Dimensions and dynamics of national culture: Synthesizing Hofstede with Inglehart. *Journal of Cross-Cultural Psychology*, 49(10), 1469–1505.
- Bhatt, B., Qureshi, I., & Riaz, S. (2019). Social entrepreneurship in non-munificent institutional environments and implications for institutional work: Insights from China. *Journal of Business Ethics*, 154(3), 605–630.
- Bloom, D. E., & Canning, D. (2000). The health and wealth of nations. *Science*, 287(5456), 1207–1209.
- Bowles, S. (2008). Policies designed for self-interested citizens may undermine “the moral sentiments”: Evidence from economic experiments. *Science*, 320(5883), 1605–1609.
- Bozhikin, I., Macke, J., & da Costa, L. F. (2019). The role of government and key non-state actors in social entrepreneurship: A systematic literature review. *Journal of Cleaner Production*, 226, 730–747.
- Brändle, L., Rönnert, A.-L., Moergen, K. J. N., & Zhao, E. Y. (2025). Social class origin and entrepreneurship: An integrative review and research agenda. *Journal of Business Venturing*, 40(4), Article 106503.
- Brieger, S. A., Chowdhury, F., Hechavarria, D. M., Muralidharan, E., Pathak, S., & Lam, Y. T. (2022). Digitalization, institutions and new venture internationalization. *Journal of International Management*, 28(4), Article 100949.
- Brieger, S. A., & De Clercq, D. (2019). Entrepreneurs' individual-level resources and social value creation goals The moderating role of cultural context. *International Journal of Entrepreneurial Behavior & Research*, 25(2), 193–216.
- Brownell, K. M., Hechavarria, D. M., Robb, C. C., & Kickul, J. (2025). Culture and social entrepreneurship: The role of value-practice misalignment. *Small Business Economics*, 64(3), 863–887.
- Bruner, J. S., & Goodman, C. C. (1947). Value and need as organizing factors in perception. *Journal of Abnormal & Social Psychology*, 42, 33–44.
- Burke, J. (2011). Nobel prize winner Muhammad Yunus ousted from Bangladesh people's bank. *The Guardian*, www.theguardian.com/world/2011/mar/02/muhammad-yunus-grameen-bank
- Busch, C., & Barkema, H. (2022). Align or perish: Social enterprise network orchestration in Sub-Saharan Africa. *Journal of Business Venturing*, 37(2), Article 106187.
- Bylund, P. L., & McCaffrey, M. (2017). A theory of entrepreneurship and institutional uncertainty. *Journal of Business Venturing*, 32(5), 461–475.



- Calò, F., Teasdale, S., Donaldson, C., Roy, M. J., & Baglioni, S. (2018). Collaborator or competitor: Assessing the evidence supporting the role of social enterprise in health and social care. *Public Management Review*, 20(12), 1790–1814.
- Carney, M., Van Essen, M., Estrin, S., & Shapiro, D. (2018). Business groups reconsidered: Beyond paragons and parasites. *Academy of Management Perspectives*, 32(4), 493–516.
- Chandra, Y., & Teasdale, S. (2025). Social enterprise as political work: Perspectives from the global south. *Public Management Review*, 27(6), 1701–1740.
- Chua, R. Y. J., Huang, K. G., & Jin, M. (2019). Mapping cultural tightness and its links to innovation, urbanization, and happiness across 31 provinces in China. *Proceedings of the National Academy of Sciences*, 116(14), 6720–6725.
- Coleman, J. S. (1990). *Foundations of social theory*. Harvard University Press.
- Corina, M., Hartwell, C., & Carballo, A. (2025). Holding back the damage: Strong political institutions and the effect of populism on business investment. *Journal of International Business Studies*, 56(5), 608–630.
- Cuervo-Cazurra, A., Gaur, A., & Singh, D. (2019). Pro-market institutions and global strategy: The pendulum of pro-market reforms and reversals. *Journal of International Business Studies*, 50(4), 598–632.
- Dacin, P. A., Dacin, M. T., & Matear, M. (2010). Social entrepreneurship: Why we don't need a new theory and how we move forward from here. *Academy of Management Perspectives*, 24(3), 37–57.
- Dau, L. A., Chacar, A. S., Lyles, M. A., & Li, J. (2022). Informal institutions and international business: Toward an integrative research agenda. *Journal of International Business Studies*, 53(6), 985–1010.
- Decker, S., Estrin, S., & Mickiewicz, T. (2020). The tangled historical roots of entrepreneurial growth aspirations. *Strategic Entrepreneurship Journal*, 14(4), 616–638.
- Deng, W., Liang, Q. Z., Fan, P. H., & Cui, L. (2020). Social entrepreneurship and well-being: The configurational impact of institutions and social capital. *Asia Pacific Journal of Management*, 37(4), 1013–1037.
- Dieleman, M., Markus, S., Rajwani, T., & White, G. O. (2022). Revisiting institutional voids: Advancing the International Business literature by leveraging social sciences. *Journal of International Management*, 28(3), Article 100935.
- Diener, E., Lucas, R. E., & Oishi, S. (2018). Advances and open questions in the science of subjective well-being. *Collabra: Psychology*, 4(1), Article 15.
- Doh, J., Rodrigues, S., Saka-Helmhout, A., & Makhija, M. (2017). International business responses to institutional voids. *Journal of International Business Studies*, 48(3), 293–307.
- Drencheva, A., Au, W. C., & Li Yew, J. (2023). Working for impact, but failing to experience it: Exploring individuals' sensemaking in social enterprises. *Business & Society*, 62(7), 1458–1495.
- Drencheva, A., Stephan, U., & Patterson, M. (2024). Beyond the lone hero: How interpersonal feedback seeking helps entrepreneurs to engage with their social environment. *Applied Psychology*, 73(4), 1444–1486.
- Duflo, E., & Banerjee, A. (2011). *Poor economics*. PublicAffairs.
- Edmondson, A. C., & Bransby, D. P. (2023). Psychological safety comes of age: Observed themes in an established literature. *Annual Review of Organizational Psychology and Organizational Behavior*, 10(1), 55–78.
- Egri, C. P., & Ralston, D. A. (2004). Generation cohorts and personal values: A comparison of China and the United States. *Organization Science*, 15(2), 210–220.
- Estrin, S., Korosteleva, J., & Mickiewicz, T. (2013). Which institutions encourage entrepreneurial growth aspirations? *Journal of Business Venturing*, 28(4), 564–580.
- Estrin, S., Mickiewicz, T., & Stephan, U. (2013). Entrepreneurship, social capital, and institutions: Social and commercial entrepreneurship across nations. *Entrepreneurship Theory and Practice*, 37(3), 479–504.
- Estrin, S., Mickiewicz, T., & Stephan, U. (2016). Human capital in social and commercial entrepreneurship. *Journal of Business Venturing*, 31(4), 449–467.
- Estrin, S., Mickiewicz, T., Stephan, U., & Wright, M. (2018). Entrepreneurship in Emerging Markets. In R. Grosse & K. E. Meyer (Eds.), *The Oxford Handbook of Management in Emerging Markets* (pp. 23–39). Oxford University Press.
- Fainshmidt, S., Judge, W. Q., Aguilera, R. V., & Smith, A. (2018). Varieties of institutional systems: A contextual taxonomy of understudied countries. *Journal of World Business*, 53(3), 307–322.
- Fainshmidt, S., Smith, A. W., & Aguilera, R. V. (2022). Where do born globals come from? A neoconfigurational institutional theory. *Organization Science*, 33(4), 1251–1272.
- Felin, T., Foss, N. J., & Ployhart, R. E. (2015). The microfoundations movement in strategy and organization theory. *The Academy of Management Annals*, 9(1), 575–632.
- Fritsch, M., & Storey, D. J. (2014). Entrepreneurship in a regional context: Historical roots, recent developments and future challenges. *Regional Studies*, 48(6), 939–954.
- Fu, J. S., & Yan, S. P. (2024). How do new forms of organizations manage institutional voids? Social Enterprises' Quest for Sociopolitical Legitimacy. *Business & Society*. <https://doi.org/10.1177/00076503241274029>
- Fuentelsaz, L., González, C., & González, M. (2025). Speed of pro-market reforms and entrepreneurial innovation. *Small Business Economics*, 64(4), 1849–1876.
- Fukuyama, F. (2001). Social capital, civil society and development. *Third World Quarterly*, 22(1), 7–20.
- Fumagalli, E., Pinna Pintor, M., & Suhrcke, M. (2024). The impact of health on economic growth: A narrative literature review. *Health Policy*, 143, Article 105039.
- Gelfand, M. J., Gavrillets, S., & Nunn, N. (2024). Norm dynamics: Interdisciplinary perspectives on social norm emergence, persistence, and change. *Annual Review of Psychology*, 75, 341–378.
- Gelfand, M. J., Raver, J. L., Nishii, L., Leslie, L. M., Lun, J., Lim, B. C., Duan, L., Almaliach, A., Ang, S., Arnadottir, J., Aycan, Z., Boehnke, K., Boski, P., Cabecinhas, R., Chan, D., Chhokar, J., D'Amato, A., Ferrer, M., Fischlmayr, I. C., & Yamaguchi, S. (2011). Differences between tight and loose cultures: A 33-nation study. *Science*, 332(6033), 1100–1104.
- Gimenez-Jimenez, D., Edelman, L. F., Dawson, A., & Calabrò, A. (2022). Women entrepreneurs' progress in the venturing process: The impact of risk aversion and culture. *Small Business Economics*, 58(2), 1091–1111.
- Grant, A. M., & Berry, J. W. (2011). The necessity of others is the mother of invention: Intrinsic and prosocial motivations, perspective taking, and creativity. *Academy of Management Journal*, 54(1), 73–96.
- Hall, P. A. (2018). Varieties of capitalism in light of the euro crisis. *Journal of European Public Policy*, 25(1), 7–30.
- Hall, P. A., & Soskice, D. (2001). An Introduction to Varieties of Capitalism. In P. A. Hall, D. Soskice, P. A. Hall, & D. Soskice (Eds.), *Varieties of capitalism: The institutional foundations of comparative advantage* (pp. 1–68). Oxford University Press.
- Hechavarria, D. M. (2016). The impact of culture on national prevalence rates of social and commercial entrepreneurship. *International Entrepreneurship and Management Journal*, 12(4), 1025–1052.
- Hechavarria, D. M., & Reynolds, P. D. (2009). Cultural norms & business start-ups: The impact of national values on opportunity and necessity entrepreneurs. *International Entrepreneurship and Management Journal*, 5(4), 417–437.



- Hechavarría, D. M., Terjesen, S. A., Ingram, A. E., Renko, M., Justo, R., & Elam, A. (2017). Taking care of business: The impact of culture and gender on entrepreneurs' blended value creation goals. *Small Business Economics*, 48(1), 225–257.
- Helliwell, J. F., & Wang, S. (2011). Trust & wellbeing. *International Journal of Wellbeing*, 1, 42–78.
- Helmke, G., & Levitsky, S. (2004). Informal institutions and comparative politics: A research agenda. *Perspectives on Politics*, 2(04), 725–740.
- Heucher, K., Alt, E., Soderstrom, S., Scully, M., & Glavas, A. (2024). Catalyzing action on social and environmental challenges: An integrative review of insider social change agents. *Academy of Management Annals*, 18(1), 295–347.
- Heyes, J., Lewis, P., & Clark, I. (2012). Varieties of capitalism, neoliberalism and the economic crisis of 2008–? *Industrial Relations Journal*, 43(3), 222–241.
- Holmes, R. M., Miller, T., Hitt, M. A., & Salmador, M. P. (2013). The interrelationships among informal institutions, formal institutions, and inward foreign direct investment. *Journal of Management*, 39(2), 531–566.
- Hoogendoorn, B. (2016). The prevalence and determinants of social entrepreneurship at the macro level. *Journal of Small Business Management*, 54(S1), 278–296.
- Hoogendoorn, B., Uhlener, L., van der Zwan, P., & Stephan, U. (2024). Entrepreneurship, age, and social value creation: A constraint-based individual perspective. *Journal of Small Business Management*, 62(3), 1286–1322.
- Hopp, C., & Stephan, U. (2012). The influence of socio-cultural environments on the performance of nascent entrepreneurs: Community culture, motivation, self-efficacy and start-up success. *Entrepreneurship & Regional Development*, 24(9–10), 917–945.
- House, R. J., Hanges, P. J., Javidan, M., Dorfman, P. W., & Gupta, V. (2004). *Culture, leadership, and organizations: The GLOBE study of 62 societies*. Sage.
- Huysentruyt, M., Mair, J., Le Coq, C., Rimac, T., & Stephan, U. (2016). *A first cross-country analysis and profiling of social enterprises prepared by the SEFORIS research consortium*. Seforis.
- Huysentruyt, M., Mair, J., & Stephan, U. (2016). Market-oriented and mission-focused: Social enterprises around the globe. *Stanford Social Innovation Review*. <https://tinyurl.com/4km48fnj>
- Inglehart, R. (1997). *Modernization and postmodernization: Cultural, economic, and political change in 43 societies*. Cambridge University Press.
- Jackson, G., & Deeg, R. (2019). Comparing capitalisms and taking institutional context seriously. *Journal of International Business Studies*, 50(1), 4–19.
- Javidan, M., House, R. J., Dorfman, P., Hanges, P. J., & Sully De Luque, M. (2006). Conceptualizing and measuring cultures and their consequences: A comparative review of GLOBE's and Hofstede's approaches. *Journal of International Business Studies*, 37(6), 897–914.
- Kimmitt, J., Mandakovic, V., & Muñoz, P. (2022). Social problem scale, public investment and social entrepreneurship action. *International Journal of Entrepreneurial Behavior & Research*, 28(6), 1391–1413.
- Kirkman, B. L., Lowe, K. B., & Gibson, C. B. (2017). A retrospective on culture's consequences: The 35-year journey. *Journal of International Business Studies*, 48(1), 12–29.
- Kistruck, G. M., Webb, J. W., Sutter, C. J., & Bailey, A. V. G. (2015). The double-edged sword of legitimacy in base-of-the-pyramid markets. *Journal of Business Venturing*, 30(3), 436–451.
- Kleinhempel, J., Beugelsdijk, S., & Klasing, M. J. (2022). The changing role of social capital during the venture creation process: A multilevel study. *Entrepreneurship Theory and Practice*, 46(2), 297–330.
- Koehne, F., Woodward, R., & Honig, B. (2022). The potentials and perils of prosocial power: Transnational social entrepreneurship dynamics in vulnerable places. *Journal of Business Venturing*, 37(4), Article 106206.
- Kroeger, A., & Weber, C. (2014). Developing a conceptual framework for comparing social value creation. *Academy of Management Review*, 39(4), 513–540.
- Laskovaia, A., Shirokova, G., & Morris, M. H. (2017). National culture, effectuation, and new venture performance: global evidence from student entrepreneurs. *Small Business Economics*, 1–23.
- Lee, C. K., Simmons, S. A., Amezcua, A., Lee, J. Y., & Lumpkin, G. T. (2020). Moderating effects of informal institutions on social entrepreneurship activity. *Journal of Social Entrepreneurship*. <https://doi.org/10.1080/19420676.2020.1782972>
- Li, X., & Bosma, N. (2025). Institutional theory in social entrepreneurship: A review and consideration of ethics. *Journal of Business Ethics*, 200, 529–556.
- Liebrechts, W. J., Rigtering, J. P. C., & Bosma, N. S. (2025). Uncertainty avoidance and the allocation of entrepreneurial activity across entrepreneurship and intrapreneurship. *Entrepreneurship Theory & Practice*, 49(3), 883–915.
- Lumpkin, G. T., Bacq, S., & Pidduck, R. J. (2018). Where change happens: Community-level phenomena in social entrepreneurship research. *Journal of Small Business Management*, 56(1), 24–50.
- Mair, J., & Marti, I. (2006). Social entrepreneurship research: A source of explanation, prediction, and delight. *Journal of World Business*, 41(1), 36–44.
- Mair, J., & Marti, I. (2009). Entrepreneurship in and around institutional voids: A case study from Bangladesh. *Journal of Business Venturing*, 24(5), 419–435.
- Mair, J., Marti, I., & Ventresca, M. J. (2012). Building inclusive markets in rural Bangladesh: How intermediaries work institutional voids. *Academy of Management Journal*, 55(4), 819–850.
- Mair, J., & Rathert, N. (2021). Alternative organizing with social purpose: Revisiting institutional analysis of market-based activity. *Socio-Economic Review*, 19(2), 817–836.
- Mair, J., Wolf, M., & Seelos, C. (2016). Scaffolding: A process of transforming patterns of inequality in small-scale societies. *Academy of Management Journal*, 59(6), 2021–2044.
- Mazzucato, M. (2015). *The entrepreneurial state: De-bunking public vs private sector myths*. Public Affairs.
- Mickiewicz, T., Stephan, U., & Shami, M. (2021). The consequences of short-term institutional change in the rule of law for entrepreneurship. *Global Strategy Journal*, 11(4), 709–739.
- Minbaeva, D., Ledeneva, A., Muratbekova-Touron, M., & Horak, S. (2023). Explaining the persistence of informal institutions: The role of informal networks. *Academy of Management Review*, 48(3), 556–574.
- Norenzayan, A. (2013). *Big gods: How religion transformed cooperation and conflict*. Princeton University Press.
- North, D. C. (1991). Institutions. *Journal of Economic Perspectives*, 5(1), 97–112.
- Palepu, K. G., & Khanna, T. (1998). Institutional voids and policy challenges in emerging markets. *Brown Journal of World Affairs*, 5(1), 71–78.
- Ragin, C. C. (2009). Qualitative comparative analysis using fuzzy sets (fsQCA). *Configurational Comparative Methods*, 87–121.
- Rendall, J., Curtin, M., Roy, M. J., & Teasdale, S. (2022). Relationships between community-led mutual aid groups and the state during the COVID-19 pandemic: complementary, supplementary, or adversarial? *Public Management Review*, 1–21.
- Reuber, A. R., Knight, G. A., Liesch, P. W., & Zhou, L. (2018). International entrepreneurship: The pursuit of entrepreneurial opportunities across national borders. *Journal of International Business Studies*, 49(4), 395–406.



- Reuber, A. R. & Fischer, E. (in press). Looking Beyond Institutional Influences on Social Entrepreneurs: Key Issues and an Agenda for Future IB Research on Social Venture Impact. *Journal of International Business Studies*. <https://doi.org/10.1057/s41267-025-00819-6>
- Rietveld, C. A., & Hoogendoorn, B. (2022). The mediating role of values in the relationship between religion and entrepreneurship. *Small Business Economics*, 58(3), 1309–1335.
- Roosma, F., van Oorschot, W., & Gelissen, J. (2014). The preferred role and perceived performance of the welfare state: European welfare attitudes from a multidimensional perspective. *Social Science Research*, 44(400), 200–210.
- Rothstein, B. (1998). *Just institutions matter: The moral and political logic of the universal welfare state*. Cambridge University Press.
- Samharya, R. B., & Goll, I. (2024). The moderating effects of national cultural practices on the relationship between international diversification strategies and corporate environmental responsibility disclosures. *Long Range Planning*, 57(5), Article 102465.
- Santangelo, G., Phene, A., Coviello, N., Tung, R. L., & Felin, T. (2025). Microfoundations as a toolkit for international business research. *Journal of International Business Studies*, 56(6), 681–690.
- Schade, P., & Schuhmacher, M. C. (2022). Digital infrastructure and entrepreneurial action-formation: A multilevel study. *Journal of Business Venturing*, 37(5), Article 106232.
- Schwartz, S. H. (2006). A theory of cultural value orientations: Explanation and applications. *Comparative Sociology*, 5(2), 137–182.
- Schwartz, S. H., & Bardi, A. (1997). Influences of adaptation to Communist Rule on value priorities in Eastern Europe. *Political Psychology*, 18(2), 385–410.
- Scott, W. R. (2001). *Institutions and organizations* (2nd ed). Sage Publications.
- Seelos, C., Mair, J., Battilana, J., & Dacin, M. T. (2011). The Embeddedness of Social Entrepreneurship: Understanding Variation across Local Communities. In *Communities and Organizations* (Vol. 33, pp. 333–363). Emerald Group Publishing Limited.
- Selenko, E., Schilbach, M., Brieger, S. A., Van Hootegem, A., & De Witte, H. (2025). The political consequences of work: An integrative review. *Journal of Management*, 51(6), 2355–2388.
- Shui, X., Korosteleva, J., & Nguyen, B. (2025). From green to growth: The effect of Go Green on entrepreneurial growth aspirations. *Journal of Business Venturing*, 40(4), Article 106494.
- Skocpol, T. (2008). Bringing the state back in : Retrospect and prospect. *Scandinavian Political Studies*, 31(2), 109–124.
- Stam, E., & van de Ven, A. (2021). Entrepreneurial ecosystem elements. *Small Business Economics*, 56(2), 809–832.
- Stephan, U. (2018). Entrepreneurs' mental health and well-being: A review and research agenda. *Academy of Management Perspectives*, 32(3), 290–322.
- Stephan, U. (2022). Cross-cultural innovation and entrepreneurship. *Annual Review of Organizational Psychology and Organizational Behavior*, 9(1), 277–308.
- Stephan, U., Andries, P., & Daou, A. (2019). Goal multiplicity and innovation: How Social and Economic Goals Affect Open Innovation and Innovation Performance. *Journal of Product Innovation Management*, 36(6), 721–743.
- Stephan, U., & Drencheva, A. (2017). The Person in Social Entrepreneurship. In G. Ahmetoglu, T. Chamorro-Premuzic, B. Klinger, & T. Karcisky (Eds.), *The Wiley Handbook of Entrepreneurship* (pp. 205–229). John Wiley & Sons Ltd.
- Stephan, U., Patterson, M., Kelly, C., & Mair, J. (2016). Organizations driving positive social change: A review and an integrative framework of change processes. *Journal of Management*, 42(5), 1250–1281.
- Stephan, U., Rauch, A., & Hatak, I. (2023). Happy entrepreneurs? Everywhere? A meta-analysis of entrepreneurship and wellbeing. *Entrepreneurship Theory and Practice*, 47(2), 553–593.
- Stephan, U., & Uhlaner, L. M. (2010). Performance-based vs socially supportive culture: A cross-national study of descriptive norms and entrepreneurship. *Journal of International Business Studies*, 41(8), 1347–1364.
- Stephan, U., Uhlaner, L. M., & Stride, C. (2015). Institutions and social entrepreneurship: The role of institutional voids, institutional support, and institutional configurations. *Journal of International Business Studies*, 46(3), 308–331.
- Sutter, C., Bruton, G. D., & Chen, J. (2019). Entrepreneurship as a solution to extreme poverty: A review and future research directions. *Journal of Business Venturing*, 34(1), 197–214.
- Tantawy, A. A., Amankwah-Amoah, J., & Puthuserry, P. (2025). Institutional voids and new venture performance: The moderating role of founders' political ties. *European Management Review*, 22(2), 334–351.
- Teasdale, S., Bellazzecca, E., de Bruin, A., & Roy, M. J. (2023). The (R)evolution of the social entrepreneurship concept: A critical historical review. *Nonprofit and Voluntary Sector Quarterly*, 52(Supplement), 212S–240S.
- Terjesen, S., Bosma, N., & Stam, E. (2016). Advancing public policy for high-growth, female, and social entrepreneurs. *Public Administration Review*, 76(2), 230–239.
- Thai, M. T. T., & Turkina, E. (2014). Macro-level determinants of formal entrepreneurship versus informal entrepreneurship. *Journal of Business Venturing*, 29(4), 490–510.
- Tung, R. L. (2008). The cross-cultural research imperative: The need to balance cross-national and intra-national diversity. *Journal of International Business Studies*, 39(1), 41–46.
- Turker, D., & Vural, C. A. (2017). Embedding social innovation process into the institutional context: Voids or supports. *Technological Forecasting and Social Change*, 119, 98–113.
- Uhlaner, L., & Thurik, R. (2007). Postmaterialism influencing total entrepreneurial activity across nations. *Journal of Evolutionary Economics*, 17(2), 161–185.
- van den Bos, K. (2020). Unfairness and radicalization. *Annual Review of Psychology*, 71, 563–588.
- Vedula, S., Doblinger, C., Pacheco, D., York, J. G., Bacq, S., Russo, M. V., & Dean, T. J. (2022). Entrepreneurship for the public good: A review, critique, and path forward for social and environmental entrepreneurship research. *Academy of Management Annals*, 16(1), 391–425.
- Vickers, I., Lyon, F., Sepulveda, L., & McMullin, C. (2017). Public service innovation and multiple institutional logics: The case of hybrid social enterprise providers of health and wellbeing. *Research Policy*, 46(10), 1755–1768.
- Wach, D., Stephan, U., & Gorgievski, M. (2016). More than money: Developing an integrative multi-factorial measure of entrepreneurial success. *International Small Business Journal*, 34(8), 1098–1121.
- Wang, L., & Li, S. (2025). Is corporate social responsibility a must or a plus? The role of national culture. *International Review of Economics & Finance*, 101(104181), 1.
- Webb, J. W., Khoury, T. A., & Hitt, M. A. (2019). The influence of formal and informal institutional voids on entrepreneurship. *Entrepreneurship Theory and Practice*, 44(3), 504–526.
- Whitley, R. (1994). Dominant forms of economic organization in market economies. *Organization Studies*, 15(2), 153–182.
- Williamson, O. E. (2000). The new institutional economics: Taking stock, looking ahead. *Journal of Economic Literature*, 38(3), 595–613.
- Wilson, M. S. (2005). A social-value analysis of postmaterialism. *Journal of Social Psychology*, 145(2), 209–224.
- Witt, M. A., & Redding, G. (2013). Asian business systems: Institutional comparison, clusters and implications for varieties of capitalism and business systems theory. *Socio-Economic Review*, 11(2), 265–300.



- Woolcock, M., & Narayan, D. (2000). Social capital: Implications for development theory, research, and policy. *World Bank Research Observer*, 15(2), 225–249.
- Wry, T., & Zhao, E. Y. (2018). Taking trade-offs seriously: Examining the contextually contingent relationship between social outreach intensity and financial sustainability in global microfinance. *Organization Science*, 29(3), 507–528.
- Young, S. L., Welter, C., & Conger, M. (2018). Stability vs. flexibility: The effect of regulatory institutions on opportunity type. *Journal of International Business Studies*, 49(4), 407–441.
- Zahra, S. A., Gedajlovic, E., Neubaum, D. O., & Shulman, J. M. (2009). A typology of social entrepreneurs: Motives, search processes and ethical challenges. *Journal of Business Venturing*, 24(5), 519–532.
- Zahra, S. A., Newey, L. R., & Li, Y. (2014). On the frontiers: The implications of social entrepreneurship for international entrepreneurship. *Entrepreneurship Theory and Practice*, 38(1), 137–158.
- Zhang, H., Tian, Y., Lei, B., Yu, S., & Liu, M. (2015). Personal relative deprivation boosts materialism. *Basic and Applied Social Psychology*, 37(5), 247–259.
- Zhao, E. Y., & Lounsbury, M. (2016). An institutional logics approach to social entrepreneurship: Market logic, religious diversity, and resource acquisition by microfinance organizations. *Journal of Business Venturing*, 31(6), 643–662.

Publisher's Note Springer Nature remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.

Ute Stephan is Professor of Entrepreneurship at King's College London, UK. Her research spans entrepreneurship, international business and applied psychology. She publishes in the top journals in these fields and in top management journals. Ute is a fellow of the International Association of Applied Psychology, a 21st Century Entrepreneurship Research Fellow, Associate Editor at *Journal of Management* and at *Entrepreneurship Theory & Practice* (email: Ute.Stephan@kcl.ac.uk).

Lorraine M. Uhlaner, Ph.D., is Associate Professor, at the Centre for Family Business Department of Strategy, Prague University of Economics and Business in the Czech Republic and Professor Emeritus, Eastern Michigan University, in the USA. Her research spans entrepreneurship/SME and family business topics, including innovation, knowledge management, corporate and family governance, comparative entrepreneurship, and social entrepreneurship (email: Lorraine.uhlaner@vse.cz).

Christopher Stride is the statistician at the Institute of Work Psychology, which is based within Sheffield University Management School. He has published across a wide range of social science disciplines, with occasional forays into pure science and arts/humanities. Current research interests include the use of non-linear mixed models for changes in well-being, and in modelling changes in reaction times of newly-qualified drivers (email: c.b.stride@sheffield.ac.uk).

